TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION AUDIT COMMITTEE
SPECIAL MEETING

Purchasing Department Conference Room
    Thursday
    June 22, 2006

Present:
    Committee: Robert S. Stone, Chairman
                Jim Himes, Leslie Tarkington, Larry Simon

    Attendees: Peter Mynarski, Comptroller (arrived at 8:15 A.M.), Joan Sullivan,
               Director of Purchasing, Ron Lalli, Internal Auditor, Chris DeMeo,
               Director of Risk Management

The meeting was called to order at 8:05 A.M.

The Committee discussed the June 20, 2006 memo written by Chris DeMeo, Risk
Manager including its disclosure that McGladrey and Pullen, in a letter dated June 16,
2006, stated that it couldn’t represent that Professional Liability insurance coverage will
be continually renewed for three years after their audit assignment has been completed.
This letter informed the Town of a change and reduction from the insurance
documentation provided to the Town in a letter dated March 15, 2006.

With a claims made policy (which is the type of policy acceptable required by the RFP
and the type provided), a claim must be made during the policy period. This is why the
Town asks for it to remain in effect for three years after the work is completed. In this
case, McGladrey and Pullen has stated in their June 16, 2006 letter to Purchasing that
they cannot give assurance that their policy will continually be renewed for the
subsequent three years.

Mr. DeMeo noted that McGladrey and Pullen have provided to the Town of Greenwich
insurance certificates with $25 million dollars of Professional Liability coverage for the
period of July 1, 2005 through July 1, 2006. Mr. DeMeo and Joan Sullivan,
Director of Purchasing and Administrative Services, noted that the Town is currently
requesting, from McGladrey and Pullen, a certificate of insurance for the same coverage
for the period of July 1, 2006 through June 30, 2007. Mr. DeMeo highlighted that
this certificate required also indicates General Liability insurance of $10 million dollars; at a disclosed $2 million dollars an per occurrence and $10 million aggregate coverage and Excess Liability coverage of $ 5 million dollars in umbrella form for this the period May 1, 2006 through May 1, 2007.

Leslie Tarkington made a motion and Jim Himes seconded, to recommend the Town not execute the engagement letter between the Town of Greenwich and the accounting firm of McGladrey and Pullen, at least, until the full BET has been advised of Professional Liability insurance coverage for future periods and the Audit Committee and the full BET has approved (waived) the same. The motion passed by a vote of 4 to 0.

Larry Simon made a motion and Jim Himes seconded, to make a recommendation that the Town execute the current contract with the Professional Liability coverage as recently outlined by M & P. After further discussions, the motion failed 0 – 1 – 3 (R. Stone voting “no”, three abstentions).

The Committee requested that Peter Mynarski, Comptroller, research facts for why McGladrey and Pullen changed its policy from the letter dated March 15 to the one dated June 16 which was more limiting as to the required insurance coverage or data available for any major pending lawsuits against McGladrey and Pullen. Mr. Mynarski agreed to this proposal and indicated that he would report back to the Committee.

Joan Sullivan will be pursuing the dialogue with M & P concerning the insurance issue. On a motion by Larry Simon and seconded by Jim Himes, the meeting adjourned at 9:10 A.M on a vote of 4 to 0.