



**TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION**

AUDIT COMMITTEE MEETING

**Monday, April 18, 2022 – 9:00 A.M.
Mazza Room**

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of March 9, 2022
2. Internal Audit
 - Department of Public Works Building Divisions Audit Update
 - Human Resources Health Insurance Administration Audit Update
 - Update on Upcoming Outsourced Internal Audits
3. Risk Management
 - None.
4. Old Business
 - Request for Proposal (RFP) for Auditing Services for Years Starting July 1, 2022
 - At Fault Accident Police Update
5. New Business
 - None
6. Items for future BET Audit Committee Meetings
 - Lessons Learned Regarding Legal Settlement
7. Adjournment

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

AUDIT COMMITTEE MEETING MINUTES

Wednesday, March 9, 2022

Webinar

Present

Committee: Michael Basham, Chairman; William Drake, Jeffrey S. Ramer, David Weisbrod

Staff: Megan Damato Esq., Risk Manager; James Heavey, Chief, Police Department; Michael Mason, Labor Relations Consultant; Peter Mynarski, Comptroller; Heather Smeriglio, Tax Collector; Maureen Tracy, Chief Accountant, Finance Department; Nataliya Yemets, Treasurer

BET: Dan Ozizmir, Chairman; Miriam Kreuzer, Leslie Moriarty, Leslie Tarkington

Guests: Lindsey Intrieri, Director West Hartford, Clifton Larson Allen LLP; Ronni Rausch, Area Senior Vice President, Gallagher Insurance; Laurence Simon, Chairman, The Nathaniel Witherell Board of Directors; Jeffrey Ziplow, Senior Partner, CliftonLarsonAllen

The meeting was called to order at 9:04 A.M.

Approval of the BET Audit Committee Meeting Minutes and new Agenda Item

Upon a motion by Mr. Drake, seconded by Mr. Weisbrod, to approve the Minutes of the BET Audit Committee Regular Meeting held on February 10, 2022, the Committee voted 4-0-0. Motion carried.

Upon a motion by Mr. Ramer, seconded by Mr. Weisbrod, to add the Tax Collector's Annual Report on delinquent taxes to the Agenda, the Committee voted 4-0-0. Motion Carried.

Tax Collector's Report on Delinquent Taxes

Ms. Smeriglio reported that 9 properties that collectively owed \$36,644.96 in past taxes and interest that have been on the delinquent tax rolls since 2006, should be foreclosed and be removed from the Tax and Grand List rolls as uncollectible. She said that these properties were small parcels that were non-conforming and not buildable and had little to no value to the owners or the Town. The Committee expressed concerns that foreclosure would make the properties a liability for the Town. Ms. Smeriglio agreed that there was no real value in these properties and the Town didn't need the liability exposure of ownership. It was decided to take no action on Ms. Smeriglio's report until the Tax Collector and the Assessor had reviewed the details of the property foreclosures to be able to make a final report to the BET. Ms. Smeriglio said she will be attending a municipal tax collectors conference during the March 24th BET meeting. Separately, she mentioned that the Town's current tax collection rate was estimated at 99.18%, which is one of the highest in the State.

Internal Audit

- **Review and Acceptance of Police Special Duty/Side Jobs Audit**

Mr. Ziplow gave an overview of the accounting process for Police Special Duty/Side Jobs, and Ms. Intriери discussed the audit findings and recommendations. Chief Heavy commented that all the recommendations were positive and would be implemented.

Upon a motion by Mr. Drake, seconded by Mr. Weisbrod, to accept the Police Special Duty/Side Job Audit. The Committee voted 4-0-0. Motion carried.

- **Department of Public Works Building Division Audit Update**

Mr. Ziplow commented that the Finance Department was unhappy with the 3-year customizing process of Municipality as a replacement for Cornerstone, the previous software the department was using. Ms. Yemets, the Treasurer reported that, among other concerns, permitting invoices were incomplete and online acceptance of credit card payment was unworkable. Various implementation issues are currently being addressed by a consultant. CLA testing is scheduled in two weeks and a draft report is anticipated in four to six weeks.

- **CliftonLarsonAllen LLP (CLA) Engagement Letter for Outsourced Audits**

The Committee reviewed the revised Engagement Letter presented by Mr. Mynarski with adjustments suggested by the Committee at the previous Audit Committee meeting.

Upon a motion by Mr. Ramer, seconded by Mr. Basham, to approve the Engagement Letter, the Committee voted 4-0-0. Motion carried.

Risk Management

- **Insurance Market Updates and Renewal Timeline Presentation and Discussion**

Ms. Rausch characterized the current insurance market as having been very difficult from a cost perspective, but, excluding cybersecurity, most coverage areas seemed to be leveling off. She commented that Chubb's property policy had suffered several water damage losses in the previous two years and she would likely price Allied Public Risk Insurance and other companies in the general liability tower which might increase pricing as well. Ms. Rausch also distributed a budget estimate for FY2023 policies and a proposed timeline for renewals. The Committee asked what information would be needed to leverage costs of premiums going forward.

- **At Fault Accident Policy Update**

Ms. Damato commented that a meeting was scheduled with Attorney Aamina Ahmad of the Law Department next week to review the language of the draft At Fault Accident Policy.

Old Business

- **Request for Proposal (RFP) for Auditing Services for Years Starting July 1, 2022**

Mr. Mynarski commented that two responses to the RFP had been received and scored. The Committee can select the next Auditing Service in April after the Legal Department

reviews the responses. The topic will be rescheduled as Old Business for the next Audit Committee meeting for consideration before the BET's May meeting.

New Business

- **The Nathaniel Witherell Write Offs**

Mr. Simon explained that The Nathaniel Witherell (TNW) accrues \$135,000 annually in a reserve fund to cover uncollectible bills, and it currently has a \$500,000 loss reserve on its books. Over the last few years, no write offs have been made due to administrative changes and COVID limitations. Key drivers of write offs are billing errors, patient financial misrepresentations, poor record keeping during staff turnover, legal settlements for billing disputes and bad admission decisions. Losses are written off when they are deemed uncollectible, or are too small to pursue cost effectively.

Upon a motion by Mr. Weisbrod, seconded by Mr. Ramer, to approve \$442,000 of accrued write offs, the Committee voted 3-0-0. (Early departure: Drake)

The Committee discussed further software adjustment to TNW's Matrix system to make a more seamless match with the Town's MUNIS payment system. A new payment policy was proposed, accounts 90-days in arrears during a 180-day period, should be written off but collection should still be pursued.

Items for future BET Audit Committee Meetings

- "Lessons Learned" regarding Legal Settlements

Adjournment

Upon a motion by Mr. Ramer, seconded by Mr. Weisbrod, to adjourn the meeting at 11:30 AM, and the Committee voted 3-0-0. Motion carried.

Catherine Sidor, Recording Secretary

Michael Basham, Chairman, Audit Committee

The next meeting of the BET Audit Committee is scheduled for Monday, April 18, 2022 at 9:00 A.M. in the Mazza Conference Room.