

DEPARTMENT OF CITY CLERK

CITY HALL

JUNE 19, 1980

The Committee on Finance meets this evening in Committee Room "A", City Hall, upon the rise of the City Council meeting at 11:15 o'clock P.M.

PRESENT: Chairwoman Brassil and Councilmen Addison, Lynch, Easton, Paolino and Dillon. (Rose M. Mendonca, Clerk)

RELATIVE TO PROPOSALS SUBMITTED FOR THE AUDIT OF THE CITY OF PROVIDENCE.

Councilman Dillon moves that the firm of Laventhol & Horwath be hired to perform the audit on financial accounts for the City of Providence.

This motion is seconded by Councilmen Lynch and Addison.

Councilman Easton disagrees with the motion.

He states it is his opinion the procedure would be to interview companies and in the course, to attempt to get more for the money.

He was not pleased with Laventhol & Horwath's audit for the fiscal year ending June 30, 1980. ✓

He states if the auditor is not prepared to submit to the Committee beyond adding up, and to look into the areas of concern to see if they can determine what some of their duties are, the audit does not do any good at all. That is a negative service just to go with the lowest bidder does not do the members any good. They should look for an auditor that is prepared to look at the finances and their weaknesses and expose to their weaknesses.

Councilman Dillon states the firm is hired to audit the City's books. They cannot be asked to solve all the City's problems.

Councilman Easton states the job of an auditor is to determine whether State or City money is spent, is in compliance with the laws. Overtime is being paid, monies are being transferred from one area of the budget to another without authorization. The audit went through last year without uncovering the serious problems that have come out lately.

They never went into the violations and never made recommendations to the Committee.

He is of the opinion it is worthwhile to interview some of

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the other auditors and get the recommendations needed. The Committee gets the promises from the firm and it is then forgotten.

When there are serious wrong doings in the City and the Auditor comes back with nothing on the situation, the auditor is to insure that laws are not being broken. The Committee asked for a working relationship with them and it was not done. The members are underestimating the real value of an audit.

Councilman Paolino states he understands Councilman Easton's point to interview companies to see what the Committee will be getting: however the enforcement of Ordinances is not the job of the auditor, it is of the City Solicitor.

Chairwoman Brassil states the members can direct the auditors to comply with whatever requests the Committee may have.

Councilman Easton states there is serious wrong-doing in this City and if the members do not do right, the money is just being thrown away.

Councilman Paolino states that is saying they want more than an Audit, something else should be done but not by the auditors.

Chairwoman Brassil states the members can request the auditors meet with them monthly.

Councilman Lynch is of the opinion there should be greater communication either with the Chairwoman or with the Committee itself, he has always been of this opinion.

They should keep in touch with the members after they get hired, they seem to go hand and glove with the administration.

The audit is the responsibility of the Finance Committee and he feels the audit firm should work closely with the Finance Committee.

Councilman Dillon withdraws his motion and Councilmen Lynch and Addison withdraw their second to the motion to hire the firm of Laventhol & Horwath.

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On motion of Councilman Dillon, seconded by Councilmen Easton, it is voted to invite Representatives of Laventhol & Horwath to meet with the members of the Committee at its next meeting to be held Friday, June 20, 1980 at 11:00 o'clock A.M.

Dr. Booth and his staff from the University of Rhode Island will be present at 10:00 o'clock on June 20 to review the budget with the members of the Committee.

The Committee is at ease at 12:00 o'clock A.M. to meet again on June 20, 1980 at 10:00 o'clock A.M.

Copied

*[Signature]*

*Rose M. Mendonca*

Clerk

Compared

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