

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Monday, May 16, 2016 – 8:00 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; Pat Maranan, Internal Auditor

Executive Session with RSM Limited (McGladrey) to discuss the upcoming Fiscal 2016 Audit

On a motion by Mr. Mason, seconded by Mr., the Committee voted 4 - 0 to go into Executive Session at 8:03 A.M. to discuss the upcoming Fiscal 2016 Audit.

On a motion by Mr. Mason, seconded by Ms. Oberlander, the Committee voted 4 - 0 to end of Executive Session at 8:52 A.M.

The regular meeting was called to order at 9:03 A.M.

1. Approval of Audit Committee Minutes:

- **Audit Committee Meeting April 14, 2015**

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4 - 0 to approve the April 14, 2016 Meeting Minutes, with Ms. Oberlander's language and punctuation changes.

2. Risk Management Report

- **Update on Insurance Recoveries**

Total insurance and FEMA recoveries since Fiscal 2013 to date:

- \$3,830,132 (three million, eight hundred thirty thousand, one hundred thirty two dollars)
- 28 (twenty eight) cash recoveries Fiscal 2016 year total \$289,753 (two hundred eighty nine thousand, seven hundred fifty three dollars)
- Estimated pending recoveries \$55,522 (fifty five thousand, five hundred twenty two dollars)

Including legal intervention, Mr. Lalli predicts that the Town will not be able to collect subrogation on the Geico claim concerning the North Mianus field trip bus incident.

- **Update on Safety Inspections – Hamilton Avenue**

Recommendations from the January 26, 2016 inspection of Hamilton Avenue School by Applied Risk Control Management have been mitigated:

- Slip and fall hazards in pathways and uneven blacktop resolved
- exposed matting, plastic edging and tree roots covered
- Raised manholes throughout the activity field graded
- Fences are locked and secured

- Loose cable wires in parking lots removed
- A couple items needed to be completed before a final report is submitted. Mr. Lalli expressed strong gratitude to Parks & Recreation and the BOE for their cooperation with this report.

Mr. Mason questioned safety precautions installed on the second and third deck balconies in the MISA facility. Mr. Lalli replied that the catwalk entrance is locked and requires authorization to enter. Mr. Mason requested further investigation into securing student access to the auditorium.

Initial inspection reports for North Street School, Eastern Middle School and Cardinal Stadium will be completed in coming weeks. Preliminary reports for Cardinal Stadium might recommend a stress test for the home stand bleachers. Mr. Lalli noted that since he does not have the formal report, that would have to be confirmed. Mr. Mason recommended consulting with Ms. Amy Siebert, DPW Commissioner to review limitations at the stadium before going forward. The inspection report will be sent to the Committee members when completed later in the week.

After a near miss incident at the MISA site, a safety inspector recommended wood planking or padding to be mounted on the chain link fencing to contain airborne debris. The walkway where the incident occurred has been closed except as for an emergency exit.

- **FEMA Update**

Internal Audit is waiting for five open worksheets totaling \$1,900,000 (one million, nine hundred thousand dollars) at the Federal level. Forecasting receipt of the outstanding funds is difficult as final approval has to come from FEMA at federal level, leaving the Town little ability to speed up the process. Mr. Lalli will be taking over the FEMA reimbursement effort from Ms. Maranan.

- **Update on Tools for Schools Inspections**

The April Old Greenwich School inspection was cancelled and rescheduled for May. Mr. Lalli presented a self-audit questionnaire which is given to all teachers with classroom responsibilities to complete. With Mr. Lalli's support Mr. Ron Matten, BOE Director of Facilities, has upgraded this program. The BOE is considering making completion of the questionnaire mandatory.

A discussion followed regarding current turf installation methods.

- **Update of CIRMA fees**

To reduce significantly CIRMA fees Risk Management handles most insurance recoveries through interaction with third party insurance carrier or directly with the third party. Last year's fees totaled only \$14,900 (fourteen thousand nine hundred dollars) of the Risk Management's budget of \$50,000 (fifty thousand dollars).

3. Internal Audit Report

- **Update on Draft Internal Audit Limited Scope Report on Town Leases**

Internal Audit's opinion is that improved clarity, consistency and compliance over Town lease agreements needs to be addressed. A few renewal insurance certificates are not current. Internal Audit will report back to the Committee on progress made to obtain current insurance certificates.

Ms. Oberlander reviewed recommended change to the draft, which would clarify the summary findings and observations. Mr. Lalli explained that previous Audit Committees had asked for enhanced background information. Mr. Lalli will present the revised draft at the June meeting.

4. New Business

Mr. Norton thanked Ms. Maranan for her services to the BET Audit Committee and wished her well in her new position as BOE Accounting Supervisor. Mr. Mynarski recommended the Committee's participation in the interview process for her replacement as Internal Auditor. Mr. Blankley recommended the position posting on professional website such as GFOA.

5. Old Business

No discussion.

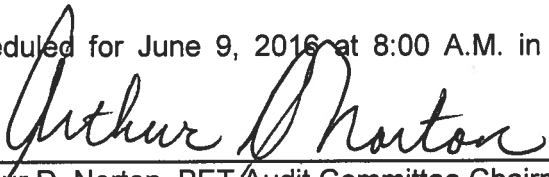
6. Items for Future BET Audit Committee Meetings

No discussion.

7. Adjournment

Upon a motion by Mr. Blankley, seconded by Ms. Oberlander, the Committee voted 4-0 to adjourn the meeting at 10:56 A.M.

The next meeting of the Committee was rescheduled for June 9, 2016 at 8:00 A.M. in the Gisborne Conference Room.



Arthur D. Norton, BET Audit Committee Chairman



Elaine JV Brown, Recording Secretary