

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING

Monday, January 12, 2015

Audrey P. Beck Building
Conference Room B
6:00pm

A G E N D A

1. Call to order
2. Approval of the minutes for December 8, 2014
3. Opportunity for Public Comment
4. Staff Reports
5. BlumShapiro – Financial & Operational Controls Review – Project Status Update
6. Communications/Other Business/Future Agenda Items
7. Adjournment

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF DECEMBER 8, 2014

Members Present: Bill Ryan (Chair), Paul Shapiro, Virginia Raymond

Other Council Members Present: Betty Wassmundt, Alex Marcellino, Toni Moran. Betsy Paterson joined at 6:15pm.

Staff Present: Matt Hart, Cherie Trahan

Guests: Jeff Ziplow, BlumShapiro

1. Meeting called to order at 6:00pm.
2. Approval of the minutes for November 10, 2014
Move to approve the minutes of November 10, 2014 by Paul Shapiro. Seconded by Virginia Raymond. Motion passed unanimously.
3. Opportunity for Public Comment – None
4. Staff Reports – None at this time.
5. BlumShapiro – Financial & Operational Controls Review – Project Status Update. Jeff Ziplow provided an overview of work accomplished to date, work in progress, and future actions with regards to the financial & operational controls review. Jeff provided a list of all policies, procedures and controls that are being reviewed and answered questions from the committee. Jeff will attend the January 12th meeting to present the Control Matrix and a special Finance Committee meeting on February 2nd to provide the testing results.
6. Proposed Salary Transfers for FY 2014/15 – Cherie Trahan reviewed the proposed transfers and answered questions from the committee.
Move effective December 8, 2014 to approve the Salary Transfers for FY 2014/15 as proposed by the Director of Finance by Paul Shapiro. Seconded by Virginia Raymond. Motion passed unanimously.
7. Communications/Other business/future agenda items –
 - ⇒ Review & explanation of Personal Property Grand List Report
 - ⇒ Proposed Capital Improvement Budget Adjustments FY 14/15
 - ⇒ Parameters for building permit fee reductions
8. Adjournment. The meeting adjourned at 6:45pm.
Move to adjourn by Paul Shapiro. Seconded by Virginia Raymond.

Respectfully Submitted,
Cherie Trahan, Director of Finance

Mansfield Policies, Procedures and Controls Discussions

Version 1 – 12/8/2014

1. Purchasing/AP
 - a. Bid Type
 - i. Competitive Bid
 - ii. Competitive Quote
 - iii. Waivers
 - b. Purchasing Agent and Purchasing Ethics
 - c. Purchase Order Processing Procedures
 - i. Issuing Department
 - ii. Finance Department
 - d. Entities with Requisition Capabilities in the FMS
 - i. Requisition Approval Process
 - e. Blanket Purchase Orders
 - f. Emergency PO Processing
 - i. When Approval w/o the Finance Director is Allowed
 - g. Fund Transfer Requests
 - h. Vendor management
2. Purchasing Cards
 - a. Cardholder Agreement Form
 - b. Purchasing Card Use Policy
 - c. Monthly Expense Reporting
3. Petty Cash
 - a. Request, Approval and Reimbursement Process
 - b. Reporting Changes to the Account
4. Reimbursement Procedures
 - a. Mileage, Travel and Other Expenses
 - b. Request and Approval Process
5. Payroll
 - a. Timekeeping
 - b. Weekly Payroll Procedure
 - c. Check Distribution
 - d. Worker's Compensation
6. Revenue/Receivables
 - a. Recording receipts/revenue
 - i. Funds to Credit
 - ii. Personnel Responsibility
 - b. Collector's Office
 - i. Daily, Monthly and Quarterly responsibilities
 - ii. Town-wide Collection Policy
 - iii. Procedures for Verifying & Completing Deposits
 - iv. Procedures for Investigating Discrepancies
 - v. Short/Over Policy
 - c. Bank Deposit Procedures
 - d. Posting of Receipts

