

Minutes: December 15, 2016

DAVID R. MARTIN
MAYOR



BOARD OF FINANCE
RICHARD FREEDMAN
CHAIRMAN
MARY LOU T. RINALDI
VICE CHAIR
SAL GABRIELE
DUDLEY N. WILLIAMS
DAVID KOORIS
SHELLEY A. MICHELSON

BOARD OF FINANCE

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REPORT OF AUDIT COMMITTEE MEETING OF THE BOARD OF FINANCE

ATTENDEES: COMMITTEE CHAIR RICHARD FREEDMAN; COMMITTEE MEMBER SAL GABRIELE; BOARD OF FINANCE MEMBERS MARY LOU RINALDI AND DUDLEY WILLIAMS. IN ATTENDANCE WERE: CITY OF STAMFORD INTERNAL AUDITOR TERESA VISCARIELLO, CONTROLLER DAVID YANIK, AND BOARD OF EDUCATION DIRECTOR OF FINANCE HUGH MURPHY.

Annual Internal Audit Plan/Risk Assessment: 2016-2017

Internal Auditor Teresa Viscariello began with an overview of the audits she has undertaken in the past year to bring the Board up-to-date.

With regard to the Audit Plan/Risk Assessment for 2016-2017, Ms. Viscariello described the methodology for scoring, which is shown in Exhibits B and C (see attached). Please refer to the video for a description.

She then focused on the actual plan itself, starting with Exhibit A on pages 5 and 6 and gave a brief overview of the fiscal year, beginning with the introduction of two new projects that she will be working on:

1. Human Resources Policy and Procedures (Termination); and
2. Board of Education School Building Use Fund Revenue Process.

With regard to Item 2, Chairman Freedman asked if this audit project is to determine whether people are actually paying their fees to which Ms. Viscariello responded in the affirmative. He then asked Mr. Murphy what the policy is if someone doesn't pay. Mr. Murphy said that generally it is followed up internally through facilities. He added that letters and collection letters are sent out and agreed it is something they can only get away with once. When asked what the outstanding balance might be, Mr. Murphy responded that it was possibly \$100,000.

Mr. Gabriele asked if the BOE has a provision in its leases that if someone is in arrears they will be charged a 2% or 3% late fee after 35 or 60 days. The response was that there was no provision, that the contracts/leases would have to be changed.

With regard to carryovers, Mr. Freedman specifically mentioned the top three:

1. City's Timekeeping and Attendance Process and Approval
2. Grants Receivable Funded Capital Projects Process
3. Cash Management – Parking Fund

Ms. Viscariello said that they were not done last year and were moved to a top priority this year.

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Mr. Freedman asked about the Grants Receivable Capital Projects and Mr. Yanik advised that the uncollected revenues for grants, which includes the Board of Education, are around \$20,000,000 which is significant and, in some cases, aged, having been out there for years. He added that the Controller's Office is trying to motivate the Grants Office to do what it needs to do to compel the State to audit any significant capital project to make sure all expenses are compliant. He said the State auditors are overtasked with audits so there is a backlog and we need to get on their audit schedule to review so that we can be paid. He has asked Ms. Viscariello to take a look at the long-term projects and make sure that we are doing everything we can do to collect these monies. She will also look at the process and the projects to make sure we are compliant and funded.

Mr. Williams ventured that it might be helpful to let the members of our state delegation know of this issue.

Mr. Freedman asked Mr. Yanik if there are any other receivables that he thought Ms. Viscariello might have time to audit. Mr. Yanik responded that outstanding parking tickets are big dollars in total but small individually.

Ms. Viscariello added that she will be keeping some ad hoc type of audits in case something comes up and continue risk management and some of the recommendations from prior years.

Mr. Freedman asked if there were any further questions and, there being none, he called for a motion to adjourn. Mr. Gabriele made the motion to adjourn and it was seconded by Mr. Freedman at 6:24 p.m.

The Audit Committee of the Board of Finance conducted a meeting for the above-stated purpose at:
Stamford Government Center: Board of Finance Meeting Room, 4th Floor, 888 Washington Boulevard on

Thursday, December 15, 2016 at 6:00 P.M.

Richard Freedman, Audit Committee Chair

Sal Gabriele, Member

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

David Yanik, Controller
Karen Vitale, Assistant Controller
Lou Casolo, City Engineer
Beverly Aveni, City Purchasing Agent
Donna Loglisci, City and Town Clerk
Randall Skigen, President, Board of Representatives