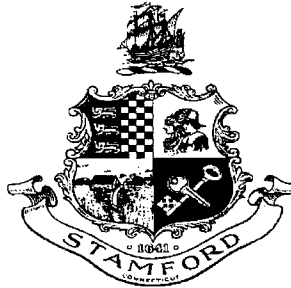


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RICHARD FREEDMAN
CHAIR
MARY LOU T. RINALDI
VICE CHAIR
GEOFF ALSWANGER
FRANK CERASOLI
KIERAN M. RYAN
(OPEN)

TEL: (203) 977-4699
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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

The City of Stamford Board of Finance conducted an Audit Committee meeting on February 13, 2020 at 6 p.m.

MINUTES (DRAFT)

PRESENT: MARY LOU RINALDI, COMMITTEE CHAIR; RICHARD FREEDMAN, GEOFF ALSWANGER (arrived at 6:06 p.m.), FRANK CERASOLI AND KIERAN RYAN (arrived at 6:04 p.m.); AND DAVID MANNIS WHO WAS TO BE SWORN IN AT THE 7 P.M. MEETING OF THE BOARD. ALSO PRESENT: DAVID YANIK, CONTROLLER AND BLUM SHAPIRO REPRESENTATIVES NIKOLETA MCTIGUE AND SANTO CARTA.

1. DRAFT CITY OF STAMFORD (COS) ANNUAL INTERNAL AUDIT PLAN AND RISK ASSESSMENT 2019-2020

Teresa Viscariello, Internal Auditor

Internal Auditor Teresa Viscariello presented her 2020 audit plan and risk assessment. The members of the committee slightly re-prioritized the order of audits to be performed and discussed the parameters and rationale for the majority of the audits. The Internal Auditor's presented documents are attached. (See Exhibit 1)

2. FINAL CAFR FOR YEAR ENDED JUNE 30, 2019 AND MANAGEMENT LETTER

Controller David Yanik will present the final CAFR and the Management Letter prepared by the City's external auditors, Blum Shapiro. Representatives of the Blum Shapiro firm will be present. The draft CAFR was originally presented back in November and has since been finalized and posted on the City's website.

Controller David Yanik and representatives of External Auditors, Blum Shapiro, presented the results of the City's final CAFR for the fiscal year ending June 30, 2019 as well as the auditors' management letter. Auditors were asked to address in greater detail the issues stated in the management letter and to share other concerns they might have. The Controller will be back before the Audit Committee to present the City's response to the management letter once it has been prepared. Documents related to the CAFR are attached. *(See Exhibits 2A and 2B)*

The meeting adjourned at 6:57 p.m.

Mary Lou Rinaldi, Chair
Audit Committee

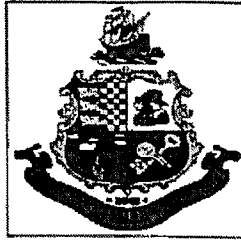
This meeting is on video.

Mary Lou Rinaldi, Audit Committee Chair

cc: Mayor David Martin
Michael Handler, Director of Administration
Kathryn Emmett, Director of Legal Affairs
Mark McGrath, Director of Operations
Jay Fountain, Director of OPM
Lee Berta, Assistant Director of OPM

Kieran Ryan, Member

David Yanik, Controller
Karen Vitale, Assistant Controller
Lou Casolo, City Engineer
Erik Larson, City Purchasing Agent
Lyda Ruijter, City and Town Clerk
Matthew Quinones, President, Board
of Representatives



CITY OF STAMFORD
PRESENTED TO THE AUDIT COMMITTEE OF THE BOARD OF FINANCE
"DRAFT" ANNUAL INTERNAL AUDIT PLAN & RISK ASSESSMENT
FISCAL 2019-2020



Prepared by: Teresa Viscariello, City's Internal Auditor
February 5, 2020

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February 5, 2020

Mary Lou T. Rinaldi, Audit Committee Chairman
Board of Finance Audit Committee
City of Stamford
Stamford Government Center
888 Washington Boulevard, Fourth Floor
Stamford CT, 06904-2152

Dear Ms. Rinaldi,

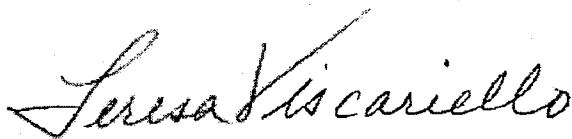
I hereby respectfully submit the enclosed Fiscal 2019-2020 Internal Audit Plan (the Plan) for the consideration and approval of the City of Stamford Board of Finance's Audit Committee. This Plan is for the period July 1, 2019 through June 30, 2020.

