The regular meeting was called to order at 8:00 A.M.

1. Approval of Minutes:
   - Audit Committee Meeting December 11, 2014
     Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Committee voted 4-0 to approve the December 11, 2014 Meeting Minutes.

2. Risk Management Report
   - Starr Insurance Loss Control and Risk Analysis Review
     The Town’s new general liability carrier Starr Insurance performed a review of the processes and policies utilized by the Law Department and Risk Management for handling claims against the Town. There was overall satisfaction with performance, no major weaknesses noted. This is Starr’s first year as the first primary layer of liability coverage for the Town. Their premiums were approximately $250,000 (two hundred fifty thousand dollars) lower than their nearest competitor. Starr agreed to hold the premium to a maximum 5% increase for Fiscal 2016. A recommendation to create Periodic Law Department Reports was compared to the current process used. The recommendation to keep CIRMA software reserves in sync with the Law Department will be addressed by quarterly comparative review with the Law Department. Mr. Lalli updated CIRMA software deleting closed cases.

     Mr. Lalli added that the main point from this review was not the details of the audit but the fact that there was nothing found that would put the Town’s policy with Starr in jeopardy. There is still much for Risk Management to do and that the review did not comment on these issues, the Town will be able to take advantage of this favorable policy for the remainder of Fiscal 2015 and Fiscal 2016.

   - FEMA Report Update
     Although departments are in complete cooperation, much of manpower has been expended to complete FEMA claims originally handled by the Office of the First Selectman’s Special Projects Manager. The first worksheet for $323,321 (three hundred twenty three thousand, three hundred twenty one dollars) has been submitted for Federal review with closing expected soon. The second worksheet for $177,530 (one hundred seventy seven thousand, five hundred thirty dollars) lacked previous documentation for State submission. Ms. Maranan expects completion in the next couple weeks. Documentation and investigation is still being conducted on three other projects that will be submitted to the State.
- **Update Cyber Liability Project**
  The Town’s AIG Cyber Liability coverage includes free firewall protection. Mr. Lalli delivered a state-of-the-art firewall protection product to IT offered by AIG. In December 2015 SkyCoal was delivered to IT. Mr. Lalli will find out who is the underlying vendor for this product, per Ms. Tarkington’s request.

- **Safety Reports - MISA Pedestrian Traffic & Greenwich Commons**
  One concern noted in the Safety Inspection Report by Frenkel & Company is pedestrian traffic at the high school, which the Committee agreed was a BOE school management issue, not MISA. BOE will address this issue since construction will exist until at least spring 2017. Mr. Norton requested a response from BOE by March 2015.

  The installation of brick pavers in Greenwich Commons was discussed after a review of Frenkel & Company’s comments. Ms. Tarkington mentioned that the use of brick pavers is contrary to the wishes of the Downtown Committee. Mr. Lalli stated that some contractors do have issues with their use, but the safety engineer who investigated for Risk Management opined that the material is safe and widely used. The engineer did strongly note that this material requires maintenance every 30 (thirty) days to inhibit mold growth to reduce the possibility of slips and falls.

- **Update on First Meeting of Motor Vehicle Accident Working Group**
  Mr. Lalli gave a verbal update of the new working group’s meeting held on December 17, 2014. As Chairman, with Princess Erfe, Community Development Administrator, as Vice Chairwoman the group will report directly to the First Selectman. Homework assignments, such as road tests, were delegated to attending departments (P&R, DPW, HR, and Fire). Mr. Lalli will report any resistance and/or progress to the Committee.

3. **Internal Audit Report**
   - **Overall Update on Internal Audit Cash Control Reviews**
     In February Ms. Maranan will report on the Health Department’s three areas of focus: Family, Laboratory and Environmental Services. She is awaiting a response from Family Health.

     The Tax Collector cash review will begin the last week of January. Mr. Mynarski will forward to the Committee the Tax Collector’s written response to the Management Letter.

4. **New Business**
   - **The Nathaniel Witherell Historic Tax Credit Audit Update**
     The Building Department and Fire Marshall have completed their participation in the Certificate of Occupancy. Mr. Norton is awaiting the response from Katie Blankley, Director P&Z/Town Planner for final approval to move forward with the Tax Credit.