7. Student Activity Fund
 - a. Fund Setup
 - b. Employee Responsibilities
 - c. Approval and Reconciliation
 - d. Disbursements
8. Athletic Activity Fund
 - a. Fund Setup
 - b. Employee Responsibilities
 - c. Approval and Reconciliation
 - d. Disbursements
9. Budgeting
 - a. Region 19, Mansfield BOE and Town Procedures
 - b. Detailed Budget Calendar (preparation into presentation into adoption)
 - c. Preparation, Monitoring and Adjustments
 - d. Quarterly Budget Reporting
10. Grants
 - a. Review Process
 - b. Accounting Methodology
 - c. Monitoring & Reimbursement
 - d. Reporting
11. Human Resources/Personnel
 - a. New Hires and Substitutes
 - b. Employee Changes
 - c. Employee Terminations
 - d. Employee Personnel Files (required policies and forms)
12. Journal Entries
 - a. Who can post to the General Ledger
 - b. Review and Approval Process
13. Financial Management System Administration
 - a. System Security and Support
 - b. Establishing a New User Process
 - c. Modifying a User's Privileges
 - d. Removal of Terminated Employees
 - e. Data Backup
 - f. User IDs and Passwords
 - g. DR Plan
14. Chart of Accounts (COA)
 - a. Who can add a new account to the existing COA – the process
15. Closing Procedures/Reconciliations
 - a. Monthly
 - b. Quarterly
 - c. Year-End
16. Capital/Fixed Assets
 - a. Qualifications of a Fixed Asset
 - b. Responsibilities for Recording and Maintaining Fixed Assets
 - c. Forms and Approval Process for Disposal or Transfer
17. Town Vehicle Use
18. Use of and Charges Associated with Personal and Town-owned Cellphones
19. Other

Town of Mansfield
Draft - Financial and Operational Controls Matrix
 As of January 5, 2015 - Version 1

<u>Item</u>	<u>Control Type</u>	<u>Control Brief</u>	<u>Control Details</u>	<u>What is the Control</u>	<u>Testing of Control</u>
1.	Accrued Expenses	BOE Expense Reimbursement	*BOE members must have advanced approval, submit vouchers and supporting documentation, and have receipts to be reimbursed for expenses	Advanced approval and supporting documentation/receipts are required as evidence for BOE expense reimbursement.	Test that granted BOE expense reimbursements have advanced approval prior to reimbursement. Ensure that evidence of the actual expenses incurred is provided.
2.	Accrued Expenses	Mileage Reimbursement	*Clear guidelines of what you get reimbursed for mileage, who is eligible for reimbursement, and what qualifies as reimbursable mileage *Must use mileage log form on Town's intranet site - need a reason/nature and approval	Advanced approval on the Town's intranet site is required as evidence for mileage reimbursement.	Test that granted mileage reimbursements have advanced approval prior to the actual reimbursement.
3.	Accrued Expenses	Travel Expense Reimbursement	*Detailed policy governing travel expenses, including the approval process, allowed expenses, payment and reimbursement process, appropriate payroll coding and exceptions (form included)	Advanced approval is required for any travel expense reimbursements.	Test that granted travel expense reimbursements have evidence of advanced approval.
4.	Administrative	New Hire Procedures	*Detailed new hire checklist and policies agreement form must be completed when on-boarding an employee	The Human Resource Department documents the onboarding process to ensure new hires are given appropriate access to Town resources.	Test that new hire documents are completed and maintained by the HR Department.
5.	Administrative	Termination Procedures	*Detailed termination checklist from to be completed during the exit interview *Miscellaneous Check-Off list for employees resigning or retiring	The Human Resource Department documents the employee termination process to ensure terminated employees are removed from access to Town resources.	Test that employee termination documents are completed and maintained by the HR Department.
6.	Administrative	Employee Change Procedures	*Detailed personal action form checklist to be completed when making changes to an employee's status	A Personnel Action Form must be completed for full-time and part-time employee changes, hires, and terminations - must be signed.	Test that all employee changes are documented in Personnel Action Forms.
7.	Budget	Review of BOE Budget	*Quarterly budget reports have required line items and are reviewed by the BOE *The Superintendent reviews Administrator and Principal estimates prior to presenting his/her proposed budget to the BOE	Town management reviews and modifies all budget estimates prior to final appropriation by Town Council.	Test that the budget review process is followed prior to budget adoption.