The role of an internal auditor as defined by the Institute of Internal Auditors is as follows: "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

This responsibility of the internal auditor is to serve the City in a manner that is consistent with the standards established by the internal audit community.

This audit plan is designed to be used as a planning tool and will continue to evolve in accordance with the City's needs and objectives. Circumstances may arise that may alter this set of audit priorities. In addition, audits may be performed in response to future events or on an "ad hoc basis" in that they are not specifically identified in this Plan. In the event this does occur, necessary adjustments will be communicated to the Audit Committee in a timely manner.

If you have any further question/comments or would like to discuss any aspects of the Plan, please contact me at 203-977-4700.



Respectfully submitted,
Teresa Viscariello, Internal Auditor

cc: Michael Handler, Director of Administration
David Yanik, Controller

Overview of Internal Audit Risk Assessment Process:

Risk Assessment developed a structured risk assessment methodology based up three steps:

1. Risk Identification
2. Risk Measurement (Scoring)
3. Risk Prioritization (Ranking)

1. Risk Identification (Top/Down approach):

A broad general risk assertion was identified that addressed applicable risks across multiple departments/related entities throughout the City of Stamford.

CFM	- Timing of cash inflows does not match cash outflows.
REVM	- Revenue processes and controls do not ensure that amounts actually received from taxpayers and others for City services are maximized.
EXPM	- Expenditure processes and controls do not ensure that amounts incurred and paid are minimized / competitively determined.
EXPMCAPP	- Expenditure processes and controls relating to capital projects do not ensure that amounts paid are minimized / competitively determined or that available capital project funding is applied as efficiently as possible.
FINREP	- Policies, procedures, information systems, and control activities do not ensure timely and accurate financial records on which to base financial reports and related financial disclosures.
HR/T&A	- Policies and information systems do not ensure that applicable state and federal labor laws are adhered to or that amounts paid for labor and benefits are in compliance with applicable agreements and are minimized.
ETH/GOV	- Policies, procedures, and information systems do not ensure that City ordinances, statutes, and other codes of conduct are adhered to.

The following type of risk categories that were considered in the development of the City's internal risk identification:

- Operational Risk - Impairment of the ability to carry out day-to-day operations of the City.
- Compliance Risk - Failure to comply with laws, regulations and internal policies designed to safeguard the City.
- Financial Risk - Loss or risk of loss or misapplication of financial resources or assets.

- **Reputational Risk** - Risk that public image or reputation of the City or one or more of its representatives are damaged by actions of a unit or individual connected with the City.

Next, a more specific risk assertion was developed by considering the following;

- Conducting various meeting with key senior level management discuss ongoing and routine dialogue with key departmental management to identify specific issues, gaps or concerns in department coverages.
- Reviewing individual departments, functions, or fund financial documents, identifying certain overages or trends in actual versus budgeted amounts.
- Reviewed the City's fiscal 2018 and 2019 management letters on matters of significant deficiencies in internal controls.

2. Risk Measurement (Scoring) Weight Factor:

The above risk assertions were then scored based on their likelihood and significance/impact the strength of any mitigating/monitoring controls, and the related governance. An overall risk ranking is shown in **Exhibit C** Internal Audit Risk Matrix and Assessment.

- ❖ **Significance/impact** – based on a conservative materiality factor of 5% of 2019 City of Stamford Comprehensive Annual Financial Report (CAFR) for each risk.
- ❖ **Strength of mitigating/monitoring controls**- based upon a system in place that monitors and is regularly updated at least annually for each risk.
- ❖ **Governance**- based on required approvals that may be required, or oversight exercised by the applicable Boards or Committees for each risk.

A weighting factor of 1 (lowest or least concerning) to 10 (highest) was developed and the scores were multiplied together to obtain the total score for each risk.

3. Risk Prioritization (Ranking):

Once the total scores were calculated the risks were then sorted from highest to lowest according to their respective scoring and then ranked in **Exhibit B** Internal Audit Risk Ranking.

The proposed Internal Audit Plan Projects for Fiscal 2019/2020 were identified and developed from the ranked list in **Exhibit A** Fiscal 2019/2020 Internal Audit Plan.

