The regular meeting was called to order at 8:32 A.M.

1. **Acceptance of the BET Audit Committee Meeting Minutes**

   Upon a motion by Mr. Duus, seconded by Ms. Hess, the Committee voted 4-0-0 to accept the Minutes of the BET Audit Committee Meeting of May 9, 2019.

   The Committee discussed changing the Order of Business to move **Board of Education Capital Project Review – Blum Shapiro Update** under **Old Business**, Agenda Item #4, to be the next item on the Agenda.

   Ms. Hess made a motion, seconded by Mr. Weisbrod, to change the Order of Business to move **Board of Education Capital Project Review – Blum Shapiro Update** under **Old Business**, Agenda Item #4, to be the next item on the Agenda. The Committee voted 4-0-0. Motion carried.

4. **Old Business**

   - **Board of Education Capital Project Review – Blum Shapiro Report Update**
     
     The Board of Education (BOE) Administration is working with Blum Shapiro to prepare Capital Project documentation forms for a discussion with BET BOE Liaisons (Hess, Moriarty) at a meeting scheduled for June 24, 2019. The Liaisons will update the BET at its June 24th meeting. Completion of the Project's first phase is anticipated by the end of July.

     Ms. Hess made a motion, seconded by Mr. Weisbrod, to change the Order of Business to move **Risk Management: Various Public-School Insurance Claim Updates**, Agenda Item #2-C, to be the next item on the Agenda. The Committee voted 4-0-0. Motion carried.

2. **Risk Management**
• Various Public-School Insurance Claim Updates
  
o Cos Cob School - Additional documentation on staffing and transportation has been requested by the adjuster to complete the carrier's audit process of the claim submission. The BOE Business Office is working on compiling the requested information and documentation, which will be provided to the Risk Manager to provide to the adjuster once complete.

  o Hamilton Avenue School - The BOE Business Office has indicated that it has finalized claim costs which will be presented to the insurer by the end of the current week.

  o Greenwich High School Performing Arts Center - The BOE Business Office requested a two-week extension to continue gathering information after which time the Risk Manager will submit the final amount of the claim to the insurance adjuster.

  o Greenwich High School Mechanical Room Heat Exchanger - Ms. Damato reported that upon the replacement of the heat exchanger equipment, the BOE Business Office will be able to finalize the amounts on their end, which will then get submitted as a final demand through the Risk Manager.

  o New Lebanon School - topic deferred due to departure of the Risk Manager for another meeting (10:25 A.M.).

• Gallagher Insurance Company discussion on the upcoming Fiscal 2020 Insurance Renewal Program
  
o Property review - Ms. McCall updated the Committee on how the Town's current claims and loss-ratio were impacting carriers' premium quotes. She commented that Gallagher's strategy is marketing both 100% and quarter-share risk participation to carriers as well as a reduction of the current wind deductible. Negotiations with Chubb Insurance, as the current carrier of 100% of the property program, are ongoing and the hope is to leverage competitors' quotes to reduce the premium cost.

  o Casualty Excess review - Current year primary casualty insurer quotes for public sector coverage increased 4.5% over previous year, due to the loss ratio indicated in the rate lock last fiscal year being surpassed. Now that a primary excess quote has been received, marketing the Excess Casualty layer is underway. It is anticipated that the full casualty program will be completed within a week.

  o Other - The balance of the insurance policies was reviewed. The Committee anticipates exploring a self-insurance option for the Town in the future based on research by Gallagher. Various suggestions were discussed for cost-savings such as STOP-LOSS liability support, and multi-year carrier commitment contracts.

  o Follow-up - Various comparison schedules were requested: 10-year schedule of legal defense costs and total settlements; previous and current broker commission costs; June 30 sub-total of premiums to evaluate premium increases in aggregate. The Committee requested that Gallagher confirm the defense costs erode the SIR.
Next Steps - The Risk Manager will provide the Committee with an updated FY2020 Insurance Budget. Questions and comments will be directed to the Risk Manager. The Risk Manager will conclude the process by finalizing binding of insurance contracts expiring June 30, 2019 with subsequent Committee discussion to take place for September and October contracts.

Cyber Security Task Force Initiative Update

The Task Force met on June 3, 2019 to continue discussion of its Objectives as approved by the Committee. The 3rd-party vendor, CyberDefenses, will collect information by conducting departmental interviews and will submit its report before the end of June 2019. The Committee discussed how findings resulting from the first phase would be shared. The BET Liaisons will report to the full BET at its Regular Meeting on June 24. The question of access of a BET member, per request, to the 3rd-party’s working papers/questionnaires prior to submission of the vendor’s report was raised with said question to be referred to the Town Law Department for an opinion. A suggestion was made that perhaps after the vendor’s first phase report was received, a Special Project Team could be formed that would include the BET Liaisons (Hess, Turner).

3. Internal Audit Report

Follow-up to the May 17, 2017 Parking Services Audit Report Status Update

Ms. Frame reported that a draft report would be forwarded next week to the Comptroller, Mr. Mynarski. The Internal Auditor advised the Committee that the Department had started interviews to fill a newly created position requiring more advanced finance and accounting expertise. She commented that conditions were improving, but that the follow-up report would contain management recommendations. She expects to present the final draft, with management responses, to the Committee in July.

Upcoming Audit: BOE School Lunch Program

Ms. Frame reported that the school lunch program audit would begin next week.

Senior Center Update Re: POS System Implementation

Ms. Frame reported that the process was in its final phases, the next being setting up the proper accounts in MUNIS with the Finance Department.

Discussion of Draft Guidelines Re: the audit report cycle and establishing a formal distribution and use policy

Ms. Frame presented draft guidelines for controlling the distribution and use of internal audit reports. The draft guidelines recommended separating the reporting process into three phases: preliminary draft, final draft, and approved report. Each phase of the report process would have specific, clearly defined purposes and audiences.

The Chairman asked that Committee members mark-up their copies with comments so that a revised draft can be prepared.
5. **New Business**

- Ms. Hess asked if the Town Internal Audit Department had ever experienced a peer review. Ms. Frame discussed internal auditing’s professional organization, the Institute of Internal Auditors and its guidance on numerous topics including implementing Quality Assurance and Improvement Programs. Ms. Frame also discussed the Institute’s Public Sector section and its research and guidance on public sector auditing. It was decided that Ms. Frame would forward to Committee members some supplemental guidance regarding public sector auditing published by the Institute.

6. **Items for Future BET Audit Committee Meetings**

- Invitation to the Police Department to discuss its IT System security (Risk Manager)
- Dorothy Hamill Skating Rink
- DPW Environmental Specific Project Plan
- DPW Holly Hill Transfer Station
- TNW Inventory Control
- TNW Internal Audit
- Update Annual Town Internal Audit Calendar

7. **Adjournment**

The Committee voted unanimously to adjourn the meeting at 10:43 A.M.

The next Regular Audit Committee Meeting is scheduled for July 10, 2019 at 8:30 A.M. in the Gisborne Room.

Catherine Sidor, Recording Secretary

David Weisbrod BET Audit Committee Chairman

**Schedule of 2019 Audit Committee Meetings**

- July 10, 2019 (Wednesday) at 8:30 A.M.
- August (No Meeting)
- September 12, 2019 at 8:30 A.M.
- October 3, 2019 at 8:30 A.M.
- November 14, 2019 (Thursday) at 8:30 A.M.
- December 5, 2019 (Thursday) at 8:30 A.M.