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8.	Budget	Review of Town Budget	*Quarterly budget reports have required line items and are reviewed by the Finance Committee *The Town Manager and Finance Director review Department Head estimates prior to the Town Manager proposing a budget to the Town Council	Town management reviews and modifies all budget estimates prior to final appropriation by Town Council.	Test that the budget review process is followed prior to budget adoption.
9.	Budget	New Position Request/Change in Status to Current Position for BOE employees	*All new positions or changes to positions require the completion of a Position Request Form, and approval, before they can be budgeted for	Department Heads and Administrators are required to document and submit requests for new positions, or changes to positions, to appropriate management. The requests must be approved before any changes to the budget are made.	Test that Department Heads and Administrators submit proper requests and gain approval from appropriate management before the budget is modified for new positions or changes to current positions.

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10.	Budget	New Position Request/Change in Status to Current Position for Town employees	<p>*A memo or email must be sent to the Finance Director requesting a specific position and justifying the reason for the position</p> <p>*The Town Manager and Finance Director review and approve</p>	Department Heads and Administrators are required to document and submit requests for new positions, or changes to positions, to appropriate management. The requests must be approved before any changes to the budget are made.	Test that Department Heads and Administrators submit proper requests and gain approval from appropriate management before the budget is modified for new positions or changes to current positions.
11.	Capital Assets	Fixed asset management	<p>*Clear definition of what qualifies as a Fixed Asset</p> <p>*Accountant or Accounting Manager are responsible for FA record maintenance - changes to G/L, distributing annual listing of record property and inventory</p> <p>*Clear departmental responsibilities for handling FAs - report the loss of an FA within a day, review the annual listing of property inventory, properly safeguard assets</p> <p>*FA disposal requires a form and approval</p> <p>*FA transfer requires a form and approval</p>	Current policies and procedures outline what qualifies as a fixed asset, who is responsible for maintaining fixed assets, and how to transfer/dispose of fixed assets.	Test that fixed assets meet qualification guidelines and are properly maintained and recorded.
12.	Capital Assets	Construction in Progress	*Accountant reviews the expenditure ledger for CIP activity and records in a separate excel document - Accounting Manager reviews annually (not documented)	The Accounting Manager and Accountant work together to ensure all fixed asset recordkeeping is accurate and completed.	Test that there are adequate review and sign off procedures for monitoring and recording fixed asset changes.
13.	Capital Assets	Reconciliation	*Capital outlay expenditures and capital asset acquisitions are reviewed and reconciled by the Accounting Manager and Accountant	The Accounting Manager and Accountant work together to ensure all fixed asset recordkeeping is accurate and completed.	Test that there are adequate review and sign off procedures for monitoring and recording fixed asset changes.

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14.	Capital Assets	Depreciation	<ul style="list-style-type: none"> *Allocation and assumptions of depreciation expense is reviewed and recorded in a report by the Accounting Manager and Accountant. *The report is initialed and dated by the Finance Director. 	The Accounting Manager and Accountant work together to ensure all fixed asset recordkeeping is accurate and completed.	Test that there are adequate review and sign off procedures for monitoring and recording fixed asset changes.
15.	Cash Management	Management of Petty Cash	<ul style="list-style-type: none"> *Petty cash withdrawals cannot exceed \$100 *Supervisor must sign off on all withdrawals *All payments need original receipt for reimbursement *Supervisor must approve all cash advancements *All reimbursements must be submitted during the fiscal year of the actual purchase *The report on petty cash funds presented by the fund administrator must completely document changes (the proper G/L code, amount paid, and program to be charge - original receipts, documented invoices, cash slips or the like must be properly endorsed by the recipient of funds) 	The Town enforces withdrawal limits and approval controls to actively manage petty cash accounts.	Test that granted petty cash withdrawals do not exceed the enforced withdrawal limit and have appropriate approval prior to withdrawal.
16.	Cash Management	Disbursing Accounts	<ul style="list-style-type: none"> *Accounting Manager reviews bank reconciliations for Town and Region 19 disbursing accounts 	Accounting Manager performs a bank reconciliation and initials the reconciliation worksheet to document review	*Test that bank reconciliations for disbursing accounts are completed and documented by the Accounting Manager.
17.	Cash Management	Cash Receipts	<ul style="list-style-type: none"> *Receipts recorded on a daily summary sheet *Checks are stamped with an endorsement stamp when received and batched *Daily receipts balanced against Daily Summary Sheet 	The Accounting Manager reviews daily revenue totals provided by the Collector's Office prior to creating a journal entry. The Daily Summary Sheet is reviewed against printed out batches.	Test that the Accounting Manager actively reviews daily revenue totals.