City of Stamford
"Final" Internal Audit Plan 2019/2020
 As of July 1, 2019 and forward

Project #	Previous Project# suggested	Project Title	Current Specific Risk ID #	Previous Specific Risk ID #	Task	Ongoing Projects/Tasks	Planned Estimate (Hours)	Completed Hours (Actual to Date)	% of Internal Audit Plan
2020.01	No	Review Tax Collection Revenues Reconciliation Processes	1		1	Tax Collected Revenues Reconciliation Processes.	200.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #1 (1)	2.00	0.00	
2020.02	Yes	City's/BOE Operating Grants Revenue & Expenses (Fund 24) Processes	2	3	1	Operating Revenue & Expense Grants (Fund 24) Processes.	202.00	0.00	11.7%
					2	Create report of findings and recommendation to audit committee for project 2020 #2 (1)	164.50	0.00	
2020.03	Yes	City's/BOE Mold Expenditures processes adherence to proper review/approval supporting documentation	3	4	1	Review of City's/BOE Mold Expenditures Expedited Vendor Payment Process.	150.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #3 (1)	2.00	0.00	
2020.04	No	Review of City's/SWPCA Adherence to Purchase Ordinance Process	17		1	By City Purchasing Ordinance a Review of City/SWPCA Purchasing Process should be perform every 3 years.	152.00	0.00	8.3%
					2	Create report of findings and recommendation to audit committee for project 2020 #4 (1)	150.00	0.00	
2020.05	No	Review of BOE Adherence to Purchase Ordinance Process	9		1	By City Purchasing Ordinance a Review of BOE Purchasing Process should be perform every 3 years.	151.50	0.00	8.3%
					2	Create report of findings and recommendation to audit committee for project 2020 #5 (1)	90.00	0.00	
2020.06	Yes	Review process for BOE Extra Service Payroll Vouchers for Teachers	4	2	1	Review of BOE Teachers Extra Service Payroll Vouchers Approval Process.	1.50	0.00	5.0%
					2	Create report of findings and recommendation to audit committee for project 2020 #6 (1)	75.00	0.00	
2020.07	No	Review of City's Fleet Vehicles inventory count, fuel consumption calculation, and repair maintenance processes.	5		1	Review of City's Fleet Vehicles inventory, Fuel Consumption, and Repair Maintenance Process.	76.50	0.00	4.2%
					2	Create report of findings and recommendation to audit committee for project 2020 #7 (1)	110.00	0.00	
2020.99	Yes	Adhoc Type Audits			1	Adhoc Type Audits - Provide assessments by examining and evaluating general fund non city environment and non-government agencies on overall internal controls and financial positions.	1.50	0.00	6.1%
					2	Create report of findings and recommendation to audit committee for project 2020 #7 (1)	111.50	0.00	
2020.A	Yes	Internal Audit Risk Assessment and Audit Plan			1	Long-term project for Internal Audit to create both General and Specific Risk Assessment for City of Stamford.	30.00	0.00	1.6%
2020.B	Yes	Review Recommendations Made in Prior Years Internal Audits			1	Go through prior years completed internal audit and review status of recommendation made in various departments.	180.00	0.00	9.9%
						Total Time Budgeted for Identified Internal Audit Projects	40.00	0.00	2.2%
						Estimated Available Hours (Excludes Leave & Holidays)	1,201.50	0.00	65.9%
							1,822.50	0.00	100%

Audit Committee
Exhibit 1A
(FINAL)

City of Stamford
"Final" Internal Audit Plan 2019/2020
As of July 1, 2019 and forward

