

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Friday, June 15, 2007
Gisborne Room

Attending:

Audit Committee: Robert Stone, Chairman; Leslie Tarkington, Larry Simon, Jim Himes,
Staff: Roland Gieger, Budget and Systems Director, Chris DeMeo, Director, Risk
Management, Reinie Lange, Internal Auditor.

Others: Ron Lalli, Special Project Manager Office of the First Selectman, Joan Sullivan,
Director of Purchasing, Frank Mazza, Chairman of the Hamilton School Building
Committee.

Meeting was called to order at 7:35 AM.

The following items were discussed:

1. Presentation of Limited Scope Internal Audit Report concerning NSF and Returned Checks.

Discussion was held on the report that Mr. Lange gave to the Committee. It was suggested that the charts be footnoted as to dates and the departments covered. Suggestions were made as to providing a flow chart of the affected departments. Discussion was held on the procedure of introduction to various departments when the Internal Auditor requests information. A revised report will be presented at the July 12, 2007 audit committee meeting.

Moved by Mr. Himes seconded by Mr. Simon. Approved 4-0.

2. Update concerning implementation of changes resulting from Payroll Audit.

Ron Lalli discussed the Payroll Time sheet program and stated that most departments are following the new procedures. He stated that Payroll department is now completely moved into the Human Resource Department. He stated that the Accounts Payable consolidation is scheduled to start by August 15, 2007. Ron recommended that an update on the Time Sheets process be given to the Committee at the September meeting. The Committee plans to invite Maureen Kast to attend that meeting in connection with this subject. The HR Director will be in a better position to inform the Committee as to when additional Departments will be part of the centralized payroll process. Ron indicated that certainly before December of this year.

3. Review of the Process involved in the Town's Construction Projects.

Mr. Mazza Chairman of the Hamilton School Building Committee discussed problems in the construction of the Hamilton School and stated that progress is being made. In response to questions concerning the construction contract, he stated that the contract used had been prepared by the Schools administration and approved by the Town Legal Department. He stated that the contract needs to be improved and that major changes had been, in fact, made to the contract that will be used for the Glenville School Project. The Committee and Mr. Mazza discussed some of the drawbacks of a specially created building committee which might have no members from earlier such committees as well as minimal file information from other projects. Also, Mr. Mazza discussed three

construction management processes for Town Building Committees: the fixed price contract, the use of a construction manager, and design build. Based on the Town's experience, he supports use of a construction manager over the other two methodologies. The Glenville School Town Building Committee will hire a construction manager, which he would recommend for Nathaniel Witherell.

4. Review status of proposed changes to Town's Purchasing Process.

Mrs. Sullivan discussed the Questionnaire II, and stated she made minor changes to it, which the Audit Committee agreed to. Mrs. Sullivan stated that the new questionnaire would be used as a trial on the \$650,000 Valley Road sidewalk project. The RFB will be returned before the July meeting and she would report to the Committee any problems encountered with the questionnaire. Mr. DeMeo explained how easy it would be for the Purchasing Department to obtain the insurance loss runs from the Broker or insurance company for the winning bidder. Discussion also concerned the possibility of obtaining Dun and Bradstreet reports on companies responding to the RFPs. Mrs. Sullivan is to return to the Audit Committee at the July 12, 2006 meeting at 9:00 AM.

Moved by Mr. Simon and seconded by Mrs. Tarkington. Approved by 4-0.

5. Minutes Approved

Approval of the minutes for the meeting of May 10, 2007.

Moved by Mr. Himes and seconded by Mr. Simon. Approved by 4-0.

6. Consideration of changes to Internal Audit Plan

Mr. Lange stated that he is waiting for information on the Holly Hill Transfer Station Audit and is starting the Audit of the Travel and Entertainment account along with the mileage reimbursement account.

7. New Business

Mrs. Tarkington mentioned that some Not-for-Profits (Red Cross) have been purchasing gas from the Town of Greenwich. More information will be obtained.

The next Audit Committee meeting is scheduled for July 12, 2007.

The meeting adjourned at 10:05 AM after a motion made by Mr. Simon and seconded by Mrs. Tarkington. Approved 4-0.



Reinhardt Lange, Secretary



Robert S. Stone, Chairman