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18.	Cash Management	Cash Disbursements	*Only certain employees are authorized to print and sign checks *Access to the specific financial module is limited by IT *Accounting Manager reviews payroll distribution list prior to sending check files to the bank - signed and dated *Bank transfers must be released by someone other than who set it up	The payroll distribution list is reviewed prior to sending check files to the bank. Bank transfers are not to be released by an employee who set the original transfer up.	Test that the payroll distribution list and bank transfers are reviewed prior to final cash disbursement.
19.	Chart of Accounts	Account Management	*Only certain employees have access rights to add new accounts in the FMS	The Finance Director, Accounting Manager and Budget Analyst are the only users in the FMS with the ability to add new accounts to the Chart of Accounts.	Test that only authorized users have the ability to add new accounts in the FMS.
20.	Chart of Accounts	New Account Request	*Accounting Manager is responsible for building and adding a new account	Emails requests for adding a new account go directly through the Accounting Manager for review and approval.	Test that requests for new accounts must be sent directly to the Accounting Manager, via email, for review, approval and creation.
21.	Closing Procedures	Monthly Closing	*Procedures are followed for closing the end of the month, including journal entries and inventories.	The Accounting Manager reconciles journal entries against bank statements, reconciles inventory counts and maintains a cash control spreadsheet for month-end closing	Test that the Accounting Manager reviews journal entries and bank statements on a monthly basis. Confirm that the Accounting Manager keeps a cash control spreadsheet for the People's checking accounts and maintains it on a daily basis. Confirm the Accounting Manager uses sales and purchase reports to compare final inventory counts against physical inventories.

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22.	Closing Procedures	Quarterly Closing	The Accounting Manager and Finance Director perform an informal financial close in preparation of the financial statements to be reviewed by the Finance Committee.	On a quarterly basis: journal entries, asset and liability accounts, revenue and expenditure detail for each account, and purchase orders are reviewed and reconciled	Test that the Finance Director reviews all quarterly journal entries. Confirm that the Accounting Manager performs a detailed fund review by reconciling asset and liability accounts, and by reviewing revenue and expenditure detail for each account. Confirm that a purchase order reconciliation is completed and reviewed by the Finance Director.
23.	Closing Procedures	Year-End Closing	The Accounting Manager and Finance Director perform the formal financial close.	At the end of the fiscal year: all informal (quarterly) closing procedures are performed. Receivables, payables, deferred revenues, year end journal entries, and fixed assets and depreciation are reviewed and reconciled as well.	Test that the formal financial close includes all processes completed in the informal financial close. Confirm that the recording of all receivables, payables, deferred revenues, year end journal entries, and fixed assets and depreciation are reviewed by the Finance Director.
24.	Debt	Bond Proceeds	*Director of Finance reviews the use and maintenance to of bond proceeds to ensure compliance	The Finance Director reviews the use of bond proceeds to ensure compliance with legal requirements, as well as the maintenance of bond sale cash proceeds for compliance with IRS arbitrage requirements.	Test that the Finance Director reviews the use of bond proceeds in addition to the reviews performed by the Town's financial advisor and the Bond Counsel.
25.	Financial Management System Administration	User Administration	*The Accounting Manager, Finance Director and IT Director only can add and remove users in the FMS	Only authorized employees have administrative rights in the FMS. The Accounting Manager is solely responsible for adding and removing user.	Test that only authorized employees have access rights in the FMS to add, remove and modify user settings