Project #	Previous Project# suggested	Project Title	Current Specific Risk ID #	Previous Specific Risk ID #	Task	Ongoing Projects/Tasks	Planned Estimate (Hours)	Completed Hours (Actual to Date)	% of Internal Audit Plan
2020.08	Yes	City's Cashiering & Permitting - Review of Collection Process Parking Fund	7	5	1	City's Parking Fund Review of Collection Process.	100.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #8 (1)	2.00	0.00	
						subtotal	102.00	0.00	5.6%
2020.09	Yes	Human Resource Policy and Procedures (Termination) Process	12	11	1	Human Resource - Review of HR Ceridian Data Report.	20.00	0.00	
					2	Monthly Review of HR Ceridian Data Report.	20.00	0.00	
					3	City of Stamford - Review Current Termination Procedures and Policies.	20.00	0.00	
					4	Create report of findings and recommendation to audit committee for project 2020 #9 (1-3)	2.00	0.00	
						subtotal	62.00	0.00	3.4%
2020.10	Yes	City's Employee Purchasing Card Review Process	11	10	1	City's Employee Purchasing Card Process.	70.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #10 (1)	2.00	0.00	
						subtotal	72.00	0.00	4.0%
2020.11	Yes	BOE Employee Purchasing Card Review Process	14	12	1	BOE Employee Purchasing Card Process.	60.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #11 (1)	2.00	0.00	
						subtotal	62.00	0.00	3.4%
2020.12	Yes	Human Resource Policy and Procedures (Hiring)	16	15	1	Human Resource - Quarterly Review of HR Ceridian Data Report	30.00	0.00	
					2	Monthly Review of HR Ceridian Data Report	30.00	0.00	
					3	City of Stamford - Review current hiring policy and procedures	40.00		
					4	Create report of findings and recommendation to audit committee for project 2020 #12 (1-3)	2.00	0.00	
						subtotal	102.00	0.00	5.6%
2020.13	Yes	City Cash Receipt Module and Processes			1	Cashier and Permitting (include credit cards receipts)	50.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #13 (1)	2.00	0.00	
					3	Tax Department	60.00	0.00	
					4	Create report of findings and recommendation to audit committee for project 2020 #13 (3)	2.00	0.00	
					5	Building Department (include credit cards receipts)	50.00	0.00	
					6	Create report of findings and recommendation to audit committee for project 2020 #13 (5)	2.00	0.00	
					7	Recreation Department (include credit cards receipts)	20.00	0.00	
					8	Create report of findings and recommendation to audit committee for project 2020 #13 (7)	2.00	0.00	
						subtotal	188.00	0.00	10.3%
2020.14	Yes	Surprise Audits			1	Spot audit - Cash receipt process with E.G. Brennan (Golf Course).	25.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2020 #14 (1)	8.00	0.00	
						subtotal	33.00	0.00	1.8%
						Total Stand By Internal Audit Projects	621.00	0.00	34.1%
						Total Internal Audit Plan	1,822.50	0.00	100.0%
						Unassigned (Additional) Audit Hours	0.00		

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2019-2020

Scoring	CY Risk ID #	General Risk	Description of Specific Risk	Type of Risk	Action Required
432	1	REVM	Property tax reconciliation of revenues recorded in general ledger system to actual amounts received may not be performed on an accurate or on a timely basis.	Fin	Pending City's Annual Audit Results (Possible Internal Audit Project)
392	2	REVM	Operating Grants revenues and expenses may not be properly recorded in the general ledger and as a result may not be properly reported in the Single Audit Reports. <i>Note: Internal process for managing operating grants differs from capital grants. Capital grants project was already completed.</i>	Fin	Grants Dept. continues to provide updates to the BOF regarding reimbursement submissions and collections IA - Internal Audit Project is on Plan.
384	3	FINREP	In remediating ongoing school mold issues, while ensuring timely vendor payments, expedited payments expenditure processing may not be approved with fully supported detail documentation.	Fin	Pending City's Annual Audit Results (Possible Internal Audit Project)
336	4	HR/T&A	BOE extra service payroll vouchers (specifically for teachers) review and approval process may not be operating effectively and timely.	Fin	IA-Internal Audit Project is on Plan
335	5	EXPM	With the recent departure of the former fleet manager, issue may have arisen regarding possible operating effectiveness of established procedures and policies for the following: 1.) Inventory count of fleet vehicles and fleet life expectancies 2.) Fuel consumption calculation and reporting	Fin	IA-Internal Audit Project is on Plan
319	6	HR/T&A	Accumulated compensated absence balances for Fire and Police employees may not be calculated in accordance with applicable contractual provisions and those employees may not be paid properly upon termination or retirement.	Op	IA - No audit project scheduled at this time

