

BOARD OF ESTIMATE AND TAXATION
Audit Committee Special Meeting Minutes
Thursday, November 8, 2012 – 8:00 A.M.
Gisborne Conference Room

Present:

Committee: Arthur Norton, Chairman
Robert Brady (via telephone), Sean Goldrick, Gregory Bedrosian

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Risk Manager; Patricia Maranan,
Internal Auditor

The meeting was called to order at 8:17A.M.

1. Approval of Minutes BET Audit Committee Meeting October 11, 2012

Upon a motion by Mr. Bedrosian, seconded by Mr. Goldrick, the Committee voted 4 - 0 to approve the amended October 11, 2012 Minutes.

2. Internal Audit Report

• **Documentation of the Police Department Vendor Permit Process**

Mr. Lalli reported that he and Pat Maranan had been working full time to compile damage estimates for insurance reimbursements.

Due to a reassignment of their job priorities, Mr. Lalli stated that he did not have a completed report or any handouts on the Police Department Vendor Permit Process. However, Mr. Lalli advised the Committee on the status of the report.

They reviewed 71 permits for fiscal 2011 and 2012. He told the Committee that the permits were broken down into three categories: vendor license permits, temporary liquor permits and solicitation permits. Mr. Lalli explained that the Police Department does background checks on the permittees. He explained that the permitting process could involve several departments depending on the type of application. Mr. Lalli informed the Committee that preliminarily there are three major findings. The first finding that 13 out of 32 permits tested in category #1 had no evidence of insurance. He explained that the Town Charter requires general liability insurance of \$500,000. The second major finding was that the process does not require that insurance documents be obtained from applicants. A third finding was that Health Department signoffs for street food vendors was not matched to the applicant before a permit is issued. He noted that the Health Department had inspected all permits except one during this period but reemphasized that the process needed this signoff as a requirement. He stated that a formal audit report would be forwarded to the Committee before the December meeting.

• **Fire Marshal Audit Update**

Mr. Lalli reported that the Fire Marshal Audit was scheduled to begin the day Hurricane Sandy hit the Town of Greenwich. The Fire Marshal Office was summoned to assist covering a major fire and it was not available to participate due to this higher priority. Secondly, the Risk Manager and Internal Auditor were dispatched to compile storm related costs for the insurance carriers. Mr. Lalli told the Committee that the Fire Marshal Audit would commence the first week of December 2012.

3. Risk Management Report

- **Tools for Schools Report**

Ms. Maranan reported that a walk-through was conducted at Julian Curtis School on October 25, 2012. The team had five members including herself, Erica Mahoney, Workers' Compensation Administrator and Ron Matten, BOE Facilities Director. Nine work orders are currently open and follow ups are being conducted by the Assistant Principal and BOE Facilities Director. This is a Tools for Schools objective.

- **Hurricane Sandy Update**

Mr. Lalli briefed the Committee on the work that he and Ms. Maranan were performing as a follow up to the storm with their efforts to document reimbursable costs. Mr. Lalli showed the Committee a photograph compilation of damage trees that will be submitted for reimbursement.

- **Greenwich Library Insurance Coverage**

Mr. Lalli explained that his appointment with the Director of the Greenwich Library about consolidating the placement of insurance under Risk Management was cancelled due to Hurricane Sandy. He would report to the Committee at a future date, estimated at the January meeting.

4. Greenwich High School – Remediation Update

Mr. Mynarski stated that there has not been any change since the October report.

5. Greenwich Library Funding Policy

Mr. Norton announced that he, Mr. Tesei and three members of the Library Board met to discuss the revised policy the prior day, in the First Selectman's Office. He continued that Greenwich Library will present the agreement to their Board. The Audit Committee will then reconvene with the Library Board members at a workshop session on Thursday, October 29, 2012 at Greenwich Library, to discuss.

Mr. Goldrick requested that the Assistant Town Attorney's comments in writing regarding the revised agreement. Mr. Brady asked if the Perrot Library had been invited to participate in the workshop. Mr. Bedrosian agreed that the workshop should improve dialogue and funding perception. Mr. Mynarski added that Mr. Gieger will be attending the workshop also.

6. BerryDunn IT Study Update

Mr. Brady, in an email to the Committee members, stated that he will be meeting with BerryDunn on Friday, November 16, 2012 to hear analysis and initial recommendations. Mr. Norton questioned if a timeframe has been set. Mr. Brady replied that no time frame has been neither set, nor estimated costs submitted.

7. Fiscal June 30, 2012 External Audit Update

Mr. Norton expressed his concern that McGladrey & Pullen has not submitted the draft of the Fiscal 2012 Audit, since the Audit Committee will present the final audit to the full BET in December. Mr. Mynarski stated that he requested Scott Bassett, Partner, McGladrey & Pullen to submit the draft in the next ten days. The Audit Committee will have the opportunity to review the draft and formulate questions at the conclusion of the Greenwich Library Funding Policy Workshop set for Thursday, November 29, 2012. Mr. Lalli added that so far he has not seen any major findings discovered by McGladrey & Pullen.

8. Old Business Item Review

Mr. Goldrick requested the status of the language revision of the Purchasing Policy. Mr. Norton stated that he is still waiting for Ms. Sullivan to submit the finalized version.

Mr. Goldrick questioned the motive for the prior Channel 79 Audit, performed by Mr. Lalli. He replied that the audit was requested by the Office of the First Selectman to analyze the procurement process in place. As a result of the audit recommendations a fixed asset tagging system has been initiated for all equipment used in the GCTV effort and periodic record audits will be conducted.

9. Items for future BET Audit Committee Meetings

Mr. Lalli stated that the Management review and Audit Plan has to be reviewed and that an updated plan will be submitted at the January 10, 2013 BET Audit Committee Meeting.

10. Adjournment

Upon a motion by Mr. Goldrick, seconded by Mr. Bedrosian, the Committee voted 4 - 0 to adjourn the meeting at 10:04 A.M.

Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary

SUBJECT TO APPROVAL