



**CITY OF STAMFORD
PRESENTED TO THE AUDIT COMMITTEE OF THE BOARD OF
FINANCE
“DRAFT” ANNUAL INTERNAL AUDIT PLAN & RISK ASSESSMENT
FISCAL 2022-2023**



**Prepared by: Teresa Viscariello, Internal Auditor
Date: July 14, 2022**

Table of Contents

Letter of Transmittal.....	2
Overview of Internal Audit Risk Assessment Process.....	3-4
“Draft” Internal Audit Plan (Exhibit A)	
“Draft” Internal Audit General/Specific Risk Ranking (Exhibit B)	
“Draft” Internal Audit Risk Matrix Identification/Assessment (Exhibit C)	

July 1, 2022

Mary Lou T. Rinaldi, Audit Committee Chair
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 2022-2023 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, 2022 through June 30, 2023.

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: Sandy Dennies, Director of Administration
David Yanik, Controller

- 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 2021 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 2021 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 2022/2023 were identified and developed from the ranked list in **Exhibit A** Fiscal 2022/2023 Internal Audit Plan.

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.
EXPMCAP	- 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.
FRUAD/ ETH/GOV	- Policies, procedures, and information systems do not ensure that City ordinances, statutes, and other codes of conduct are adhered to.
CYBER	- Policies, access measures, and employee training that ensures that data security is maintained, employee and taxpayer information are properly protected, and identity protection measures are undertaken in light of the shift from on-site to remote work.

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.

City of Stamford
 "Draft" Internal Audit Plan 2022/2023
 As of July 1, 2022 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
2023.01	Yes	Review Tax Collection (QDS) Revenues Reconciliation Processes	2	2	1 2	Tax Collected (QDS) Revenues Reconciliation Processes. Create report of findings and recommendation to audit committee for project 2023 #1 (1)	250.00 2.00 252.00	0.00 0.00 0.00	12.8%
2023.02	Yes	Review of City's/SWPCA Adherence to Purchase Ordinance Process includes review of "Bid Waiver" usage	3	6	1 2	By City Purchasing Ordinance a Review of City/SWPCA Purchasing Process (includes "Bid Waiver") should be performed every 3 years. Create report of findings and recommendation to audit committee for project 2023 #2 (1)	150.00 1.50 151.50	0.00 0.00 0.00	7.7%
2023.03	Yes	Review process for BOE Extra Service Payroll Vouchers for Teachers	9	8	1 2	Review of BOE Teachers Extra Service Payroll Vouchers Approval Process. Create report of findings and recommendation to audit committee for project 2023 #3 (1)	80.00 1.50 81.50	0.00 0.00 0.00	4.2%
2023.04	Yes	City's Employee Purchasing Card Review Process	15	14	1 2	City's Employee Purchasing Card Process. Create report of findings and recommendation to audit committee for project 2023 #4 (1)	80.00 2.00 82.00	0.00 0.00 0.00	4.2%
2023.05	Yes	Review of BOE Adherence to Purchase Ordinance Process	16	15	1 2	By City Purchasing Ordinance a Review of BOE Purchasing Process should be perform every 3 years. Create report of findings and recommendation to audit committee for project 2023 #5 (1)	90.00 1.50 91.50	0.00 0.00 0.00	4.7%
2023.06	Yes	Human Resource Policy and Procedures (Termination) Process	17	17	1 2 3 4	Human Resource - Review of HR "NEOGOV" System Data Report. Monthly Review of HR "NEOGOV" System Data Report. City of Stamford - Review Current Termination Procedures and Policies. Create report of findings and recommendation to audit committee for project 2023 #6 (1-3)	80.00 20.00 10.00 2.00 112.00	0.00 0.00 0.00 0.00 0.00	5.7%
2023.99	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.	60.00 60.00	0.00 0.00	3.1%
2023	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.	305.50 1,136.00	0.00 0.00	15.6%
Total Time Budgeted for Identified Internal Audit Projects Estimated Available Hours (Excludes Leave & Holidays)							1,962.50	0.00	100%