Audit Committee
Exhibit
1B

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2019-2020

Scoring	CY Risk ID #	General Risk	Description of Specific Risk	Type of Risk	Action Required
294	7	CFM	Parking fund tickets/fines revenue collection procedures and reporting processes might not be operating effectively and timely.	Fin	IA-Internal Audit Project is on Plan
293	8	REVM	Implementation of new on-line City building permit credit card payment process will need to be reviewed ensure that internal controls are operating effectively.	Fin	IA - No audit project scheduled at this time
289	9	EXPM	Use of alternative suppliers by Board of Education rather than pooling of purchasing power with the City could result in higher costs. <i>In addition, and in accordance with the City's Purchasing Ordinance number 1177, Chapter 23, sec. 23-18.9 Audit. "The purchasing process shall be audited every (3) years by City's Internal Audit".</i>	Op	IA-Internal Audit Project is on Plan
288	10	FINREP	(A) While active employee is on worker's compensation, employee reimbursements for benefits (medical, vision, dental, etc.) due to the City are not collected or recorded on a timely basis. (B) Possibility that duplicate worker's compensation employee payments are being made by both the City and TPA (Third Party Administrators) during workers compensation leave of absence.	Fin	Pending City's Annual Audit Results
287	11	FINREP	Established City procedures for administering employee purchasing (P-Card) program may require review and updating for administrative purposes.	Fin	IA-Internal Audit Project is on Plan
280	12	HR/T&A	City's HR employment termination processes with regard to access rights for City information systems may need to be tightened to secure access.	Op	Pending City's Annual Audit Results (Possible Internal Audit Project)
279	13	FINREP	Timing delays in replacing retired/terminated City employees in key roles may result in loss of departmental institutional knowledge and additional avoidable training.	Fin	IA - No audit project scheduled at this time

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2019-2020

Scoring	CY Risk ID #	General Risk	Description of Specific Risk	Type of Risk	Action Required
252	14	FINREP	Established BOE procedures for administering employee purchasing credit card (P-Card) program may require review and updating for administrative purposes.	Fin	IA - No audit project scheduled at this time
239	15	FINREP	Hackers masquerading as either City/BOE employees or vendor CFO/COO's might persuade City employees to issue improper payments to fraudulent bank accounts.	Fin	IA - No audit project scheduled at this time
210	16	HR/T&A	Implementation of new web-based HR recruitment application process may need to be reviewed to ensure internal controls are in place and adherence to compliance with civil service rules, policies, and regulations.	Op	On Hold until data is provided by Human Resource Director
200	17	EXPM	City's Purchasing Department usage of the "Bid Waiver" process and miscellaneous contract classifications may not result in competitive pricing for contracts awarded. <i>In addition, and in accordance with the City's Purchasing Ordinance number 1177, Chapter 23, sec. 23-18.9 Audit. "The purchasing process shall be audited every (3) years by City's Internal Audit".</i>	Op	IA-Internal Audit Project is on Plan
180	18	ETH/GOV	2019 - City's Code of Conduct/Ethics regularly scheduled training may not be performed on a timely basis for the following: 1.) Employees 2.) Board members and committee members	Fin	No Internal Audit Project Scheduled
175	19	EXPM	Reviewing OPM process for evaluating and approving unfavorable budget to actual expenditure variances.	Op	No Internal Audit Project Scheduled
160	20	FINREP	Certain personnel related items may not have been properly reviewed and/or approved timely during the transitional period from departure of the former HR Director to new replacement.	Fin	IA - No audit project scheduled at this time

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Rating)
"DRAFT"
FYE 2019/2020

