BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, December 13, 2018 – 8:30 A.M.
Gisborne Conference Room

Present Committee: David Weisbrod, Chairman; Andreas Duus, Debra Hess, Jill K. Oberlander
Staff: Megan Damato, Esq., Risk Manager; Melinda Frame, Internal Auditor; Peter Mynarski, Comptroller; Maureen Tracey, Chief Accountant, Finance Department
BET: William Drake, Beth Krumeich, Leslie Moriarty, Jeffrey Ramer, Leslie Tarkington
Guests: Jennifer Katz, Partner, RSM; Melissa Quinn, Accountant, RSM; Ken Borsuk, Reporter, Greenwich Time

The regular meeting was called to order at 8:35 A.M.

Mr. Weisbrod welcomed the Committee, staff and guests. Mr. Mynarski introduced Ms. Tracey, TOG's Chief Accountant, and explained that she had only recently taken the position. He and Mr. Weisbrod thanked RSM's Ms. Quinn for the assistance she provided at the onset of RSM's Audit process which resulted from the Finance Department's personnel change.

Mr. Weisbrod requested a Motion to change the Order of Business to postpone a vote on the acceptance of the Minutes until later in the meeting.

Upon a Motion by Mr. Duus, seconded by Ms. Oberlander, the Committee voted 4-0-0 to vote to change the Order of Business.


Mr. Mynarski acquainted the Committee with the sequence of the presentation's topics and introduced Ms. Katz and Ms. Quinn. Ms. Katz focused on highlights of the Audit based on questions received from Committee members and suggestions from Mr. Mynarski. She pointed out that in the RSM's Management Discussion & Analysis, based on its testing, the Town's audit was deemed to be clean, i.e. free of material misstatements. She noted that the Town's change to GASB '75 reporting style effective after June 12, 2017, is termed a restatement, not due to error, but due to the change in OPEB reporting style. The topics Ms. Katz reviewed included: the Town's net position, a statement of its capital activities, the Town's total liabilities, its Debt & Fund Balance Policy including changes in Fund balance and, its long-term obligations. Ms. Katz alerted the Committee of future reporting requirements that would impact the Town such as reporting all Town leases for which she suggested the purchase of new database software; and, new supplemental information that would be required on use of Fund Balance.

Testing for the Audit's Compliance Report involved randomly selecting two large programs, Community Development Block Grant and Highway Planning & Construction, to examine their controls. No significant findings of material weakness or deficiencies were found in internal controls. Identifying a reconciliation issue in the Parking Fund, Ms. Katz noted the immediate corresponding management corrective action taken by Mr. Gieger and Mr. Mynarski in response to the Auditor's guidance comment. To finalize the Audit Report, Ms. Katz would check the edits...
suggested by the Committee and review the numbers by December 21, 2018 to ready the report for delivery to the State’s Office of Policy & Management. Mr. Mynarski recommended accepting the Audit subject to the edits which were minor and not substantive. Mr. Weisbrod would receive the edited final draft for review to ensure that the edits had made no material changes and then would forwarding the CAFRA Audit and the Federal & Single State Audits to the State’s OPM.

Additional recommendations were made by RSM: hiring an outside firm for audit support to ensure the independence of the Auditors; succession planning within the Finance Department; and, benchmarking incoming grants to apply expenditures to the grant income. Mr. Weisbrod summarized observations of the auditor report noting that there would be future GASB 87 “yellow book” changes, potential impact to funding levels, and the need to monitor legislative tax revenue stream from cannabis.

Upon a motion by Ms. Hess, seconded by Mr. Duus, the Committee voted 4-0-0 to accept the CAFR, Federal and State Single Audit and Management Letter subject to a review by Mr. Weisbrod of the recommended adjustments to ensure no material changes prior to sending them to the State’s Office of Policy & Management by December 31, 2018.

2. Acceptance of the BET Audit Committee Meeting Minutes

Upon a motion made by Mr. Duus, seconded by Ms. Oberlander, the Committee voted 4-0-0 to accept Minutes of the October 23, 2018 (Short Meeting) and the November 19, 2018 (Regular Meeting) meetings.

3. Internal Audit Report
   - Senior Center Update Re: POS System Implementation – Ms. Frame stated that she was continuing coordination with various vendors, IT, Treasury and Senior Center staff and that final implementation of all aspects of both the new point-of-sale and the new Share-the-Fare systems should be completed by early February. She will be making a presentation on the new efforts to the Commission on Aging at its January meeting.

   - Pre-Audit Analysis of Revenues and Expenses Regarding
     - Office of the Town Clerk – Coordinating with Office to perform follow-up review to 2018 report. Start date postponed until the new year due to holiday schedules. Will update at next meeting.