City of Stamford
 "Draft" Internal Audit Plan 2022/2023
 As of July 1, 2022 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
2023.07	Yes	BOE Employee Purchasing Card Review Process	20	21	1	BOE Employee Purchasing Card Process.	50.00	0.00	
					2	Create report of findings and recommendation to audit committee for project 2023 #7 (1)	2.00	0.00	
2023.08	Yes	Human Resource Policy and Procedures (Hiring)	23	20	1	Human Resource - Quarterly Review of HR "NEOGOV" System Data Report	52.00	0.00	2.6%
					2	Monthly Review of HR "NEOGOV" System Data Report	40.00	0.00	
					3	City of Stamford - Review current hiring policy and procedures	10.00	0.00	
					4	Create report of findings and recommendation to audit committee for project 2023 #8 (1-3)	18.00	0.00	
2023.09	Yes	City's/BOE Mold Related Remediation for Capital/Operating Grants Revenues/Expenditures Procedures and Processes.	19	13	1	Review of City's/BOE Mold Related Remediation for Capital/Operating Grants Revenues/Expenditures Procedures and Processes.	70.00	0.00	3.6%
					2	Create report of findings and recommendation to audit committee for project 2023 #9 (1)	90.00	0.00	
2023.10	Yes	City's/BOE Operating Grants Revenue & Expenses (Fund 24) Processes	1	3	1	Operating Revenue & Expense Grants (Fund 24) Processes.	92.00	0.00	4.7%
					2	Create report of findings and recommendation to audit committee for project 2023 #10 (1)	155.00	0.00	
2023.11	Yes	Review of City's Implementation of New Accounts Receivable & Billing System for Parking Fund (Passport), Health Dept. (STRIPE), and Permitting (VPC).	4	4	1	Implementing of New Accounts Receivable & Billing System for Parking Fund (Passport), Health Dept. (STRIPE), and Permitting (VPC).	130.00	0.00	8.0%
					2	Create report of findings and recommendation to audit committee for project 2023 #11 (1)	2.00	0.00	
2023.12	Yes	City's (New Merger) Tax Collector's Office Review of Cashing and Permitting Cash Collection Processes	5	5	1	Review of City's New Merger of the Cashing and Permitting (Passport) Cash Collection Processes.	132.00	0.00	6.7%
					2	Create report of findings and recommendation to audit committee for project 2023 #12 (1)	140.00	0.00	
2023.13	Yes	Review of City's Fleet Vehicles inventory count, fuel consumption calculation, and repair maintenance processes.	10	7	1	Review of City's Fleet Vehicles inventory, Fuel Consumption, and Repair Maintenance Process.	142.00	0.00	7.2%
					2	Create report of findings and recommendation to audit committee for project 2023 #13 (1)	80.00	0.00	
2023.14	Yes	City Cash Collections/Receipts Module and Processes			1	Building Permit Department (including credit cards receipts)	81.50	0.00	4.2%
					2	Create report of findings and recommendation to audit committee for project 2023 #14 (2)	60.00	0.00	
2023.15	Yes	Surprise Audits			1	Spot audit - Cash receipt process with E.G. Brennan (Golf Course).	62.00	0.00	3.2%
					2	Create report of findings and recommendation to audit committee for project 2023 #15 (1)	30.00	0.00	
subtotal Total Internal Audit Plan Unassigned (Additional) Audit Hours							38.00	0.00	1.9%
subtotal Total Internal Audit Plan Unassigned (Additional) Audit Hours							826.50	0.00	42%
subtotal Total Internal Audit Plan Unassigned (Additional) Audit Hours							1,962.50	0.00	100.0%

