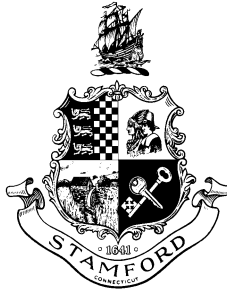


**DAVID R. MARTIN
MAYOR**



BOARD OF FINANCE

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CHAIR
MARY LOU T. RINALDI
VICE CHAIR
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BOARD OF FINANCE

STAMFORD GOVERNMENT CENTER
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CONNECTICUT 06904-2152

AUDIT COMMITTEE MEETING OF THE BOARD OF FINANCE

Thursday, September 13, 2018

6:00 p.m.

MINUTES

ATTENDEES: COMMITTEE CHAIR DAVID KOORIS, COMMITTEE MEMBER SALVATORE GABRIELE (arrived at 6:24 p.m.), BOARD OF FINANCE CHAIR RICHARD FREEDMAN, VICE CHAIR MARY LOU RINALDI AND MEMBER KIERAN RYAN (arrived at 6:05 p.m.); CITY OF STAMFORD CONTROLLER DAVID YANIK, INTERNAL AUDITOR TERESA VISCARIELLO; AND SPECIAL ASSISTANT TO THE MAYOR, LAURA BURWICK; TRANSPORTATION BUREAU CHIEF, JAMES TRAVERS; CUSTOMER SERVICES SUPERVISOR FRANK FEDELI AND TRAFFIC ENGINEER FRANK PETISE.

Chair David Kooris opened the meeting at 6:02 p.m. stating there were three items on the agenda. He then introduced Controller David Yanik who presented the first item:

1. Blum Shapiro Audit Communication (Video: 00:00:28)

Mr. Yanik noted that this is one of the standard communications required of auditors with the governing board of their clients. It is to make sure that all the information that you need to know about the audit has been conveyed. It includes management's responsibilities, the auditors' responsibilities, key dates, and appraises the Board of certain accounting pronouncements that are either pending and/or have been released that might affect the financial status. It is similar to the memos issued in prior years. The auditors want to make certain that the Audit Committee has recognized receipt of this memo and that it is documented in the minutes.

Mr. Yanik said that field work has commenced as of September 10 and we are exchanging information with the team that is on site and will be joined by a few more individuals, probably starting on Monday.

When asked about any changes, Mr. Yanik said that the biggest thing to recognize is that the GASB is trying to do with OPEB what they did with the pension plans and described the effects. There will be some impact in terms of fund balance based on its implementation and its impact on the opening fund balance amounts.

Ms. Rinaldi asked that going forward the auditors pay special attention in light of the Marina Fund activity. Mr. Yanik reported on the process already in place.

Mr. Freedman questioned the fraud risk assessment and what it involved. Mr. Yanik said the auditors conduct interviews with different members of management that they choose and described the process that is followed.

Mr. Kooris added that the committee acknowledges receipt of the communication.

2. Update – Marina Fraud – Teresa Viscariello, Internal Auditor (Video: 00:08:22)

Ms. Viscariello was present to provide a status update summary on the City's Special Revenue Marina Fund #28 (F2014-2018 audit). She categorized the scope of audit work into three (3) areas:

Work Completed: Employee Use of P-Cards

- a. Obtained guidelines for P-Card usage and restrictions.
- b. Compiled/summarized Marina Supervisor's charges – there were none found.
- c. Selected samples for review and testing – none noted.

Work in Progress and Ongoing: Use of "Drawdown" Purchase Orders

- a. Reviewing Purchasing Ordinances pertaining to use of 'drawdown' POs.
- b. Reviewing Purchasing Department procedures and guidelines.
- c. Selecting sample Marina Fund 'drawdown' POs, testing and tracing 16 vendors on the following:
 - 125 total Marina purchase orders;
 - 104 total requisitions categorized as 'drawdowns' (\$176,700)
 - 62 total of purchase orders identified as 'drawdowns' (\$133,500 – 73% of the total)

Work Not Performed: Review of Certain Employee Hiring Practices/Background Checks:

- a. Review of City of Stamford Municipal Code subsection B. Personnel Function, Sec 5-20-7 through C5-20-21.
- b. Job application submitted by former Marina supervisor.
- c. Candidate screening, interviews, and ranking.

3. Parking Operations Assessment – Laura Burwick, Special Assistant to the Mayor; James Travers, Transportation Chief; Frank Petise, Traffic Engineer; and Frank Fedeli, Customer Services Supervisor. (Video: 00:26:27)

Ms. Burwick provided an overview of events leading up to the assessment (not an audit) of the City's parking operations in an effort to identify how the City differs from industry standards. Problems identified in the assessment stemmed from what is a mostly paper operation for our reporting systems, antiquated equipment and insufficient policies and procedures. Recommendations for improvement were made. Since receiving this assessment, Julie Giglio, Special Assistant to the Mayor, has worked closely with Frank Fedeli in Cashiering and Permitting and they have done a tremendous amount of work to change our processes in accordance with the recommendations made.

Ms. Burwick said that we have made good progress, but have a long way to go. She added that our current parking management system contract expires next year and an RFP for a new contract that addresses the inefficiencies through technology has been prepared and bids received.

Mr. Travers gave an informative update on changes that have been made in meter collection and the reasoning behind the changes, together with proposed future improvements to be made. A discussion on the benefits of an audit of the parking fund was held and Mr. Travers was asked to check with the Town of Greenwich which has completed a comprehensive audit of its program. Following the discussion, a motion was made:

Motion by Richard Freedman, seconded by Mary Lou Rinaldi, to approve an amount of up to \$25,000 to conduct an audit of the parking fund. The motion passed unanimously, 5-0-0.

Please refer to the audio/visual recording (below) for actual coverage of the discussions.

Mr. Kooris asked if there were any further questions and, there being none, he adjourned the committee meeting at 7:00 p.m.

The Audit Committee of the Board of Finance conducted a meeting for the above-stated purpose at:

Stamford Government Center
Board of Finance Meeting Room, 4th Floor
888 Washington Boulevard
Stamford, Connecticut

Thursday, September 13, 2018 at 6:00 p.m.

[This meeting is on video.](#)

David Kooris, Audit Committee Chair

Sal Gabriele, Member

cc: Mayor David Martin
Michael Handler, Director of Administration
Kathryn Emmett, Director of Legal Affairs
Lou Casolo, City Engineer
Matthew Quinones, President, Board of Representatives
Jay Fountain, Director of OPM

David Yanik, Controller
Karen Vitali, Assistant Controller
Interim Director of Operations
Erik Larson, Purchasing Manager
Lyda Ruijter, City and Town Clerk