

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, June 8, 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; Megan Damato, Risk Manager; Mark Kordick, Captain, Police Detective Division; Rita Azrelyant, Director, Parking Services; Charles Zsebik, Director, Purchasing & Admin. Services (8:30 A.M.); Robert Kick, Asst. Fire Chief

The regular meeting was called to order at 8:05 A.M.

1. Approval of Audit Committee Minutes:

- **Audit Committee Meeting May 11, 2017**

Upon a motion by Mr. Blankley, seconded by Ms. Oberlander the Committee voted 4-0 to approve the May 11, 2017 Meeting Minutes.

- **Audit Committee Special Meeting May 23, 2017**

Upon a motion by Mr. Mason, seconded by Ms. Oberlander, the Committee voted 4-0 to approve the May 23, 2017 Special Meeting Minutes.

2. Internal Audit Report

- **Update on Parking Services Audit Report including Forensic Audit by RSM US LLP**

Mr. Norton presented the Engagement Letter from RSM US LLP for the Forensic Audit Investigation of Town of Greenwich Parking Services Department, approved and signed by John Wayne Fox, Town Attorney and himself. The audit will be directed by Scott Richter, Senior Director at RSM US LLP along with two additional associates. The scope period will be no earlier than January 1, 2010 through April 30, 2017. Mr. Mynarski will assume all management responsibilities for subject matter, and scope of services. RSM US LLP will evaluate the adequacy and results of services performed.

Based on discussions with Ms. Frame and Ms. Azrelyant the scope will include:

- Analyze available documentation associated with parking fines that are not associated with parking permit violations to quantify differences between parking fines payable per parking tickets not associated with parking permit violations vs. receivables.
- Analyze available documentation associated with parking fines associated with parking permit violations, to quantify differences between parking fines payable per parking tickets associated with parking permits violations vs. receivables.
- Analyze available documentation associated with Smartcards to quantify differences between amounts loaded to cards vs. amounts received.

Mr. Mynarski assured Ms. Oberlander that adequate funds are available for the audit. Ms. Azrelyant noted that Smart Card documentation is only available from December 2016 forward. Ms. Oberlander suggested utilization of all of the Town's resources with possible archival retrieval by IT.

Mr. Norton questioned the implementation of recommendations included in the draft. Captain Kordick replied that new policies and procedures are in the frame work stage. Ms. Azrelyant and Captain Kordick decided to renew the current contract with Complus starting July 1, 2017 for the hardware update. Implementation has been delayed as the current contract with Complus expires on June 30th and the new Award Letter has yet to be reviewed by the Law Department. The Committee asked Mr. Mynarski to see if Mr. Zsebik could join the meeting to possibly accelerate contract approval. Mr. Zsebik arrived at 8:30 A.M.

Mr. Zsebik assured the Committee that the Complus Award Letter will be on the way to Law for review by Aamina Ahmad, Assistant Town Attorney and will be finalized by the following Wednesday. Mr. Norton also updated Mr. Zsebik on the Engagement Letter from RSM US LLP for the Forensic Investigation of Parking Services.

Ms. Frame noted that all recommendations have been completed and that Parking Services planned to phase out Smart Cards. Ms. Oberlander questioned the sunset date. Ms. Azrelyant expects a phase out of six months to one year since they have an investment of \$10,000 (ten thousand dollars) in new cards. Although Smart Card usage is obsolete, customer demand remains. Captain Kordick estimates that public marketing and education for the pay-by-phone transition will take about a year.

Mr. Blankley recommended that an historical information paragraph on page 26 would be appropriate in the "*Summary Conclusion*" on page 4 of the Internal Audit Draft.

Upon a motion by Ms. Oberlander, seconded by Mr. Blankley, the Committee voted 4 to 0 to approve the "*Review of Parking Services Internal Controls Over Revenue*" as amended.

Ms. Frame will make the change suggested by Mr. Blankley and distribute the review to the full BET and post on the Town Website.

- **Audits-in-Progress:**

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

- Mr. Mynarski is planning a meeting with Ms. Frame to discuss the draft report. Ms. Frame expects to distribute the draft to audit committee members by next week.

- **Grass Island Waste Water Treatment plant – Septic Disposal Audit**

- Mr. Mynarski stated that Ms. Frame is conducting walkthroughs and she is just beginning audit field work. An update in July is expected.

3. Risk Management Report

- **Safety Inspection Updates**

- **Frenkel & Co. Safety Report for Central Middle School Gymnasium and Locker Rooms Update**

Ms. Damato stated that she is working with Mr. Matten, BOE Director of Facilities to remove the equipment from the shower room in the next few weeks, and will follow up.

- **Byram's William Street Field Inspection Update**

The bleachers will be removed after graduation, with the field currently blocked off. Ms. Oberlander mentioned the field tripping hazard due to uneven surfacing. Ms. Damato replied that drainage and leveling must be done and that the field is not approved to be opened yet. Ms. Oberlander asked for a follow up and to have the field opening a priority. Mr. Mason explained an issue regarding field maintenance between DPW and Parks & Recreation, noting that they are close to a conversation to resolve the issue.

- **Greenwich High School Clean Up**

This issue was brought to Ms. Damato's attention by Mr. Mason. After speaking with Mr. Matten windows will be repainted this summer with replacement planned for 2020. There is \$80,000 (eighty thousand dollars) in the 2018 Budget for the repaving of GHS by DPW this summer. Ms. Damato will monitor progress.

- **FEMA Update**

Mr. Lalli, the previous Risk Manager, has completed backup submission to FEMA. An estimated \$1,600,000 (one million, six hundred thousand dollars) to come.

Ms. Damato will oversee Mr. Lalli's previous inspection recommendations, the CT and NY DMV process and GPS vehicle monitoring. Ms. Oberlander suggested an email update to department heads reminding them of the monitoring. Mr. Jose Irizarry, Senior V.P. Frenkel & Co. will present insurance renewal quotes at the July meeting.

4. Old Business

- **Fire Marshal Inspections Update**

Mr. Kick presented the *Fire Department's Occupancy Count Listed by Building Class* noting a dramatic reduction in in uninspected buildings. Although the current Fire Marshal is expected to retire in August, Mr. Kick reassured that progress will continue. Responding to a question by Ms. Oberlander, he noted that group risk locations are being inspected with 335 (three hundred, thirty five) education sites completed. If any violations are deemed severe they must be rectified immediately during an inspection. An update will be presented at the December 2017 meeting.

- **Fiscal 2016 Audit**

- **Management Letter 2016 Responses Update**

Sewer Assessments: Comment has been satisfied.

Capital Assets: Mr. Gieger has completed the first test batch of fixed assets. He is planning on extending the project thru the summer months, with Ms. Frame.

Police Extra Duty Receivables: Mr. Mynarski stated that the Finance Department may need support from the Committee since it appears that the Police Department is not utilizing the suggested application module. He

suggested that Mr. Kordick and Mr. Hanningan, Police Director of General Services attend the July meeting.

5. New Business

No discussion.

6. Items for Future BET Audit Committee Meetings

No discussion.

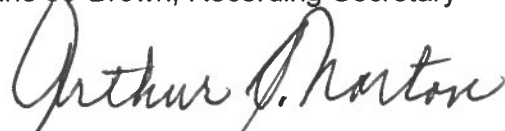
7. Adjournment

Upon a motion by Ms. Oberlander, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn the meeting at 9:46 A.M.

The next Audit Committee Meeting is scheduled for July 13, 2017 at 8:00 A.M. in the Gisborne Room.



Elaine J. Brown, Recording Secretary



Arthur D. Norton, BET Audit Committee Chairman