CY Risk ID #	PY Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significant or Moderate Risk (On-High / High)	Strength of Mitigation / Controls (On-High / High)	Impact of Disruption (On-High / High)	Time to Break Down / Remedied (On-High / High)	Comments / Observations	Action Required
1		Tax Collector's Report reconciliation process	Tax Collector Office + Director of Administration	Property tax reconciliation of revenues recorded in general ledger system to actual amounts received may not be performed on an accurate or on a timely basis.	Fin	REVM	432	9	8	6	1	F2020 - See comment below for F2018. F2018 - See comment below for F2018. F2018 - Repeat comment in auditor's management letter.	Pending City's Annual Audit Results (Possible Internal Audit Project)
2	2	City Operating Grants Revenue & Expense (Fund 24)	Grants Department + OPM	Operating Grants revenues and expenses may not be properly recorded in the general ledger and as a result may not be properly reported in the Single Audit Reports. <i>Note: Internal process for managing operating grants differs from capital grants. Capital grants project was already completed.</i>	Fin	REVM	362	7	8	7		F2020 - Repeat comment in auditor's management letter F2019 & F2018. F2018 - OPM regularly reviews of the activity in operating grant projects for posting accuracy, new reconciliation procedures are being implemented by the Controller's Office. F2018 - Possible repeat comment in auditor's management letter.	Grants Dept. continues to provide updates to the BOF regarding reimbursement submissions and collections IA - Internal Audit Project is on Plan.
3	3	Mold expenditure process adherence to obtaining proper review/approval supporting documentation	Stamford Asset Management Group formerly Mold Task Force	In remediating ongoing school mold issues, while ensuring timely vendor payments, expedited payments expenditure processing may not be approved with fully supported detail documentation.	Fin	FMREP	384	8	8	6		F2020 - Ongoing school mold issues and significance of mitigating internal controls over time will increase. Periodic updates are provided to BOF by Stamford Asset Mgmt. group representative for appropriations of capital projects. F2018 - Periodic updates are provided to Board of Finance by Mold Task Force representative. F2018 - November 2018 Mold Task Force was established and Bid Waiver #1010 was submitted to BOF for approval.	Pending City's Annual Audit Results (Possible Internal Audit Project)
4	6	Review process for BOE Teachers, Coaching, and Interscholastic extra service payroll vouchers	BOE Human Resources + BOE Finance Dept.	BOE extra service payroll vouchers (specifically for teachers) review and approval process may not be operating effectively and timely.	Fin	HR/TA	336	7	8	6		F2020 - Internal Audit project is scheduled. F2019 - See comment below for F2018. F2018 - Internal Audit project is not scheduled.	IA - Internal Audit Project is on Plan
5		Review of City's vehicle inventory count, fuel consumption calculation, and repair maintenance processes.	Director of Operations + Fleet Management	With the recent departure of the former fleet manager, issue may have arisen regarding possible operating effectiveness of established procedures and policies for the following: 1.) Inventory count of fleet vehicles and fleet file expedancies 2.) Fuel consumption calculation and reporting	Fin	EXPM	335	6	8	7	-1	F2020 - On 11-27-19, an OPM internal consultant conducted a City vehicle fleet report analysis. Several findings were discovered with regard to integrity of the data supporting fleet activity such as: too many systems with redundant information, manual processes, difficulty tracking, auditing, and creating expense history for vehicle movement through these (3) fleet systems.	IA - Internal Audit Project is on Plan
6	5	City Timekeeping for Fire and Police Dept. employees	Controller's Office + Fire Dept. + Police Dept.	Accumulated compensated absence balances for Fire and Police employees may not be calculated in accordance with applicable contractual provisions and those employees may not be paid properly upon termination or retirement.	Op	HR/TA	319	8	8	5	-1	F2020 - Payroll system implementation project is underway, see repeat comment for F2019. F2019 - City will continue with using current processes until after completion payroll system implementation project. F2018 - Possible repeat comment in auditor's management letter from F2017 as a "little D" audit finding.	IA - No audit project scheduled at this time
7	4	Collections issues with parking tickets and fines	City Cashiering & Permitting	Parking fund tickets/fines revenue collection procedures and reporting processes might not be operating effectively and timely.	Fin	CFM	294	7	7	6		F2020 - Internal Audit project is scheduled. F2019 - Interview with Transportation Bureau Chief identifying issues with potential parking tickets violations process. F2018 - BOF - Audit Committee reviewed Operational external Audit conducted finding discovered parking ticket collectability finding.	IA - Internal Audit Project is on Plan

Audit Committee
Exhibit 1C

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Rating)
"DRAFT"
FYE 2019/2020

