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

1. Approval of Audit Committee Meeting Minutes

Upon a motion made by Mr. Duus, seconded by Ms. Oberlander, the Committee voted 4-0-0 to approve the minutes of July 12, 2018, subject to the language changes proposed as amendments.

2. Internal Audit Report

- Audits-in-Progress:
  
  o Parking Service Remediation Update – Mr. Weisbrod provided background context on the issue and suggested that the objective going forward would be prospective. Mr. Tesei introduced Mr. Lalli, who had been directly involved with defining the control process and documenting procedure for the Parking Department's transition to a new form of management. Mr. Branyan reviewed the problem and recommendation cited in the Audit review and enumerated the remediation steps being taken: selecting third-party expertise through an RFP; defining Plan of Action with a 30-60-90 target Plan; adopting the industry-standard citation, void and dismissals policy; deploying new equipment; and developing Operating recommendations for FY20 budget. Mr. Weisbrod thanked Mr. Tesei and Mr. Branyan for the presentation saying it was serving a good public purpose. He proposed a follow-up routine Audit in the future.

  Mr. Weisbrod made a motion, seconded by Ms. Oberlander to change the order of business to discuss Item 5, NEW BUSINESS, as the next Item. The Committee voted 4-0-0 in favor of the Motion.
5. New Business

- **Julian Curtiss Roof Capital Project Timeline** – Ms. Oberlander provided an orientation to the issue and described the fact pattern of the process undertaken by the BET and RTM. Thanks were expressed to Mr. Mynarski and Ms. Frame moving forward with urgency to the development of the timeline and facts given the level of public interest.

Ms. Frame gave a brief background on the procedures and resources used to gather and document the events contained in the timeline. Mr. Weisbrod thanked Ms. Frame for her timeliness in identifying the key issues and events impacting the project. The Committee discussed the SOP (Standard Operating Procedure) to be used in the future for requesting internal audit assistance on projects outside of the approved Audit Plan.

Upon a motion by Ms. Oberlander, seconded by Ms. Hess, the Committee voted 4-0-0 to authorize the Internal Auditor, BET education liaisons and the BET Vice Chair, to develop a plan to evaluate SOP and best practices to modify and improve the processes for capital improvement budgeting and maintenance processes and report back to the Law, Budget and Audit Committees.

Ms. Oberlander made a motion to amend, seconded by Ms. Hess, to add “Subject to the BET” and clarify that the reports to the Committees should take place prior to the BET’s October 23, 2018 meeting. The Committee voted 4-0-0 to approve the motion.

**MOTION:** “… upon the approval of the BET, the Committee voted 4-0-0 to authorize the Internal Auditor, BET education liaisons and BET Vice Chair, to develop a plan to evaluate SOP and best practices to modify and improve the processes for capital improvement budgeting and maintenance processes and report back to the Law, Budget and Audit Committees prior to the BET October 23, 2018 meeting. The Committee voted 4-0-0 to approve the amended motion.

Mr. Duus made a motion, seconded by Ms. Hess to change the order of business to discuss Item 4, OLD BUSINESS. The Committee voted 4-0-0 in favor of the motion.

4. Old Business

- **State of Connecticut FOIA Request regarding previous Starr General Liability** (Update on Legal Department letter) – Ms. Damato provided a lookback on the issue of Frenkel’s representation and Starr’s inaccurate conveyance of fact to Frenkel during the 2014-2015 insurance renewals.

**Executive Session**
The Committee entered Executive Session at 10:55 A.M.
The Committee exited Executive Session at 11:11 A.M.

- **Internal Audit Report (continued)**

- **Audits-in-Progress:**
Review and Vote to Approve Report “Internal Controls Over Cash Handling and Financial Accounting and Reporting in the Tax Collector Office” – The Committee reviewed a draft of the final Internal Audit report. Mr. Richman requested typographical and grammatical changes. He expressed his thanks for Ms. Frame’s six months of work to update the Tax Collector Office’s processes. He commented on the improvements that had been implemented and noted that all operations were proceeding smoothly.

Ms. Oberlander made a motion, seconded by Mr. Duus, to accept the report subject to grammatical changes. The Committee voted 4-0-0 to approve the motion.

Septage disposal revenue analysis – Ms. Frame reported that revenue from sale of septage disposal permits showed an impressive jump upwards. She stated the increase was a pleasant surprise since the new Sewer Department policies and procedures were just implemented in early July of this year. She congratulated and thanked Ms. Seibert and Mr. Feminella for independently developing and implementing the new policy and procedures responsible for the increase in revenue.

Old Business (continued)

Reserve for Restricted Receipts (RRR) Accounts Report - Mr. Mynarski described the accounts within the RRR category to assist the Committee to review revenue inflows and outflows. Ms. Hess questioned whether the Committee should be looking at funds in addition to the Shellfish and Harbor Commission. She inquired whether other funds, in addition to the Education and Railroad funds, should be better understood by the Committee for transparency. Ms. Hess will meet with Mr. Mynarski, Mr. Gieger and Ms. Gencarelli to develop background information on the RRR category for the future.

3. Risk Management

Insurance Broker request for Proposal (RFP) update – Ms. Damato reported that there were three responses to the RFP (U.S.I., Gallagher, and Frenkel) and that Mr. Mynarski, Mr. Gieger and Ms. Damato would be the selection committee. She is in the process of setting up an interview schedule. The BET Audit Committee was offered the opportunity to submit questions for and attend the interviews.

Allied Public Risk Underwriter Oral Summary – Ms. Damato commented that she had spoken with Allied Public Risk’s underwriter to establish a relationship and update her on the programs that Risk Management has in place for the Town and BOE.

6. Items for Future BET Audit Committee Meetings

- ADP Payroll and Retirement Data after conversion to new record-keeping vendor
- BOE Student Activity Fund
- BOE Lunch Fund 3rd-party supplier reconciliation
- Commission on Aging, Senior Center
- DH Skating Rink
- DPW Environmental Specific Project Plan
• DPW Holly Hill Transfer Station
• TNW Inventory Control
• Internal audit to generate guidelines for reports
• Invitation to the Police Department to discuss its IT System security (Risk Manager)
• Update Annual Calendar, change Internal Audit to annual

7. Adjournment

Ms. Oberlander made a motion, seconded by Mr. Duus, to adjourn the meeting at 11:57 A.M. The Committee voted 4-0-0 in favor of the motion. Motion carried.

The next Audit Committee Meeting is tentatively scheduled for September 25, 2018 at 6:00 P.M. in the Gisborne Room.

Catherine Sidor, Recording Secretary

David Weisbrod BET Audit Committee Chairman

Schedule of 2018 Audit Committee Meetings

September 25, 2018 (Tuesday) at 6:00 P.M. (room to be determined)
October 19, 2018 (Friday) 8:30 A.M. Gisborne
October 23, 2018 (Tuesday) 4:30 P.M. (room to be determined)
November 16, 2018 (Friday) at 8:30 A.M. Gisborne
December 13, 2018 (Thursday) at 8:30 A.M. Gisborne