



Fiscal Committee - Board of Representatives

Monica Di Costanzo, Chair

Lindsey Miller, Vice Chair

Committee Report

Date: Monday, October 7, 2019

Time: 6:00 p.m.

Place: Democratic Caucus Room, 4th Floor, 888 Washington Boulevard,
Stamford, CT 06905-2098

The Fiscal Committee met as indicated above. In attendance were Chair Di Costanzo, Vice Chair Miller and Committee Member Reps. Fedeli, Figueroa, McMullen, Morson and Nabel. Absent or excused were Committee Member Reps. Coleman, Jacobson, Pia and Pendell. Also present were Rep. Sherwood and David Yanik, Controller.

Chair Di Costanzo called the meeting to order at 6:04 p.m.

Item No.	Description	Committee Action
1. F30.254	APPROVAL; Agreement with Blum, Shapiro & Company for Professional Auditing Services; RFP No. 764. 09/13/19 – Submitted by Mayor Martin 09/12/19 – Approved by Board of Finance	Held 5-2-0

Committee Members discussed this item with Mr. Yanik. Points raised included the following:

- Blum Shapiro's prior audits failed to catch the Marina and Police Extra Duty fund frauds
- Blum Shapiro is working without a contract, which is a violation of the City's policy
- The City needs an auditor who will conduct oversight
- The Auditor should be hired by the Board of Finance
- The RFP Committee included David Kooris, the chair of the BOF Audit Committee; Chair Di Costanzo; the Purchasing Manager; the OPM Director and the Controller
- Three firms responded to the RFP; Blum Shapiro was the middle bidder
- The delay in getting the contract to the Boards was due to the precedence of other work in the Law Department
- Blum Shapiro is engaged for a financial statement audit, not a fraud audit
- It is difficult to detect fraud when people work together to circumvent the processes in place
- The other bidders have also done work for the City, one during the Manfredonia period
- The committee looked at experience, staffing and ability to deliver; the RFP Committee felt confident in Blum Shapiro

- Additional controls should be included in the contract to ensure that Blum Shapiro does not miss similar frauds in the future
- The Board of Finance approved the contract
- A delay in the audit process might result in a delayed CAFR and a downgrading of the City's bond rating
- The Board of Finance did not ask to include additional controls in the contract
- If the Board votes to hold it, then the BOF should be involved in any amending process
- The Controller's office can reject a report if it feels the auditor has not been complete
- Only a few large firms do this type of government work

A motion to hold this item was made, seconded and approved by a vote of 5-2-0 (Reps. Miller, Fedeli, Figueroa, McMullen and Nabel in favor; Reps. Di Costanzo and Morson opposed).

Chair Di Costanzo adjourned the meeting at 6:54 p.m.

Respectfully submitted,
Monica Di Costanzo, Chair

This meeting is on [video](#)