CY Risk ID #	PY Risk ID #	Area/Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk REV/N	Scoring	Significance of Internal Risk (1-10)	Strength of Mitigation Measures (1-10)	The Likelihood of Impact of Internal Risk (1-10)	Comments / Observations	Action Required
8	9	Credit card payment process for Cashiering & Permitting Building Permits	Cashiering & Permitting + Building Permits	Implementation of new on-line City building permit credit card payment process will need to be reviewed ensure that internal controls are operating effectively.	Fin	REV/N	293	7	7	6	F2019 - See comment below for F2018. F2018 - No audit project scheduled at this time.	IA - No audit project scheduled at this time
9		BOE Adherence to Ordinance Procurement Process	BOE Purchasing + BOE Finance Dept.	Use of alternative suppliers by Board of Education rather than pooling of purchasing power with the City could result in higher costs. <i>In addition, and in accordance with the City's Purchasing Ordinance number 1177, Chapter 23, sec. 23-18.9 Audit. "The purchasing process shall be audited every (3) years by City's Internal Audit."</i>	Op	EXPM	289	8	6	6	F2019 - Based upon City Purchasing Ordinance number 1177, Chapter 23, Sec. 23-18.9 Audit. "The purchasing process shall be audited every (3) years by the City's Internal Auditor" and BOE follows this purchasing ordinance. F2019 - The BOE's purchasing processes are carried out by finance and grants employees or outside contractors, and no single person is responsible for compliance with city purchasing ordinances. F2018 - Last BOE Internal Audit Report of Purchasing Process was completed on July 7, 2016 (covering F2012-2014) and presented to BOE - Audit Committee on July 14, 2016.	IA-Internal Audit Project is on Plan
10	14	Workers' Compensation employee payments process	Risk Management +City's Human Resources	(A) While active employee is on worker's compensation, employee reimbursements for benefits (medical, vision, dental, etc.) due to the City are not collected or recorded on a timely basis. (B) Possibility that duplicate worker's compensation employee payments are being made by both the City and TPA (Third Party Administrators) during workers compensation leave of absence.	Fin	FINREP	288	8	6	6	F2019 - On 12-12-19, Risk Manager presented to the BOE - Audit Committee Brickmore Workers' Compensation Claim Audit report findings, recommendation, and corrective actions. except scope did not cover duplicate workers comp payment and employee reimbursement of benefits due to the City/BOE. F2019 - Final report issued in Oct 2018 for Workers' Compensation review and Total Cost of Risk. Overall rating 93% review of TPA, except scope did not cover duplicate workers comp payment and employee reimbursement of benefits due to the City/BOE. F2018 - Risk Manager reviews weekly voucher report to ensure eligibility of salary continuation for workers compensation and holds monthly meeting with all departments heads and TPA to address any workers' compensation issues.	Pending City's Annual Audit Results
11	10	City P-Card (Purchasing Credit Card) Program Process	City's Purchasing Department +Controller's Office	Established City procedures for administering employee purchasing (P-Card) program may require review and updating for administrative purposes.	Fin	FINREP	287	8	6	6	F2019 - Although the Marina Internal Audit project was completed and presented to both BOE (Mid March 2019) and BOE no findings for P-Card process were found, as a result a review of existing established policies and procedure would require revisions. F2019 - See comment below for F2018. F2018 - As a result of the City's Internal Audit Review of Marina Fund P-Card process medium findings.	IA-Internal Audit Project is on Plan
12	11	HR Termination of Employment Process	City's Human Resources Department	City's HR employment termination processes with regard to access rights for City information systems may need to be tightened to secure access.	Op	HR/T&A	280	5	8	7	F2019 - See comment below for F2019. F2019 - See comment below for F2018. F2018 - No Internal Audit project was scheduled.	Pending City's Annual Audit Results (Possible Internal Audit Project)

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Rating)
"DRAFT"
FYE 2019/2020

CY Risk ID #	PY Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significance of Risk (Range: 1-9)	Strengths / Mitigation (Range: 1-5)	Impact of Risk on Government (Range: 1-5)	Comments / Observations	Action Required
13	7	City Human Resources	City's Human Resources	Timing delays in replacing retired/terminated City employees in key roles may result in loss of departmental institutional knowledge and additional avoidable training.	Fin	FINREP	279	7	8	5	F2019 - See comment from F2019. F2019 - City should undertake an effort to minimize loss of institutional knowledge and look for better solutions to retain knowledge from existing employees before their departures. Examples: (A) Impact oversight with community public safety issues and new recruitment process with departure of City's Police Chief. (B) Potential oversight list governing citywide insurance and workers compensation.	IA - No audit project scheduled at this time
14	12	BOE P-Card (Purchasing Credit Card) Program Process	BOE Purchasing Department +BOE Finance Director	Established BOE procedures for administering employee purchasing credit card (P-Card) program may require review and updating for administrative purposes.	Fin	FINREP	282	7	8	6	F2019 - Internal Audit Limited Review of SPS P-Card Usage & T&E reimbursement report was presented to BOE - Audit Committee on 10-19-18, which resulted in identified internal control weaknesses in P-Card review process of cardholder charges. The BOE P-Card policies and procedures were updated accordingly by City's Legal Department. F2019 - See comment below for F2018. F2018 - As a result of the City's Internal Audit Review of Marina Fund P-Card process medium findings with recommendations.	IA - No audit project scheduled at this time
15	13	City/BOE Cybersecurity risk through Microsoft Outlook email accounts.	Technology Department	Hackers masquerading as either City/BOE employees or vendor CFO/COO's might persuade City employees to issue improper payments to fraudulent bank accounts.	Fin	FINREP	239	8	5	6	F2020 - See repeat comments below for F2019. F2019 - City's Technology Director does have a Technology Department issued 2010 security risk policy and procedures in place for network printers, scanners, photocopy, website terms, privacy, and conditions of use, network security, mobile computing and storage devices, vpn policy. TMS does acknowledge that the security policy and procedure should be reviewed and possibly revised approximately 2-3 years out from F2019. F2018 - No Internal Audit project was scheduled.	IA - No audit project scheduled at this time
16	15	New web-based HR Recruitment Process	City's Human Resource Department	Implementation of new web-based HR recruitment application process may need to be reviewed to ensure internal controls are in place and adherence to compliance with civil service rules, policies, and regulations.	Op	HR/TA	210	5	7	6	F2020 - See repeat comment below for F2019. F2019 - See repeat comment below for 2018. F2017 - Human Resource Ceridian Recruitment Solution (integrated application) project was placed on hold and will be going out to third party.	On Hold until data is provided by Human Resource Director
17		City/SMPCA Adherence to Ordinance Procurement Process	City/SMPCA Purchasing + OFM Dept.	City's Purchasing Department usage of the "Bid Waiver" process and miscellaneous contract classifications may not result in competitive pricing for contracts awarded. In addition, and in accordance with the City's Purchasing Ordinance number 1177, Chapter 23, sec. 23-18.9 Audit. "The purchasing process shall be audited every (3) years by City's Internal Audit".	Op	EXPM	200	9	5	5	F2020 - See repeat comment for F2019. F2019 - Based upon City's Purchasing Ordinance number 1177, Chapter 23, Sec. 23-18.9 Audit. "The purchasing process shall be audited every (3) years by the City's Internal Auditor". F2018 - Last City/SMPCA Internal Audit Report of Purchasing Process was completed on September 14, 2015 (covering F2012-2014) and presented to BOE - Audit Committee on October 8, 2015.	IA - Internal Audit Project is on Plan