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26.	Financial Management System Administration	Adding, Removing and Modifying Users	*Accounting Manager is responsible for adding, removing, and modifying users and is alerted to do so	Only authorized employees have administrative rights in the FMS. The Accounting Manager is solely responsible for adding and removing user.	Test that the Accounting Manager is responsible for user administration in the system.
27.	Financial Management System Administration	System Security	*Users of financial systems must first authenticate to Active Directory and then a separate user ID and password for accessing the application *All access is role-based based on job function	Users of financial systems must first authenticate to Active Directory and then a separate user ID and password for accessing the application. All access is role-based based on job function	Test that user ID and password requirements are configured to adequately protect access to the FMS. Confirm that users of the FMS are active employees.
28.	Grants Management	Reporting/Selecting	*Grant applicants also administer their grants *The Finance Department requires receipt of the Grant Award Letter before they release any funds for spending *The Budget Analyst reviews the funds quarterly to check for grants and make sure they're not overspending and spend it on time	The Finance Department must receive a copy of the Grant Award Letter before the Grant Administrator is allowed to spend any of the funds. However, not all grants are actively tracked by the Finance Department, so this control applies only to those being tracked.	Test that Grant Administrators provide a copy of the Grant Award Letter prior to spending any grant funds. Confirm that the Budget Analyst reviews the funds quarterly to check for grants, as well as to make sure they're not overspending and also spend their funds on time.
29.	Journal Entries	Posting Process	*The Accounting Manager approves the Accountant's entries via hard copy and signature *The Finance Director approves all of the Accounting Manager's entries via email - Accounting Manager saves approval emails in labeled folders *Monthly report of all of the Accountant's entries are reviewed and signed off by the Accounting Manager	All journal entries are reviewed and approved by a supervisor prior to getting posted to the General Ledger. At this time, the involved employees do not follow a uniform process.	Test that journal entries posted to the General ledger are reviewed and approved prior to posting.

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30.	Journal Entries	Posting Process	*Finance Director, Accounting Manager, Accountant and Budget Analyst are the only employees with FMS access rights to post journal entries	Only authorized employees have the ability to post journal entries in the FMS.	Test that only authorized employees have the system access rights needed to post a journal entry.
31.	Payroll	Payroll Runs and Timesheet Review	*Timesheets require Supervisor review and signature *Payroll runs are reviewed and signed by the Payroll Administrator - timesheets are balanced against a system generated report	Employee hours are reviewed and approved prior to checks being distributed. At this time, standardized timesheets do not exist for each Department.	Test that payroll runs are reviewed and approved before employees are paid.
32.	Payroll	Tax Reports	*941 quarterly tax reports are approved before submissions	Accounting Manager reviews and signs 941s	Confirm that the Accounting Manager reviews and signs 941 tax reports prior to submission.
33.	Payroll	Employee Pay Validation	*Pay period estimates are completed to confirm the payroll administrator does not enter incorrect employee pay	The Accounting Manager conducts a pay period estimate to make sure the final employee pay is equivalent to the estimated amount	Test that pay period estimates are completed for each payroll run.
34.	Purchasing/ AP	PO Processing over \$5,000	*Department Heads must request approval from the Finance Director for all purchases in excess of \$5,000 - before a purchase order can be generated	The Finance Director must review and approve purchases in excess of \$5000.	Test that purchases in excess of \$5000 are approved by the Finance Director.
35.	Purchasing/ AP	PO Processing over \$7,500	*Selection reasons and signed approval for purchases in excess of \$7500 are required - must attach confirming form to PO	Best Value Method Source Selection form must have signature approval and be attached to the PO for Town purchases over \$7500.	Confirm that a completed Best Value Method Source Selection form is attached to purchase orders in excess of \$7500 for the Town.

