

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, November 13, 2014 – 8:00 A.M.
Gisborne Conference Room

Present

Committee: Arthur Norton, Chairman
William Finger, Leslie Tarkington
Absent: John Blankley

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Risk Management Director;
Pat Maranan, Internal Auditor; Sean Goldrick, BET Member

The regular meeting was called to order at 8:02 A.M.

1. Approval of Minutes: Audit Committee Meeting October 16, 2014.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the
Committee voted 3-0 to approve the October 16, 2014 Meeting
Minutes with corrections as noted.

2. Risk Management Report

• **FEMA Update**

Mr. Lalli reviewed the eight Hurricane Sandy grant reimbursement items on the FEMA Project Worksheet Summary to update the Committee on the effort to submit the additional supporting documentation needed for the remaining six open projects to be closed. He explained that two projects were completed; and two had been re-submitted with the requested documentation to permit closeout, which in all likelihood would be reimbursed in FY2016. Four projects have to wait as there is still physical work to be performed, entire project worksheets cannot be “closed” until all of the work is performed. He informed the Committee that FEMA works differently than insurance as FEMA requires final invoices and they will not pay on estimates for the Town’s project worksheets. Mr. Lalli noted there are alternatives that he felt obligated to disclose and he informed the Committee that it is possible to delete items from the project worksheets to affect an earlier closeout. He noted that most of the unfinished items could be completed before the opening of the next beach season. The Committee did not look at this alternative positively, and they requested that Risk Management wait until the spring of 2015 to provide an update. Mr. Lalli agreed. Ms. Tarkington asked that a new spreadsheet be prepared within ninety days (90) to update the Committee on progress.

Upon a motion by Mr. Finger, seconded by Ms. Tarkington, the
Committee voted 3-0 that Items PA-01-CT-4087-PW-00450, PA-01-CT-
4087-PW-00452 and PA-01-CT-4087-PW-00453 should be submitted as
originally proposed, without any modification to expedite the claims.

• **Safety Inspection Reports**

Mr. Lalli commented that no major exceptions were found in the AIG safety inspection of the Saint Catherine of Sienna building that is used for the Alternative High School program.

- **Safety Inspection of best practices for maintenance of brick pavers for the Greenwich Common's Project**

An engineer from TOG's insurance firm, Frenkel, reviewed the brick pavers selected for the project and commented that this was a style and material frequently used in similar projects. Mr. Lalli explained that the Frenkel engineer was going to examine the project's physical environment where the pavers would be placed with specific concern for shade and drainage as these physical attributes would affect the best practices for maintenance. Ms. Tarkington expressed concern that the original design plan had called for concrete walkways and requested a further safety report responding specifically to her issue of "slips and falls" for women on these types of surfaces. Mr. Lalli agreed to pose this question to the engineer but informed the Committee that the engineer had previously expressed that the brick pavers planned to be installed was a style and material that is frequently used.

- **Cyber Liability Update**

Mr. Lalli recently viewed an AIG webinar on the topic and discussed "best practices" offered at the training session with TOG's IT Director, Mr. Klein. Mr. Lalli informed the Committee that he would be providing Mr. Klein with best practices materials obtained for the insurance carrier AIG for him to review. He noted that AIG writes more than fifty percent of all cyber liability policies in the United States.

3. Internal Audit Report

Mr. Norton circulated a *Greenwich Time* news clipping that referred to a "forensic audit" executed by Greenwich Police Department according to a quote by Standards Lieutenant/PIO Gray. Mr. Norton noted that there are professional CPA standards to complete an audit. He asked if the Internal Auditor had participated in the process or if the terminology could be a misnomer for a police investigation, characterized as a forensic audit by the press. Ms. Tarkington asked Mr. Lalli to bring additional backup information on the incident to the Committee's January 2015 meeting.

- **Internal Audit Report on cash handling practices in the Planning and Zoning Enforcement Division**

Ms. Maranan reported on her field visit to P&Z and reviewed findings and recommendations. Ms. Tarkington commented that to achieve optimal efficiency and fulfillment of current policy, a firm reminder of the directive to bring all cash and check deposits to the Treasurer's office on a daily basis, needed to be reiterated.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Committee voted 3-0 to accept the report.

- **Update on Internal Audit of cash handling practices at the Greenwich Library**

Ms. Maranan noted that the Library's cash management controls were strong. She informed the Committee of recommendations made to the Library and commented that the Greenwich Library would be sharing these recommendations with the Byram and Cos Cob libraries. Ms. Tarkington requested that Ms. Maranan return to the Library to investigate the use of the Library's lending fees software as an additional cross check for the cash reconciliation process.

Upon a motion by Mr. Finger, seconded by Ms. Tarkington, the Committee voted 3-0 to accept the report.

- **Tools for Schools Update**

Ms. Maranan reported that she had requested an appointment and was awaiting an appointment date.

4. New Business

• **Fiscal 2014 Audit Update – Legal Letter**

Mr. Norton has called a Special Audit Committee Meeting on November 25, 2014 at 10:00 A.M. to review a draft of TOG's Audit. He mentioned that Mr. Fox had indicated that he was reviewing the legal letter which would accompany the draft that he anticipated distributing to the Committee before its next meeting. Mr. Mynarski indicated he would prepare an Agenda and reminded the Committee that an Executive Session would be required to review the Legal Letter.

• **The Nathaniel Witherell Historic Tax Credit Audit Update**

Discussion postponed awaiting information.

5. Old Business

There was no Old Business to discuss.

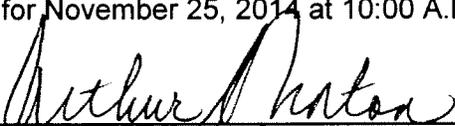
6. Items for Future BET Audit Committee Meetings

The Perrot Library will be the subject at a future meeting. Attorney McLaughlin wished to discuss some items with the Library Board before the audit discussion could be scheduled.

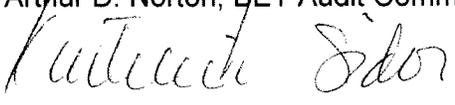
7. Adjournment

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Committee voted 3-0 to adjourn the meeting at 9:34 A.M.

The next meeting of the Committee is scheduled for November 25, 2014 at 10:00 A.M. in the Gisborne Conference Room.



Arthur D. Norton, BET Audit Committee Chairman



Catherine Sidor, Recording Secretary