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Rating)
"DRAFT"
FYE 2019/2020

CY Risk ID #	PY Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significant or High Risk (low-high)	Strength of Mitigation (low-high)	Impact of Risk (low-high)	Comments / Observations	Action Required
18	17	Adherence to Ordinance for City's Code of Conduct and Ethics	City's Human Resources Dept. + BOE Human Resources Dept. + Legal Dept.	2019 - City's Code of Conduct/Ethics regularly scheduled training may not be performed on a timely basis for the following: 1.) Employees 2.) Board members and committee members	Fin	ETHGOV	180	6	5	6	F2019 - See report comment below for F2019. F2019 - City's Board of Ethics determines on a case by case basis violations of the City's Code of Conduct Ordinance. F2018 - City's Board of Ethics determines on a case by case basis violations of the City's Code of Conduct Ordinance.	No Internal Audit Project Scheduled
19	18	Review of non-salary expenditures report results	OPM Department	Review OPM process for evaluating and approving unfavorable budget variance.	Op	EXPM	175	7	5	5	F2020 - H.T.E report (run 1-10-20) F2019 - H.T.E report (run 1-10-19) comparison of actual expenditures exceeding original budget plus appropriations 6-30-18. F2018 - H.T.E report (run 12-18) comparison of actual expenditures exceeding original budget plus appropriations 6-30-17.	No Internal Audit Project Scheduled
20	8	City Human Resources approvals for transactions and changes	Legal + Human Resources Department	Certain personnel related items may not have been properly reviewed and/or approved timely during the transitional period from departure of the former HR Director to new replacement.	Fin	FINREP	180	8	4	5	F2020 - New Director of Human Resource was hired at the beginning of July 2018. F2019 - Coincident with the resignation of the former HR Director in October 2018, the Director of Legal Affairs has assumed his responsibilities. Interim Human Resource Director is onsite and is working with an outside search firm to identify candidates for the position.	IA - No audit project scheduled at this time

General Risk Defined (risks that are broadly applicable across multiple organizations)

CFM	CFM	- Timing of cash inflows does not match cash outflows
REVM	REVM	- Revenue processes and controls do not ensure that amounts actually received from taxpayers and others for City services are maximized
EXPM	EXPM	- Expenditure processes and controls do not ensure that amounts incurred and paid are minimized / competitively determined
EXPMCAP	EXPMCAP	- Expenditure processes and controls relating to capital projects do not ensure that assets are properly managed / properly determined or that available capital project funding is applied as efficiently as possible
FINREP	FINREP	- Policies, procedures, information systems, and control activities do not ensure timely and accurate financial records on which to base financial reports and related financial disclosures
HRT&A	HRT&A	- Policies and information systems do not ensure that applicable state and federal labor laws are adhered to or that amounts paid for labor and benefits are in compliance with applicable agreements and are minimized
ETHGOV	ETHGOV	- Policies, procedures, and information systems do not ensure that City ordinances, statutes, and other codes of conduct are adhered to