

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, April 13, 2017 – 8:00 A.M.
Gisborne Conference Room

Present

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

Attendees: Peter Mynarski, Comptroller; Melinda Frame, Internal Auditor; Christopher Alexander, Nathaniel Witherell, Director of Financial Operation

Others: Ken Borsuk, Reporter, *Greenwich Time*; Karen Nye, Mary Jacobson

The regular meeting was called to order at 8:07 A.M.

1. Approval of Audit Committee Meeting Minutes:

- **February 14, 2017 Minutes**

- Upon a motion by Ms. Oberlander, seconded by Mr. Blankley, the Committee voted 4 - 0 to approve the February 14, 2017 Meeting Minutes.

- **March 9, 2017 Minutes**

- Ms. Oberlander requested additional time to review the minutes since they were distributed late to the Committee. They will appear on the May 11, 2017 agenda for review.

2. Internal Audit Report

- **Update on Parking Services Audit Report**

- Ms. Frame stated that the report is evolving and will be presented at a future date.

- **Audits-in-Progress**

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

- A satisfactory review of cash handling continues with voids being well documented. Ms. Frame will follow up with vital statistics. Cash transactions total approximately \$30,000 (thirty thousand dollars) comprised mostly of small fees.

A new Tools for Schools schedule is expected from Ron Matten, BOE Director of Facilities. Ms. Frame is working with Kathleen Murphy, Treasurer, to complete annual cash certifications for Town departments.

3. Risk Management Report

- **Safety Inspection Updates**

- **Frenkel & Co. Safety Report for Central Middle School Gymnasium and Locker Rooms:** The inspection was to obtain a second opinion on the physical condition/integrity of the wall padding system lining the perimeter walls of the gym.

- Recommendations include:

- Padding displacement and protruding fasteners need replacement.

- Fresh air duct no longer in service needs to be addressed.
- Dividing room key switch needs to be relocated.
- Current wall padding system needs replacement, commensurate with state guidelines for impact protection.
- Boys' Shower Room cover vent of the fresh air duct needs replacement.
- Removal of storage equipment.
- Repair or replace steel frame of doorway entrance to boys' lavatory.

Mr. Mynarski stated he is awaiting a confirmation from Mr. Matten that all issues have been addressed and will update at the May meeting.

- **Byram's William Street Field Inspection Update:** Mr. Mynarski reported that an inspection was completed on March 27, 2017 and an evaluation of the current control over General Liability exposures, resulting in an overall rating of poor.

Recommendations include:

- Enclosure of field with snow fencing to prevent public use until drains are placed throughout the field and divots and depressions are eliminated. Posting of signage "Under Construction – Do Not Enter".
- New bleacher installation that meets or exceeds current consumer product safety standards, with closed foot rest areas, low step/risers and top seat protection.

Currently both issues have been addressed with erection of a snow fence and kick board installation on the bleachers. Mr. Norton stated that the recommendation was to remove and replace the bleachers not repair. The Committee identified as subject to removal. Mr. Mynarski will notify Mr. Matten and Mr. Siciliano, Director of Parks and Recreation for removal.

- **Steamboat Road Pier/Landing Safety Report Update:** This inspection was performed the same day as the William Street Field. The report was sent to the Public Works Director and Town Engineer who vetted and forwarded it to the First Selectman for sign off. Mr. Norton called for a Special Meeting Tuesday, April 18 to review the report once received from the First Selectman, prior to public release.

- **FEMA Update**

Three FEMA project worksheets remain open awaiting Federal level approval. Mr. Lalli continues to complete final receivables, on a part-time basis. Mr. Mynarski will monitor and update the Committee.

4. Old Business

- **Fiscal 2016 Audit**

- **Management Letter 2016 Responses Update**

Police Extra Duty Receivables: The Police Department will be using the cloud instead of a local server to host its POSS (Police Officers Scheduling System) extra duty software system. Mr. Gieger and Ms. Gencarelli continue to assist with implementation, hoping for a June 30th completion. This will remain on the agenda.

Sewer Assessments: Comment has been satisfied.

Capital Assets: Action on this issue has been delayed due to Parking Services Internal Audit.

EXECUTIVE SESSION – Discussion of Personnel Matter

Mr. Norton called for an Executive Session to discuss a personnel matter, no vote was taken.

Upon a motion by Mr. Blankley, seconded by Mr. Mason, the Committee voted 4-0 to enter Executive Session at 8:31 A.M.

The Committee exited Executive Session at 9:02 A.M.

Upon a motion by Mr. Blankley, seconded by Ms. Oberlander the Committee voted 4-0 to end the Executive Session at 9:02 A.M.

5. New Business

- **Fiscal 2017 Write Offs**

- **Parks and Recreation**

The department requested approval to write off three accounts totaling \$1,267.74 (one thousand, two hundred, sixty seven dollars and seventy four cents) in uncollectable fees, noting one debtor is deceased and two other have possibly moved.

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to accept the Parks and Recreation Bad Debt Write Off Request totaling \$1,267.74 (one thousand, two hundred, sixty seven dollars and seventy four cents).

- **The Nathaniel Witherell**

Mr. Alexander requested approval to write off resident accounts totaling \$119,016 (one hundred, nineteen thousand, sixteen dollars), after the business office had deemed them uncollectible. This amount equals 0.42% of projected revenue, with a bad debt allowance of \$135,000 (one hundred, thirty five thousand dollars).

Mr. Alexander stated that write offs have decreased each year and are trending positive as compared to budget. Individual accounts were discussed as well as collection processes used. Ms. Oberlander and Mr. Norton questioned whether the top ten/fifteen accounts were held by Greenwich residents and expressed concern over the Town underwriting non-resident adjustments. Mr. Mason discussed the legality of responsible party for payments. Mr. Alexander explained that many of the larger claims result from transition to Medicaid from private pay. For the cases where the documentation did not support the level of care, Ms. Oberlander asked whether the Nathaniel Witherell staff was recording treatment properly and if supporting medical documentation could be added. Mr. Alexander will forward information on residency and Medicaid pending status for the top tier uncollectable individuals to the Committee.

Upon a motion by Mr. Blankley, seconded by Mr. Mason, the Committee voted 4-0 to accept the Nathaniel Witherell Bad Debt Write Off Request totaling \$119,016 (one hundred, nineteen thousand, sixteen dollars), pending Nathaniel Witherell Board approval.

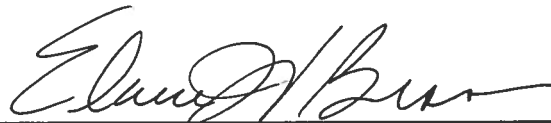
6. Items for Future BET Audit Committee Meetings

No discussion.

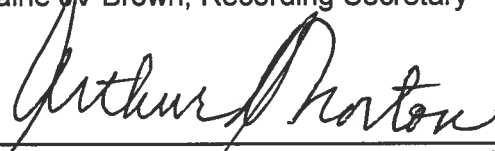
7. Adjournment

Upon a motion by Mr. Blankley, seconded by Mr. Mason, the Committee voted 4-0 to adjourn the meeting at 9:36 A.M.

The next Audit Committee Meeting is scheduled for May 11, 2017 at 8:00 A.M. in the Gisborne Room.



Elaine J. Brown, Recording Secretary



Arthur D. Norton, BET Audit Committee Chairman