

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Tuesday, February 14, 2017 – 11:30 A.M.
Gisborne Conference Room

Present

Committee: Arthur D. Norton, Chairman; John Blankley, Michael Mason, Jill Oberlander

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director Risk Management; Melinda Frame, Internal Auditor; Robert Kick, Assistant Fire Chief

The regular meeting was called to order at 11:51 A.M.

1. Approval of Audit Committee Meeting Minutes of January 12, 2017

Upon a motion by Mr. Mason, seconded by Ms. Oberlander, the Committee voted 3 - 0 to approve the January 12, 2017 Meeting Minutes.

2. Internal Audit Report

- **Audits-in-Progress**

- **Limited Scope Review of the Fire Marshal's Office**

- Ms. Frame is gathering data with the assistance of Shawn McDonnell, Fire Marshal. Mr. Norton explained that after the discovery of over 300 (three hundred) delinquent Town property inspections in 2015, the Committee requested quarterly reports to be submitted to the First Selectman's Office and the Audit Committee. Mr. Kick reported that within the six-month period, starting June 2016, 264 (two hundred sixty-four) violations with significant issues need to be addressed. Code compliance is the responsibility of the Fire Marshal. Mr. Kick will submit an accurate summary report to the First Selectman late March early April 2017.

- **Update on Parking Services Audit Report**

An additional management recommendation was added to the report recommending periodic rotation of employees having cashier duties. This addition will require union approval for implementation. Mr. Blankley questioned whether this would open additional issues with other cash handling departments. Ms. Frame stated that it was recommended for Parking since it is one of the highest cash intake departments.

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to postpone this agenda item for future discussion.

- **Audits-in-Progress**

- **Cash Handling in the Office of the Town Clerk**

- A review of cash handling with Kim Jordan, Assistant Town Clerk is continuing. Cash handling seems to be satisfactory with department resources. Permits, conveyance taxes, dog licenses, shellfish licenses, along with Vital Statistics, comprise approximately \$50,000 (fifty thousand dollars) in transactions. The department has an exact change compliance or written checks. Credit cards are not accepted. Ms. Oberlander questioned if other Best Practices could be

recommended. Ms. Frame suggested a mail logging system. Report to follow in March.

3. Risk Management Report

- **Safety Inspection Updates**

- **Chubb Insurance Town Wide Boiler Inspections January 2017:** During September 2016 and January 2017, 17 (seventeen) boiler inspections were performed by the new property carrier, the Chubb Insurance Company, accompanied by Risk Management and a safety engineer from Frenkel & Co. Issues were safety testing of temperature and pressure relief valves. The proper remediation is now in place with the cooperation of BOE Facilities, and the Town's Building Construction and Maintenance Division. One additional notice of compliance was written by the Chubb Inspector for the new man hole and hand hole gaskets on one boiler at GHS. These gaskets will be replaced this Spring.
- **Frenkel & Co. Safety Report for Central Middle School Gymnasium and Locker Rooms:** A report from the January 2017 safety inspection is expected by March 2017.
- **United Specialty Insurance Company Survey and Safety Observations of the Solar Panel Array at the Glenville School:** Scheduled for February 2017.
- **Final Report on GHS Techno Router – January 2017:** On January 3, 2017, Risk Management revisited the Tech and Wood Shop with the safety inspector from Frenkel & Co. A student training sign-off sheet procedure makes GHS fully compliant with previous reports on this subject.
- **Chubb Insurance Planned February Inspection of GFD Headquarters:** Safety inspections at GFD Headquarters and the Town's largest marine vessels are scheduled for February 2017.

- **Update on Program to Charge Employee at Fault Accident Repair Cost directly to Departments.**

Mr. Lalli proposed to expand this program to the Department of Public Works (\$25K), the Greenwich Fire Department (\$55K), and the Greenwich Police Department (\$35K). It had been previously rolled out with Parks and Recreation (\$25K) in Fiscal 2017. Mr. Mason stated that implementation needs discussion. Mr. Mynarski added that he will consult with Mr. Roland Gieger, Budget Director, on the best method to implement this.

- **Insurance Recovery Update**

Total insurance and FEMA recoveries since June 2012 totals \$3,942,815 (three million, nine hundred, forty-two thousand, eight hundred fifteen dollars). For fiscal 2017 there have been 16 (sixteen) recoveries totaling \$82,642 (eighty two thousand, six hundred forty two dollars).

Mr. Lalli announced that he will be retiring on March 31, 2017, but will remain temporarily employed (2 days per week) by the Town. He will continue to monitor progress and negotiate insurance recoveries for the Town until a replacement is found.

- **FEMA Update**

There remains \$1,500,000 (one million, five hundred thousand dollars) in open grant contracts with FEMA for Hurricane Sandy. Mr. Lalli will continue to monitor progress of the FEMA grant applications, known as Project Worksheets, for the Town until his replacement is hired. The Town is providing FEMA with documentation of the vendor selection and contract award process.

Ms. Oberlander questioned whether the Town followed its purchasing policy for Super-storm Sandy recovery projects. Mr. Lalli stated that fair and open bids were utilized but some contracts were done on an emergency basis, such as repairs to reopen facilities. If the public bidding process had to be used the recovery time would have been much longer.

4. Old Business

- **Fiscal 2016 Audit**

- **Management Letter 2016 Responses Update**

- *Capital Assets:* To satisfy the physical inventory of capital assets over \$10,000 (ten thousand dollars) comment the cost for a fixed asset module is not cost effective. Mr. Mynarski stated that Mr. Gieger will provide a list of fixed assets for the Griffith E. Harris Golf Course, Parks & Recreation, and the Fire Department. A review of fixed assets of these departments will be performed every 6 months.

- *Police Extra Duty Receivables:* Mr. Mynarski read an email from Greg Hannigan, Director General Services Division that a meeting is scheduled with a software vendor. Angela Gencarelli, Financial Analyst will attend. Mr. Mason questioned whether Tom Klein, IT Director should attend if the software is placed on the Town server. Mr. Norton will ask Mark Kordick, Captain Detective Division.

5. New Business

- **External Auditor Interviews**

Interviews were held prior to this Audit Committee Meeting, beginning with a preliminary session in which Chief Accountant, Mary Walczykowski attended. Interviews with two firms RSM US LLP and Blum Shapiro were conducted. The meeting concluded at 11:45 A.M.

Upon a motion by Mr. Blankley, seconded by Mr. Mason, the Committee voted 4-0 to recommend to the BET to approve a contract with RSM US LLP as Auditors for Fiscal 2016-2017 with a five-year term, first two years guaranteed and three one year renewals.

6. Items for Future BET Audit Committee Meetings

Ms. Oberlander will forward to the Committee an email dated January 13, 2017 sent by Mr. Peter Quigley, formerly a member of the Harbor Management Commission (HMC), regarding the review of the HMC mooring applications process, revenue handling and budget. Mr. Quigley's email contained inaccurate email addresses for the other Audit Committee members and therefore wasn't received.

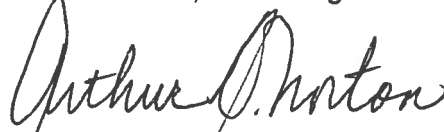
7. Adjournment

Upon a motion by Mr. Blankley, seconded by Mr. Mason, the Committee voted 3-0 to adjourn the meeting at 1:15 P.M.

The next Audit Committee Meeting is scheduled for March 9, 2017 in the Gisborne Room.



Elaine JV Brown, Recording Secretary



Arthur D. Norton, BET Audit Committee Chairman