

**BOARD OF ESTIMATE AND TAXATION**  
**Audit Committee Minutes**  
**Thursday, May 9, 2013 – 8:00 A.M.**  
**Gisborne Conference Room**

Present:

Committee: Arthur Norton, Chairman  
Gregory Bedrosian, Robert Brady, Sean Goldrick

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director of Risk Management;  
Pat Maranan, Internal Auditor; Scott Bassett, CPA, Partner, McGladrey &  
Pullen; Jennifer Mazzuocolo, Manager, McGladrey & Pullen; Paul  
Sabetta, Manager, McGladrey & Pullen; Bob Horton, Reporter, Greenwich  
Time (*without press identification*)

The meeting was called to order at 8:06 A.M.

**1. Approve Minutes of Audit Committee Meeting**

Mr. Goldrick made a motion to amend, which the Chair ruled out of order and no second was made. A Committee discussion followed addressing Mr. Goldrick's objections.

Upon a motion by Mr. Bedrosian, seconded by Mr. Brady, the Committee voted 3  
to 1 to approve the April 11, 2013 Meeting Minutes.

**2. Risk Management Report**

• **Hurricane Sandy Update – Expenditure/Reimbursement Update**

Mr. Lalli distributed a *Sworn Statement in Proof of Loss* of an advance of \$800,000 (eight hundred thousand dollars), which the Town will receive from the Lexington Insurance Company. He stated that final walk-throughs were completed at Great Captain's Island and Island Beach.

Mr. Lalli reported that minor items are still to come from DPW and that the real property claims are almost completed. Mr. Brady questioned the status of work by Parks and Recreation at the beaches and finding of those costs. Mr. Lalli responded that a June 6<sup>th</sup> opening is planned for Island Beach and Great Captains Island.

Mr. Lalli explained concerns considering the upcoming insurance renewals. Property coverage needs better definition ex. seawalls, piers, trees at the gold course, payroll, overtime, etc. He stated that all the renewal questionnaires have been completed and that quotes should start to be received. Mr. Brady noted that property preventative measures need to be examined going forward, with regard to new construction or rehabilitation. Mr. Lalli added that coverage costs will probably increase for both general liability and property coverage.

Mr. Lalli presented the GPS Speeding Violation spreadsheet. After meeting with the Safety Council with the results, department heads were contacted for corrective action. Mr. Lalli said that this process will eventually need to be covered by policy to govern – the data produced by GPS. He noted that the criteria, for personnel action has not been established, and that creation of such a policy will take time as the parameters for what constitutes a violation need to be established. He noted that such a policy will be under the review of the Town Safety Council.

Mr. Lalli stated that the Permit to Drive List has been completed; Risk Management has participated in five employee safety audits, including GHS, and that the property inspections will resume July 2013.

### **3. Internal Audit Report**

- **Fire Marshal Audit Update**

Mr. Lalli expressed that it was improper for him to address issues concerning the Fire Marshal's Office as he has not yet discussed a formal report with the GFD. He noted that one non-audit observations he will include in the report is the lack of computer technical skills at the GFD needed to operate the sophisticated processing and database software used in the Fire Marshal's Office. He noted that Ms. Maranan created an Excel database to establish a baseline of properties to be inspected. He noted that cooperation from the GFD was exceptional.

- **Selectman's Harbor Management Advisory Committee Audit**

Ms. Maranan began the internal audit, working with Penny Moynihan from the First Selectman's Office. Mr. Lalli noted that documentation for some of the years under audit review might be difficult to find but that he could not state this with certainty at this time as field work has just started.

Mr. Lalli stated that the BOE has requested that he provide audit services for a review internal control processes at various BOE locations. He requested that the Audit Committee approve this new audit project so Internal Audit can interview all the necessary employees before the end of the school year.

#### **Executive Session:**

Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 4-0 to enter into Executive Session at 9:29 A.M. to discuss a request by the BOE for a cash flow audit.

The Committee voted 4-0 to leave Executive Session at 9:39 A.M.

Upon a motion by Mr. Bedrosian, seconded by Mr. Brady, the Committee voted 4-0 to recommend the internal audit of the BOE internal control cash handling process.

### **4. Accounts Receivable Update**

Mr. Mynarski detailed his report which contained three material outstanding receivable categories.

- As of April 15, 2013 delinquent personal property taxes, going back fifteen years, totaled \$7,031,876 (seven million, thirty one thousand, eight hundred seventy six dollars). This amount includes \$2,876,321 (two million, eight hundred seventy six thousand, three hundred twenty one dollars) in personal property taxes on businesses and \$4,155,555 (four million, one hundred fifty five thousand, five hundred fifty five dollars) in motor vehicles taxes. Mr. Mynarski remarked that a good collection process is in place.
- Outstanding unpaid parking tickets, as of April 3, 2013, totaled 51,023 (fifty one thousand twenty three) with a value of \$995,021(nine hundred ninety five thousand, twenty one dollars). Factoring in penalties, the amount increases to \$2,169,536 (two million, one hundred sixty nine thousand, five hundred thirty six dollars). Mr. Mynarski stated that there is a good collection rate, about \$1,200,000 (one million, two hundred thousand dollars).

- Outstanding false alarm delinquencies equal approximately \$85,405 (eighty five thousand, four hundred five dollars), going back seven years. Mr. Mynarski called attention to the multi-step collection process used by the Alarms Administrator.

Mr. Goldrick requested Mr. Mynarski to compare the TOG collection rates with other communities in Fairfield County for the next meeting.

#### **5. Old Business**

Mr. Bedrosian suggested inviting Mr. Chip Haslun, Esq., Member Greenwich Library Board to attend the June meeting and for Mr. Norton to ask Mr. Eugene McLaughlin, Jr. Esq, Assistant Town Attorney when a draft of the Greenwich Library Funding Agreement would be available. Mr. Norton said this item will be on the June agenda and that John Wayne Fox, Town Attorney, will be attending.

#### **6. Items for Future BET Audit Committee Meetings**

No items were discussed.

#### **7. Adjournment**

Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 4 to 0 to adjourn the meeting at 9:56 A.M.

SUBJECT TO APPROVAL

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Arthur D. Norton, BET Audit Committee Chairman

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Elaine JV Brown, Recording Secretary