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36.	Purchasing/ AP	P-Cards	*Detailed P-Card policy explaining ethics, general policies, the purchasing process, recordkeeping requirements, discrepancies or unauthorized account usage, card deactivation and reporting lost, stolen, or damaged cards *PowerPoint training program *Employees must sign Cardholder Agreement Form *Employees must sign Credit Card Use Policy	Employees granted P-Cards must sign the Cardholder Agreement Form and the Credit Card Use Policy.	Test that employees granted P-Cards are authorized and sign the proper usage policies.
37.	Purchasing/ AP	P-Cards	*\$1000 daily and \$5000 monthly limit for some employees *\$5000 daily and \$25,000 monthly limit for some employees	Employees granted P-Cards are held to daily and monthly spending limits.	Test that cardholders are held to appropriate spending limits due to job function.
38.	Purchasing/ AP	P-Cards	*Cardholders print off expense reports, attach their receipts, and sign every month - Dpt Head reviews and signs as well - turned over to Finance for review and journal entry creation	Employees granted P-Cards are required to disclose their monthly spending to the Finance Department.	Test that cardholders complete monthly expense reports (summary reports) in order to disclose their spending to the Finance Department.
39.	Purchasing/ AP	Management of Gift Cards (Human Resources, Town Manager, Food Services)	*Purchase of gift cards must be approved by the Director of Finance or the Town Manager, and the original request must be signed by Department Head - must include: number of cards to be purchased, the merchant, the denomination of each card, the intended recipient(s), and the reason/purpose *Purchased cards must be inventoried by the requesting Department and recorded on the Gift Card Inventory List *Monthly basis - report documenting physical inventory of cards in your possession compared to the Gift Card Inventory List, Department Head approval required and a copy of the report must be sent to the Finance Office	The purchase of gift cards must be approved and inventoried.	Test that the purchase of gift cards must be approved and inventoried.

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40.	Purchasing/ AP	Guidelines for managing bids/proposals	<p>*Competitive Bid Process must be followed by the Board of Education for certain purchases</p> <p>*Must follow specifications, advertising, openings and awards, security and rejection guidelines as outlined in the Mansfield Board of Education Fiscal Management policies</p> <p>*Must go to competitive bid if the purchase is over \$7500</p> <p>*Bids below \$20K awarded to the Superintendent, bids above \$20K are awarded to the Board of Education</p>	BOE purchases in excess of \$7500 must go to competitive bidding to ensure best value.	Review BOE purchases in excess of \$7500 and confirm the competitive bidding process was followed.
41.	Purchasing/ AP	Guidelines for managing purchase orders	<p>*Explanation not to use a name or department as a PO # and attach all order forms to the PO</p> <p>*Explanation of how to handle the PO slips - what and when to send copies to the Finance Office etc...</p>	PO #s do not have the issuers name or department and only original invoices only are accepted for processing - packing slips and copies of receipts not accepted.	Test that only the original invoice is used to process purchases. Review purchase orders and confirm the PO numbers do not contain issuer name or department name.
42.	Purchasing/ AP	General Purchase Order Processing Procedures	<p>*Finance Department keeps record of all purchase orders and invoices</p> <p>*The Accounts Payable Clerk reviews checks against corresponding invoices and purchase orders prior to sending the payment to the vendor</p>	Accounts Payable is responsible for maintaining purchasing records and matching checks against corresponding purchase orders and invoices.	Review the purchasing process and confirm the proper procedures for recordkeeping and review are followed.

