

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, November 14, 2013 – 8:00 A.M.
Gisborne Conference Room

Present:

Committee: Arthur Norton, Chairman
Gregory Bedrosian, Robert Brady, Sean Goldrick

Board: Michael Mason, BET Chairman

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director of Risk Management;
Pat Maranan, Internal Auditor

The meeting was called to order at 8:14 A.M.

1. Approve Minutes of Audit Committee Meeting October 18, 2013.

Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 4-0 to approve the October 18, 2013 Meeting Minutes, with one spelling correction on Page 2.

2. Risk Management Report

• **Hurricane Sandy Update – Expenditure/Reimbursement Update**

Ms. Maranan is spearheading responses to Magnan, Graizzaro & Associates CPAs, LLC Forensic Accountants regarding the insurance claims to AIG. Two items remain open: real property damages totaling \$3,748,982 (three million, seven hundred forty eight thousand, nine hundred eighty two dollars) and business interruption totaling \$399,412 (three hundred ninety nine thousand, four hundred twelve dollars). When insurance reimbursements are collected FEMA will begin their process. Mr. Lalli noted that the claim is near end, however there are still some disputed claim areas.

• **Engineering Studies**

Mr. Lalli distributed the Frenkel & Company Engineering Report for the Glenville Elementary School. A fallen tree near the playground has been removed. Mr. Lalli has spoken with Mr. Branyan, BOE Managing Director of Operations regarding signage to be installed at all school and park fields prohibiting the use of alcoholic beverages. The Department of Parks and Recreation will design signage to be installed at all school fields and playgrounds Town-wide. All Town athletic leagues, that reserve such school fields, will be notified of this regulation. Mr. Brady noted the regulation inconsistency since alcoholic beverages are permitted at Town parks. Mr. Lalli replied that this is a Board of Education Policy.

Hurricane Sandy has caused a backup of bridge inspections. Mr. Brady recommended additional reviews of four bridges at Greenwich Point.

Inspections are planned for the following week at two pedestrian bridges and the Police Complex Parking Lot.

3. Internal Audit Report

• **Selectman's Harbor Management Advisory Committee Audit Update**

The audit update has revealed uneven revenue and documentation patterns for five years. For some of the years under the scope of the audit, Ms. Maranan has had to reconstruct data from

MUNIS records to report on actual revenue received. Mr. Lalli stated that the best years for collections was when the administrative functions were handled by the Office of the First Selectman. Mr. Lalli referenced charts that indicate that many mooring positions are unaccounted for in the administrative records. The unaccounted for positions are a result of the inventory work performed by the current Harbor Master. Lower collections were effected by poor administrative efforts outside of the Selectman's Office and a reduced fee requirement in 2013.

Recommendations will include a revised application process, permit issuance and online mooring website updates that have been approved by the Selectman's Office and the Harbor Master. Non paid mooring positions will be identified and pursued by the Harbor Master by the end of the 2013 calendar year. The Harbor Master has agreed to use the Town approved vendor for mooring removal and maintenance services (Old Greenwich Marine, LLC). A process for submitting requisitions for goods and services has been created. It was recommended that periodic reports be provided to the Selectman's Office regarding the status of revenue collection efforts. It was recommended that all safety issues noted by the Harbor Master be formally addressed by the Town.

Mr. Goldrick questioned the BET's involvement with disbursements and expenditures from this fund. Mr. Mynarski replied that the BET approves their budget through a formal appropriation and that the Selectman's Office handles such items.

- **Board of Education – Enrollment Review**

Mr. Norton recommended the Committee approve the request for an audit of best practices of the BOE Enrollment Review. Mr. Lalli stated that it will not be an extensive review since documentation reconstruction is not required; therefore little time is needed to complete.

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 4-0 to approve a Best Practices Audit of the BOE Enrollment Review, including school sampling, per Mr. Goldrick's request.

Mr. Mason recommended that enrollment and tracking be included in the audit.

4. Greenwich Library Funding Policy

Chip Haslin, Greenwich Library Board Member has attempted to schedule a meeting with legal to discuss clarification of "*General Budget Presentation, Paragraph C*". Mr. McLaughlin and the Library Board will meet to resolve this agreement in the next couple days, and the item will be placed on the December Audit Meeting Agenda.

5. Fiscal 2013 Audit Update

- **CAFR Draft**

A draft of the CAFR (Comprehensive Annual Financial Report), required by state statues prepared by McGladrey was explained by Mr. Mynarski. The Management Letter was not included in the preliminary version since the auditors have to meet with the Town attorneys.

Mr. Mynarski reviewed fund balances, encumbrances, revenues (expenditures and transfers), risk fund balance, debt policy (obligations short and long term), unfunded liabilities (pension plan), obligations, budgetary fund balance and revenues (building permits, convergence taxes). He noted positive results in the operating budget, improving the Town's credit rating.

The final CAFR will be presented at the December Meeting, with the Management Letter by McGladrey.

- **Payroll Rapid Assessment Draft**

Mr. Mynarski, and Ms. Pepe, Director of Human Resources, met with McGladrey to review the draft. Ms. Pepe was concerned that McGladrey never observed the payroll process and that the assessment was based on interviews only. McGladrey will return to the Payroll Department for observation and that will enhance the best practices recommendations. Mr. Mynarski recommended further discussion on this item at the December Audit Committee Meeting, and to include Ms. Pepe.

6. Old Business

No items were discussed.

7. Items for Future BET Audit Committee Meetings

Mr. Norton suggested an additional Committee meeting in December, to consider items needing review by calendar's year end. A Friday, December 13, 2013 meeting date was agreed upon and will be held in the Cone Room starting at 8:00 A. M.

8. Adjournment

Upon a motion by Mr. Bedrosian, seconded by Mr. Brady, the Committee voted 4 to 0 to adjourn the meeting at 10:46 A.M.



Arthur D. Norton, BET Audit Committee Chairman



Elaine JV Brown, Recording Secretary