**City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"**

FY 2022-2023

Scoring	CY Risk ID #	General Risk	Description of Specific Risk	Type of Risk	Action Required
441	1	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	IA-Internal Audit Project is included in Plan F2023.
432	2	REVM	Property tax reconciliation of revenues recorded in general ledger system to actual amounts received as recorded in QDS subledger may not be performed on an accurate or on a timely basis.	Fin	IA-Internal Audit Project is included in Plan F2023.
392	3	EXPM	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	IA-Internal Audit Project is included in Plan F2023.
391	4	REVM	New City accounts receivable and billing system for Parking Fund, Health Department, and Permitting implementation process may need to be reviewed to ensure designed internal controls are in place and adherence to compliance with City's procedures, policies, and regulations.	Fin	IA-Internal Audit Project is included in Plan F2023.
383	5	REVM	Recent merger of City's Cashier & Permitting cash collection as managed by Tax Collectors Office current process and reporting may not prevent fraudulent transactions by unauthorized personnel.	Fin	IA-Internal Audit Project is included in Plan F2023.
380	6	FRAUD / ETH / GOV	A.) City may need to review, re-design, and establish new reporting mechanisms for employees to report fraud malfeasance and ethical issues. B.) 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	IA - No audit project scheduled at this time
378	7	CYBER	Increase in hackers attempts to access point or intercept email communications, hackers may try to masquerade as either City/BOE employees or vendor CFO/COO's might persuade City employees to issue improper payments to fraudulent bank accounts. In addition, the City's aging technology infrastructure may lack controls to support remote work access environment and enable employees to seek work around existing security protocols and controls.	Cyber	IA - No audit project scheduled at this time

**City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2022-2023**

Scoring	CY Risk ID #	General Risk	Description of Specific Risk	Type of Risk	Action Required
336	8	REVM	New City/BOE ERP ("Enterprise Resource Planning") system implementation processes may need to be reviewed to ensure designed internal controls are in place and adherence to compliance with policies and regulations.	Fin	IA - No audit project scheduled at this time
335	9	HR/T&A	New web-based BOE extra service payroll vouchers (specifically for teachers) has gone "live" Jan. 2020 and review and approval process may not be operating effectively and timely.	Fin	IA-Internal Audit Project is included in Plan F2023.
334	10	EXPM	Operating effectiveness of established procedures and policies may not be accurately and timely recorded 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 included in Plan F2023.
321	11	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
320	12	REVM	New City/BOE payroll software system implementation process may need to be reviewed to ensure internal controls are in place and adherence to compliance with civil service rules, procedures, policies, and regulations.	Fin	IA - No audit project scheduled at this time
294	13	CFM	Parking fund tickets/fines revenue collection procedures and reporting processes might not be operating effectively and timely.	Fin	Pending City's Annual Audit Results (Possible Internal Audit Project)
293	14	REVM	August 2020, New on-line City building permit credit card payment process thru "View Point Cloud" will need to be reviewed ensure that internal controls are operating effectively.	Fin	Pending City's Annual Audit Results (Possible Internal Audit Project)
289	15	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 included in Plan F2023.
288	16	EXPM	Use of alternative suppliers by Board of Education rather than pooling of purchasing power with the City could result in higher costs. 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	IA-Internal Audit Project is included in Plan F2023.

**City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2022-2023**

Scoring	CY Risk ID #	General Risk	Description of Specific Risk	Type of Risk	Action Required
281	17	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	IA-Internal Audit Project is included in Plan F2023.
280	18	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	Pending City's Annual Audit Results (Possible Internal Audit Project)
250	19	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	IA - No audit project scheduled at this time
245	20	FINREP	Established BOE procedures for administering employee purchasing credit card (P-Card) program may require review and updating for administrative purposes.	Fin	IA-Internal Audit Project is included in Plan F2023.
240	21	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 (Possible Internal Audit Project)
239	22	HR/T&A	New DEI (Diversity, Equality, and Inclusion) program initiatives/objectives and reporting results may need to be reviewed to ensure internal controls are in place and operating as designed.	Fin	IA - No audit project scheduled at this time
210	23	HR/T&A	New City HR web-based recruitment application implementation 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	IA-Internal Audit Project is included in Plan F2023.
209	24	EXPM	Review OPM process for evaluating and approving unfavorable budget variance.	Op	IA - No audit project scheduled at this time

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2022-2023

CY Risk ID #	PV Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significance/ Impact of Risk (10=High/1=Low)	Strength of Mitigation/ Controls (10=Strong/1=Weak)	Impact of Governance (10=High/1=Low)	The bracket, if needed (F-23)	Comments / Observations	Action Required
1	3	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	441	7	6	7		F2022 - Grant Dept continues to provide updates to BOF regarding submissions and collections. Repeat comment in auditor's management letter for F2021. F2021 - Possible repeat comment in auditor's management letter for F2020. F2019 - Repeat comment in auditor's management letter F2019. F2019 - 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 - Repeat comment in auditor's management letter F2018.	IA- Internal Audit Project is included in Plan F2023.
2	2	Tax Collector's Report Reconciliation Process	Tax Collector Office + Administration	Property tax reconciliation of revenues recorded in general ledger system to actual amounts received as recorded in QDS subledger may not be performed on an accurate or on a timely basis	Fin	REVM	432	9	8	6		F2022 - Internal Audit project is carried over from F2021. Included in Plan F2023. Repeat comment in auditor's management letter F2021. F2021 - Internal Audit Project is included in Plan F2021. F2020 - See comment below for F2019. F2019 - See comment below for F2018. F2018 - Repeat comment in auditor's management letter.	IA- Internal Audit Project is included in Plan F2023.
3	6	City and SWPCA Adherence to Ordinance Procurement Process	City Purchasing + SWPCA Purchasing + OPM Dept	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 B Audit. "The purchasing process shall be audited every (3) years by City's Internal Audit"</i>	Op	EXPM	392	8	7	7		F2022 - Internal Audit project is carried forward from F2021 and included in Plan F2023. F2021 - Board of Finance addressed concerns regarding "Bid Waiver" process, Internal Audit project is included in Plan F2021. F2020 - See comment for F2019. F2019 - Based upon City's Purchasing Ordinance number 1177, Chapter 23, Sec. 23-18 B Audit. "The purchasing process shall be audited every (3) years by the City's Internal Auditor". F2018 - Last City/SWPCA Internal Audit Report of Purchasing Process was completed on September 14, 2015 (covering F2012-2014) and presented to BOF. Audit Committee on October 8, 2015.	IA- Internal Audit Project is included in Plan F2023.
4	4	Review City's New Accounts Receivable and Billing System Implementation for Parking Fund, Health Dept., and Permitting	City's Operations Dept. + Parking Fund + Health Dept. + Permitting	New City accounts receivable and billing system for Parking Fund (Passport), Health Department (STRIFE), and Permitting (VFC) implementation process may need to be reviewed to ensure designed internal controls are in place and adherence to compliance with City's procedures, policies, and regulations.	Fin	REVM	391	8	7	7	-1	F2022 - Merger is still in progress, all permit/licenses are scheduled to go through the same teller system instead various collection systems which is scheduled to go live in January 2023	IA- Internal Audit Project is included in Plan F2023.
5	5	City's Merger of Cash Collection Processes (Cashiering and Permitting)	Tax Collectors Office + Cashiering and Permitting	Recent merger of City's Cashier & Permitting (Passport) cash collection as managed by Tax Collectors Office current process and reporting may not prevent fraudulent transactions by unauthorized personnel.	Fin	REVM	383	6	8	8	-1	F2022 - Tax department merger is the progress of implementing a new teller system that will use just one system to collect payments which is set to go live January 2023. F2022, staff from Cashiering and Permitting department have been cross-functionally trained for tax collection processes. F2021 - Efforts are underway with merging/cross training of City's Cashiering & Permitting cash (revenue) collection managed process and reporting will be consolidated under the Tax Collectors Office	IA- Internal Audit Project is included in Plan F2023.
6	22	A) Adherence to Ordinance for City's Code of Conduct and Ethics B) Fraud Tips Hotline re-established	City's Human Resources Dept + BOE-Human Resource Dept + Legal Dept + Internal Audit	A) City may need to review, re-design, and establish new reporting mechanisms for employees to report fraud malfeasance and ethical issues B) 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	FRAUD / ETH / GOV	390	6	8	6	-4	F2022 - City's fraud hotline has not been used per AI Cava and new online approach might need to be established. Reported issues should be reviewed and attention directed to Legal Counsel or to the Internal Audit department. New Code of Ethics ordinance 1280 requires training to be every 2 years. F2021 - See comment below for F2020. 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.	IA - No audit project scheduled at this time
7	1	Cyber	Technology Department	Increase in hackers attempts to access point or intercept email communications, hackers may try to masquerade as either City/BOE employees or vendor CFO/COOs might persuade City employees to issue improper payments to fraudulent bank accounts. In addition, the City's aging technology infrastructure may lack controls to support remote work access environment and enable employees to seek work around existing security protocols and controls	Cyber	CYBER	378	9	6	7		F2022 - In fiscal year 2021-2022 the City hired a Chief Digital Office and a Cyber Security/Cloud manager who will be administering and working on primarily cloud systems applications, policies, and developing infrastructures related to cyber security and cloud architecture. F2021 - Due to COVID-19 Pandemic, an increase number of City/BOE employees are working remotely in March 2020 employees were required to acknowledge the City's "Work from Home" policy and procedures. Sept 2020, City's Risk Manager purchased Cyber Security Insurance coverage for City data. F2019 - See comment below for F2018. F2019 - City's Technology Director does have a Technology Department security risk policy and procedures in place (issued 2010) 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.	IA - No audit project scheduled at this time

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2022-2023

CY Risk ID #	PY Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significance / Impact of Risk (1-10)	Strength of Mitigation / Controls (1-10)	Impact of Government (1-10)	The likelihood of the risk occurring (1-10)	Comments / Observations	Action Required
8	16	Review City-wide New ERP System Implementation.	+ City/BOE Purchasing Dept. + OPM Dept + Controller's Office + SWPCA + City/BOE Technology Dept + BOE Finance Dept. + Grants	New City/BOE ERP ("Enterprise Resource Planning") system implementation processes may need to be reviewed to ensure designed internal controls are in place and adherence to compliance with policies and regulations.	Fin	REVM	335	6	6	6	6	F2022 - New ERP project is underway and will be completed in November 2023 with estimated implementation targeted for February 2023. Regular status updates are provided to various City boards. F2021 - Implementation is in progress.	IA - No audit project scheduled at this time
9	8	Review process for BOE Teachers, Coaching, and interscholastic extra service payroll vouchers	BOE Human Resources + BOE Finance Dept	New web-based BOE extra service payroll vouchers (specifically for teachers) has gone "live" Jan 2020 and review and approval process may not be operating effectively and timely.	Fin	HRIT&A	335	7	8	6	-1	F2022 - Internal Audit project is carried forward and included in Plan F2023 F2021 - Internal Audit project is included in Plan F2021. F2020 - Internal Audit project is scheduled in F2020. F2019 - See comment below for F2019. F2018 - Internal Audit project is not scheduled	IA-Internal Audit Project is included in Plan F2023
10	7	Review of City's vehicle inventory count, fuel consumption calculation, and repair/maintenance processes	Director of Operations + Fleet Management	Operating effectiveness of established procedures and policies may not be as timely and timely records for the following: 1) Inventory count of fleet vehicles and fleet life expectancies 2) Fuel consumption calculation and reporting	Fin	EXPM	334	5	8	7	-2	F2022 - Internal Audit project is carried forward from F2021 and included in Plan F2023 F2021 - Internal Audit project is included in Plan F2021 F2020 - Internal Audit project is included in Plan F2020 F2019 - On 11-27-19, OPAH conducted a City vehicle fleet report analysis. There were several findings 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 included in Plan F2023
11	9	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 these employees may not be paid properly upon termination or retirement.	Op	HRIT&A	321	8	8	5	1	F2022 - City will continue to use current processes from F2019. F2021 - See comment below for F2020. F2020 - Payroll system implementation project is underway, see repeat comment as F2019. F2019 - City will continue with using current processes until after completion of payroll system implementation project. F2018 - Possible repeat comment in auditor's management letter from F2017 as a "White D" audit finding.	IA - No audit project scheduled at this time
12	10	Review City-wide New Ceridian Dayforce Payroll Software System Implementation	+ City/BOE Payroll Dept. + City/BOE HR Dept + Controller's Office	New City/BOE payroll software system implementation process may need to be reviewed to ensure internal controls are in place and adherence to compliance with civil service rules, procedures, policies, and regulations	Fin	REVM	320	8	8	5	5	F2022 - Dayforce Ceridian payroll system went live on July 2021. Internal Audit completed BOE Summer School review of timekeeping and payroll process audit and discover \$11K of over/under payroll payment process F2021 - Implementation targeted date is April 2021 with an extension date to June 2021.	IA - No audit project scheduled at this time
13	11	Collections issues with parking tickets and fines	City's 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		F2022 - Merge is currently underway to roll up under tax collection department F2020 - Internal Audit project is included in Plan F2021 F2019 - Interview with Transportation Bureau Chief identifying issues with potential voiding parking violations process. F2018 - BOF-Audit Committee reviewed Operational external Audit conducted finding discovered parking ticket collectability finding	Reviewing City's Annual Audit Results (Possible Internal Audit Project)
14	12	Credit card payment process for Building Permits	Building Permits	August 2020, New on-line City building permit credit card payment process thru "View Point Cloud" will need to be reviewed ensure that internal controls are operating effectively.	Fin	REVM	293	7	7	6	-1	F2022 - Merge is currently underway to roll up under tax collection department F2020 - Internal Audit project is included in Plan F2021 F2019 - Interview with Transportation Bureau Chief identifying issues with potential voiding parking violations process. F2018 - BOF-Audit Committee reviewed Operational external Audit conducted finding discovered parking ticket collectability finding	Pending City's Annual Audit Results (Possible Internal Audit Project)
15	14	City P-Card (Purchasing Credit Card) Program Process	City's Purchasing Director + Controller's Office	Established City procedures for administering employee purchasing (P-Card) program may require review and updating for administrative purposes	Fin	FINREP	289	8	6	6	1	F2022 - Internal Audit Project is carried forward for F2021 included in Plan 2023 F2021 - Internal Audit Project is included in Plan F2021. F2020 - Although the Internal Audit project was completed and presented to both BOF (Mid March 2019) and BOR no findings for P-Card process were found, as a result a review of existing established policies and procedure would require a revision. F2019 - See comment below for F2018. F2018 - As a result of the City's Internal Audit Review of Mainline Fund P-Card process medium findings.	IA-Internal Audit Project is included in Plan F2023

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2022-2023

CY Risk ID #	PY Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significance / Impact of Risk (1-10)	Strength of Mitigation / Monitoring (1-10)	Impact of Governance (1-10)	The level of financial risk (1-10)	Comments / Observations	Action Required
16	15	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. 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	288	8	6	6	6	F2022 - Internal Audit Project is carried over from F2021 and included in Plan F2023. F2021 - Internal Audit Project is included in Plan F2021. F2020 - 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 ordinance. F2018 - Last BOE Internal Audit Report of Purchasing Process was completed on July 7, 2016 (covering F2012-2014) and presented to BOF - Audit Committee on July 14, 2016.	IA-Internal Audit Project is included in Plan F2023.
17	17	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	281	5	8	7	1	F2022 - Internal Audit Project is included in Plan F2023. F2021 - Repeat comment below from F2020 F2020 - Repeat comment below from F2019 F2019 - Repeat comment below from F2018 F2018 - No Internal Audit project was scheduled	IA-Internal Audit Project is included in Plan F2023
18	18	City Human Resources updates for transactions and changes	City's Human Resources	Timing delays in replacing retrained/terminated City employees in key areas may result in loss of departmental institutional knowledge and additional avoidable training	Fin	FINREP	280	7	8	5		F2022 - No audit project scheduled at this time F2021 - See comment below for F2020 F2019 - See comment below for F2019 F2018 - City should create an effort to minimize loss of institutional knowledge and look for better solutions to retain knowledge from exiting employees before their departures. Examples: (A) Impact oversight with community public safety issues and new recruitment process with departments (B) Potential oversight risk governing citywide insurance and workers compensation	Pending City's Annual Audit Results (Possible Internal Audit Project)
19	13	School Mold projects expenditure process streamlining proper review/costal supporting documentation	Stamford Asset Management Group (Stamford Community 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	FINREP	250	10	5	5		F2022 - Repeat comment from F2021. No audit plan scheduled at this time. F2021 - Periodic updates are provided to the Board of Finance by Stamford Asset Management Group representative for appropriations of capital projects F2020 - Ongoing school mold issues and significance of mitigating internal controls over the workers' compensation program are provided to BOF by Stamford Asset Mgmt. Group representative. F2019 - 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.	IA - No audit project scheduled at this time
20	21	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	245	7	7	5		F2022 - See comment for F2021 F2021 - BOE P-Card policies and procedures were updated accordingly by City's Legal Department in F2019 F2020 - Internal Audit Limited Review of SPS P-Card Usage & T&E reimbursement report was presented to BOF - Audit Committee on 10-19-19, 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-Internal Audit Project is included in Plan F2023
21	19	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 workers' compensation employee payments are being made by both the City and TPA (Third Party Administrators) during workers compensation leave of absence.	Fin	FINREP	240	8	6	5		F2022 - No audit project scheduled at this time. F2021 - Risk Manager reviews weekly summary reports by PMA, identifies potential issues, informs City's Payroll and Time & Attendance Manager (in coordination with the department supervisor) and advise them to remove incorrect time in order to avoid duplicate time entered F2020 - On 12-12-19, Risk Manager presented to the BOF - Audit Committee Brickmore Workers' Compensation Claim Audit report findings, recommendation, and corrective action plan to address 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 (Possible Internal Audit Project)

City of Stamford
Internal Audit Summary of General/Specific Risk Ranking (Based on Ranking)
"DRAFT"
FY 2022-2023

CY Risk ID #	PY Risk ID #	Area / Fund	Ownership / Responsibility	Description of Specific Risk	Type of Risk	General Risk	Scoring	Significance / Impact of Risk (High, Med, Low)	Strength of Monitoring / Mitigation (How, When, Who)	Impact of Governance or Oversight (High, Med, Low)	The Breaker, If any, and How it is Used (e.g.,)	Comments / Observations	Action Required
22		New City DEI program initiatives/objectives	+City's Human Resources Dept + Legal Dept	New DEI (Diversity, Equality, and Inclusion) program initiatives/objectives and reporting results may need to be reviewed to ensure internal controls are in place and operating as designed	Fin	HR/IT&A	239	8	6	5	-1	F2022 - In June 2022, the new Director of Diversity, Equality, & Inclusion has distributed an "Employee Engagement Survey" to help access the current state of DEI and develop objective/initiatives to improve diverse and inclusive culture.	IA - No audit project scheduled at this time
23	20	New City HR Web-based Recruitment Application Process	City's Human Resource Department	New City HR web-based recruitment application implementation 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/IT&A	210	5	7	6		F2022 - This testing target date for Centurian Recruiting Solution (integrated application) was set for August 2021 and is not operational. No set date or go live date has been determined. F2021 - City's Human Resource has switched implementation new web-based third party solution from "Centurian Recruiting Solution (integrated application)" to "NEOGOV". Testing is targeted for April 1, 2021 go "live". F2020 - See comment below for F2019. F2019 - See comment below for F2018. F2018 - See comment below for F2017. F2017 - Human Resource Centurian Recruitment Solution (integrated application) project was placed on hold and will be going out to third party.	IA - Internal Audit Project is included in Plan F2023
24	23	Review of non-salary expenditures report results	OPM Department	Review OPM process for evaluating and approving unfavorable budget variance.	Op	EXPM	200	7	6	5	-1	F2022 - H T E report (run 6-2022) comparing actual expenditures exceeding original budget plus appropriation 6-30-2021. F2021 - H T E report (run 11-2020) comparing actual expenditures exceeding original budget plus appropriation 6-30-2020. F2020 - H T E report (run 1-2020) comparison of actual expenditures exceeding original budget plus appropriations 6-30-19. F2019 - H T E report (run 1-19) 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.	IA - No audit project scheduled at this time

General Risk Defined (risks that are broadly applicable across multiple organizations)
 - Funding of cash reserve does not match cash balances

CPRI	REVM	EXPM	EXPICAP	FINREP	HR/IT&A	FRAUD/ETH/GOV	CYBER
- Revenue processes and controls do not ensure that amounts actually received from taxpayers and others for City services are maximized							
- Expenditure processes and controls do not ensure that amounts incurred and paid are minimized / competitively estimated							
- 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							
- Policies, procedures, information systems, and control activities do not ensure timely and accurate financial reporting							
- 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							
- Policies, procedures, and information systems do not ensure that City ordinances, statutes, and other codes of conduct are adhered to							
- Policies, access measures, and employee training that ensures that data security is maintained, employee and taxpayer information are properly protected, and identity protection measures are undertaken in light of the staff from outside to remote work							