     - Parking Services Department – follow-up review to 2017 audit report scheduled to start in January. Pre-fieldwork review of financial activity started last month.

     - Tax Collector - Ms. Frame will attend an on-site training session next month, conducted by the Office of the Tax Collector’s software vendor. She will attend along with Office of the Tax Collector and other Finance Department personnel. Her goal is to use the information from the training to develop a basic desk manual for both Departments to use regarding procedures for the accounting and reporting of tax revenue to Finance Department. She plans to follow-up to the 2018 audit report later in 2019.

4. New Business

BET Audit Committee Meeting Minutes December 13, 2018 – Approved
• Ms. Hess asked if an internal audit could be added to review the School Lunch Fund program. Mr. Mynarski cautioned that there were 14 GPS and an Audit had been completed of a single school in 2013. A new POS card system installation was mentioned to control cash more efficiently. Ms. Frame said that a review of the Student Activity Funds should also be considered. Ms. Hess recommended that the timing of the Internal Audit of the School Lunch Program be scheduled before the BOE published an RFP for consulting recommendation for a new school lunch program.

Risk Management

• Cos Cob School Insurance Claim – Ms. Damato commented that the Town had already been reimbursed $500,000 on this claim. She commented that she had received, reviewed and passed along to the insurance adjuster the school’s project documents and spreadsheets on incurred and anticipated expenses which totaled approximately $1.2 million to date. Ms. Damato anticipates close to full reimbursement minus the $25,000 deductible.

• Greenwich High School Insurance Claim Update – Ms. Damato commented that the BOE has claimed a total for water damage repair in the mechanical room of $217,000 unless pricing of new mechanical equipment replacement increases costs.

• GHS PAC Performing Arts area – New water damage reported which Ms. Damato and the insurance adjuster will examine while on the premises. Mr. Mynarski stated that the BOE may want to obtain an estimate prior to the December BET meeting so that, if necessary, it could be scheduled for January’s RTM meeting.

• Tools for Schools Review – A school walk-through is planned for after December 15 to monitor the execution of the program.

• Insurance Brokerage Services Contract Update – Frenkel & Company’s contract expires on December 31, 2018; Mr. Mynarski had signed the new company’s contract, Arthur J. Gallagher & Co, for January 1, 2019. Mr. Mynarski commented that the three pending claims against the property insurance policy in the current fiscal year, might impact the property insurance premium and/or deductible and that Ms. Damato would follow up with Arthur J. Gallagher & Co to inquire.

5. Old Business

Board of Education Capital Project Review – Ms. Hess provided and update on the Bloom Shapiro consulting process to date but said that it was too early to receive any observations. The BET Education Liaisons will attend another meeting for early January, with more robust information later in January.

4. New Business (continued)

Ms. Hess recommended advising RSM about current additional accountant consulting taking place with TNW (PKF O’Connor, HDG) and GPS/BOE (Bloom Shapiro) for the next Town audit given that adjustments will be done in areas such as wages and benefit costs. Mr. Mynarski will advise RSM of all current consulting projects.

6. Items for Future BET Audit Committee Meetings (no new items added)

• BOE Student Activity Fund
• BOE Lunch Fund 3rd-party supplier reconciliation
• DH Skating Rink
• DPW Environmental Specific Project Plan
• DPW Holly Hill Transfer Station
• TNW Inventory Control
• Invitation to the Police Department to discuss its IT System security (Risk Manager)
• Update Annual Calendar; reduce frequency of Town Internal Audit to an annual cycle
• Internal audit to generate guidelines for communication and reports (from September minutes)

7. Adjournment

Upon a Motion by Ms. Oberlander, seconded by Mr. Duus, the Committee voted 4-0-0 to adjourn the meeting at 11:40 A.M.

The next regular Audit Committee Meeting is scheduled for January 10, 2019 (Thursday) at 8:30 A.M.in the Gisborne Room.

Catherine Sidor, Recording Secretary

David Weisbrod, BET Audit Comm. Chairman

Schedule of 2019 Audit Committee Meetings

February 1, 2019 (Friday) at 8:30 A.M.
March 7, 2019 (Thursday) at 8:30 A.M.
April 11, 2019 (Thursday) at 8:30 A.M.
May 9, 2019 at (Thursday) 8:30 A.M.
June 20, 2019 (Tuesday) at 8:30 A.M.
July 11, 2019 (Thursday) at 8:30 A.M.
August (No Meeting)
September 12, 2019 (Thursday) at 8:30 A.M.
October 3, 2019 (Thursday) at 8:30 A.M.
November 14, 2019 (Thursday) at 8:30 A.M.
December 5, 2019 (Thursday) at 8:30 A.M.