     As the meeting was about to conclude Mr. Norton received an email from Ms. DeLuca, Director P&Z/Town Planner which he said he will forward to Allen Brown, Executive Director, Nathaniel Witherell.

5. **Old Business**
   - **Fiscal 2014 CAFR/Management Letter**
     Mr. Mynarski stated that Tod Laudonia, Tax Collector and Mary Pepe, Director Human Resources will attend the February 2015 Committee Meeting to addresses the letter findings.
6. **Parsonage Audit Approval**

The Operating Agreement of 1995 between the TOG and Parsonage Cottage Senior Residence L.P. includes the option of the Comptroller to order an audit at any time. Mr. Mynarski stated that the Town has decided to initiate that option, to obtain the requested financial books and records.

Ms. Tarkington questioned the employment of McGladrey Certified Public Accountants rather than Cohn Reznick to conduct the audit. Scott Bassett, McGladrey Partner recommended Cohn Reznick since they are the current preparer of such statements, have more expertise in this area and would probably be at a lower cost. Ms. Tarkington questioned whether the Finance Department could possibly oversee the collection of materials. Mr. Mynarski stated that he had volunteered assistance to the Parsonage Cottage Working Group but was declined.

The lack of cooperation to obtain requested financial information was discussed. Mr. Mynarski offered to contact the Parsonage Cottage Working Group to re-convene and obtain clarity from its members to move forward. This issue will be placed on the February agenda.

**The Committee re-visited agenda item #5 due to the arrival of Ms. Siebert**

5. **Old Business**

- **Fiscal 2014 CAFR/Management Letter**

Mr. Norton returned to the CAFR/Management Letter to allow Ms. Siebert to respond to the findings.

McGladrey discovered that DPW had not submitted for reimbursement of more than $600,000 (six hundred thousand dollars) worth of eligible LOCIP expenditures. Ms. Siebert explained that DPW recently realized that it does not have to wait till the busy end-of-year to request funds. The department has now adopted a procedure to initiate the process in early spring. DPW and Finance has learned that the Town will be collecting two years of revenue equaling $638,472 (six hundred thirty eight thousand, four hundred seventy two dollars). Mr. Norton requested a sentence revision in Ms. Siebert’s response, for which she agreed.

Mr. Norton requested Mr. Lalli to provide internal control accounting theory on the reconciliation process between sub ledger and general ledger accounts. Mr. Lalli stated in general terms that reconciliation it is not the primary responsibility of the general ledger accountants in Finance. The primary responsibility for reconciling any sub ledger system to the general ledger, rest with the department that maintains the sub ledger. As an example, entries made to a sub ledger system may not, for whatever reason, be recorded to the general ledger account creating reconciling items unknown to Finance maintaining the general ledger account. Any agreed to reconciliation process that worked is practically acceptable. Mr. Finger questioned whether it could possibly be a staffing issue in the Tax Collector’s Office. Mr. Lalli agreed that this could be an issue.

The Committee discussed the position of the Tax Collector, elected vs. appointed. Mr. Finger suggested an HR Department review of the title.

A recommendation from McGladrey in the Fiscal 2014 Management Letter for a formal review of capital asset listings by department will be conducted by Mr. Lalli with the assistance of Mr. Gieger, Budget Director. This will be a review of capital items over $10,000 (ten thousand dollars) showing depreciation from 2002. The list also needs to be updated with assets that may no longer be in place. Mr. Norton asked for BOE items to be included such as ipads and/or computers in student usage. Mr. Lalli stated that Town wide fixed assets records be in Finance.
Sewer Assessments observation and recommendations will be discussed at the February meeting.

7. Old Business
   Not addressed.

8. Items for Future BET Audit Committee Meetings
   Not addressed.

9. Adjournment

   Upon a motion by Ms. Tarkington, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn the meeting at 9:40 A.M.

The next meeting of the Committee is scheduled for February 12, 2015 at 8:00 A.M. in the Gisborne Conference Room.

Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary