



**CITY OF STAMFORD**  
**OFFICE OF ADMINISTRATION**  
888 WASHINGTON BOULEVARD  
P.O. BOX 10152  
STAMFORD, CONNECTICUT 06904-2152

## **Corrective Action Plan Year Ended June 30, 2022**

### **Finding 2022-001 – Material Weakness, Audit Readiness and Internal Controls over Financial Reporting**

**Finding:**

During the course the audit, over 125 adjusting journal entries, prepared by management, were made to the original trial balances, as a result of issues identified by the auditors. The last adjustments being provided as late as December 2023. The numerous and untimely adjusting entries caused significant audit delays and inefficiencies.

**Corrective Action:**

The City's Controller will implement policies and procedures and ensure the assignment of appropriate staff to ensure the following:

- That reconciliation of all significant accounts be reconciled on a monthly or quarterly basis;
- That staff assignments, deadlines, and documentation standards for reconciliations are clearly communicated in writing to relevant staff, including staff responsible for subledger activity;
- That all reconciliations are reviewed by a supervisory employee to ensure proper segregation of duties and internal control;
- That the City shall establish a schedule for closing each month based on the closing procedures in the City's new Oracle Cloud ERP.

Meeting these requirements may require the reassignment or addition of accounting staff. A review of staff levels and assignments will be concluded prior to submission of the Mayor's budget to the City's elected Fiscal Boards in March 2024.

**Responsible Individual:**

David Yanik, Controller. Note that Controller Yanik has announced his retirement effective March 1, 2024. A search is underway for his replacement, and in the event that the position is not filled by March 1, responsibility will fall to Director of Administration Ben Barnes, [bbarnes@stamfordct.gov](mailto:bbarnes@stamfordct.gov) 203-977-4182.

**Project Completion Date:**

April 30, 2024

## **Finding 2022-002 – Material Weakness, Financial Reporting – restatement of Various Accounts**

### Finding:

Accounting adjustments were made to the financial statements to comply with generally accepted accounting principles. This included restating opening net position/fund balance (earliest period presented) and related footnote disclosures in order to properly report the following balances:

- Mold Remediation – A \$15,736, 823 adjustment was made to increase long-term liabilities and decrease Net Position.
- Construction in Progress – A \$18,469,066 adjustment to record depreciation expense on assets placed in service that were improperly classified as construction in progress instead of depreciable assets.
- Unearned Revenue was overstated by \$3,136,484.

### Corrective Action:

The Controller will review the design of established controls as well as any additional controls implemented as part of the Corrective Action Plan for 2022-001. This review will identify any areas where changes are necessary to ensure accurate recording and disclosure of financial transactions in accordance with GAAP.

### Responsible Individual:

David Yanik, Controller. Note that Controller Yanik has announced his retirement effective March 1, 2024. A search is underway for his replacement, and in the event that the position is not filled by March 1, responsibility will fall to Director of Administration Ben Barnes, [bbarnes@stamfordct.gov](mailto:bbarnes@stamfordct.gov) 203-977-4182.

### Project Completion Date:

June 30, 2024

## **Finding 2022-003 – Material Weakness, Completeness and Accuracy of Schedule of Expenditures of Federal and State Awards**

### Finding:

We identified several adjustments to the SEFA and SESA as originally provided by the client. The SEFA and SESA balance is required to be reconciled to the basic financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The City's internal controls did not include such a reconciliation. We identified adjustments to both the SEFA and the SESA resulting in changes to various programs.

### Corrective Action:

In response to the recognized need for improved oversight the City Grants Office assumed the responsibility for overseeing the operating and capital grants that have been awarded to the City effective July 1, 2023. The Grants Office, under the direction of Grants Officer, Anita Carpenter, has established protocols with the individual departments and OPM to maintain administrative and financial oversight over grants management and reporting for all state and federal grants (not

including Board of Education). This will result in improved internal controls and compliance with grant accounting in accordance with U.S. GAAP.

Responsible Individual:

Anita Carpenter, Grants Officer, [acarpenter@stamfordct.gov](mailto:acarpenter@stamfordct.gov) 203-977-4911

Project Completion Date:

June 30, 2024

#### **Finding 2022-004: Material Weakness, Late Issuance of the 2022 Single Audit Reporting**

Finding:

The Single Audit package for the City's fiscal year ended June 30, 2022 should have been submitted to the Federal Audit Clearinghouse by March 31, 2023. The City missed the nine month filing deadline, making the filing for 2022 late.

Corrective Action:

Please see the plan for 2022-003. These actions will address this finding and will have a direct impact on the accurate reporting in the SEFA and SESA as well as compliance with the uniform guidance.

Responsible Individual:

Anita Carpenter, Grants Officer, [acarpenter@stamfordct.gov](mailto:acarpenter@stamfordct.gov) 203-977-4911

Project Completion Date:

June 30, 2024

#### **Finding 2022-005: Significant Deficiency, Procurement and Suspension, and Debarment – Internal Control over Verification Against the System for Award Management (“SAM”)**

Finding:

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. During our audit, we noted that the City did not have documentation to support that it verified vendors selected for testing against the SAM to ensure that they were not suspended or debarred from federally funded purchases.

Corrective Action:

The documentation of SAM testing that was not provided were related to purchases done by the Board of Education which has separate purchasing authority. The Purchasing Agent will work with their counterpart at the Board of Education to ensure that testing against SAM is completed and

documented for Board of Education purchases as it is currently for City purchases, along with other procedures in place to comply with the Single Audit Act.

Responsible Individual:

Erik Larson, Purchasing Agent, [elarson@stamfordct.gov](mailto:elarson@stamfordct.gov) 203-977-4107 and Ryan Fealey, Chief Financial Officer, Stamford Public Schools, [rfealey@stamfordct.gov](mailto:rfealey@stamfordct.gov) 203-977-5011

Project Completion Date:

March 31, 2024

**Finding 2022-006 – Significant Deficiency and Noncompliance Finding, Reporting-Performance Reporting**

Finding:

The progress reports that are required to be submitted for the major projects under the storm disaster grants were not completed or submitted.

Corrective Action:

Effective July 1, 2023 the oversight and management of the FEMA declared disaster funding was transferred from the Operations Department to the Grants Office. The City's Grants Office has one trained person for disaster funding grants management and is in the process of training a second person. These two individuals will be responsible for overseeing the administration and management of the disaster grant funding for the City of Stamford. This transition of responsibilities will support oversight by staff that are trained and knowledgeable in the uniform guidance as well as statutory and executive orders issued related to disaster declaration. Staff are in the process of reviewing all projects under open disasters with state and federal personnel to provide documentation, including missing reports.

Responsible Individual:

Anita Carpenter, Grants Officer, [acarpenter@stamfordct.gov](mailto:acarpenter@stamfordct.gov) 203-977-4911

Project Completion Date:

March 31, 2024