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43.	Revenue/ Receivables	Recording Daily Revenues	<p>*Report of Collection form: accompanies deposits brought to Collection Office - form has revenue details, G/L acct number, description, amounts of deposit split by cash and check totals - total verified by Collection Office - then signed and dated by the verifier and recorded on a form called the Daily Revenue Sheet (lists each deposit with Dept Name, total Check Amount, Total Cash Amount, and a Grand Total)</p> <p>*Original Report of Collection retained with Daily Revenue Sheet in Collection Office - copies provided to Finance Dept and the depositor</p> <p>*Next Morning: total cash and checks summarized on Daily Revenue Sheet - checks and cash counted physically and verified - then prepared to deliver to the bank</p>	The receipt and recording of daily revenues (cash and checks) requires the use of standardized forms and review by the Collector's Office and the Finance Department.	Review the revenue recording process and ensure all required reviews and documents are utilized.
44.	Revenue/ Receivables	Shorts and Overs	<p>*Discrepancies over \$1.00: adjusted in or out of the deposit and a separate Report of Collections form is filled out for the amount - journal entry is made to move to the proper account if a resolution is discovered</p> <p>*Amount under \$1.00: not adjusted - held in separate envelope and used to offset other shortages up to \$1.00</p>	Discrepancies over \$1.00 in the recording of daily revenues are adjusted manually to ensure accurate reporting. A separate Report of Collections is filled out to complete this process.	Test that short/over adjustments are manually created with a journal entry and by completing a corresponding Report of Collections.
45.	Student Activity Fund	Fund Management Procedures	<p>*Setup as a petty cash fund</p> <p>*Single signature checking account - only two people authorized to sign checks (as directed by the Superintendent)</p> <p>*Admin Asst for Finance has custody of the checkbook</p> <p>*Admin Asst submits month-end voucher to replenish the account - copies of the checks drawn are attached</p> <p>*Superintendent approves the voucher</p> <p>*Finance Dept does monthly reconciliation (with bank statements)</p>	The Superintendent's Office and the Finance Department are responsible for overseeing the account. Only authorized employees are allowed to sign account checks. The Superintendent's approval is required for month-end account replenishment.	Test that the proper controls and approvals are in place to actively manage the Student Activity Fund. Ensure funds are not being disbursed without review and approval. Confirm a monthly account reconciliation is performed.

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46.	Athletic Account Activity Fund	Fund Management Procedures	<ul style="list-style-type: none"> *Setup as a petty cash fund *Single signature checking account - only two people authorized to sign checks *Admin Asst for Finance has custody of checkbook *Admin Asst submits month-end voucher to replenish acct - copies of checks drawn attached *Superintendent approves voucher *Finance Dept does monthly reconciliation (with statements) 	The Superintendent's Office and the Finance Department are responsible for overseeing the account. Only authorized employees are allowed to sign account checks. The Superintendent's approval is required for month-end account replenishment.	Test that the proper controls and approvals are in place for actively managing the Student Activity Fund. Ensure funds are not being disbursed without review and approval. Confirm an account reconciliation is performed.
47.	System Interfaces	Interface Security	<ul style="list-style-type: none"> *Admins Unified Community, Quality Data Services and Vision Systems are the applications in use that have data with financial reporting implications. *No electronic interfaces exists between the financial systems. 	Exchange of data between financial systems is through manual imports.	Ensure that no electronic interfacing of data exists between the financial systems.
48.	Vendor Management	Adding a Vendor	<ul style="list-style-type: none"> *The Finance Director, Accounting Manager, Accounts Payable Clerk and Finance Clerk are the only users that can add vendors to the FMS 	The ability to add vendors in Admins Unified Community is limited to authorized employees only. No formal process for reviewing vendors prior to addition to file exists at this time.	Confirm that the ability to add vendors in Admins Unified Community is limited to authorized employees.

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<u>Item</u>	<u>Control Type</u>	<u>Control Brief</u>	<u>Control Details</u>	<u>What is the Control</u>	<u>Testing of Control</u>
49.	Vendor Management	Verifying Legitimate Payments	*The Accounts Payable clerk takes checks off the printers and manually verifies them against the invoices to confirm legitimate vendor payments	Payments to vendors (checks) are reviewed by Accounts Payable prior to being distributed.	Review Town purchases and test that all payments (checks) are reviewed and verified prior to being distributed.
50.	Use of and Charges Associated with Town Cellphones	Acceptable Use	*Employees and Volunteers, and an approver must sign and date a personal use agreement	Employees granted a Town-owned cellphone are required to adhere to the Town's acceptable usage policy.	Test that employees granted Town-owned cellphones sign the Cellular Telephone Use Policy.



Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
Draft

Control Area: Administrative

Control Document(s): Undocumented

Control Date: N/A

Control Subject: New Hires

Document Owner: Town & BOE

Control: 4 The Human Resource Department documents the onboarding process to ensure new hires are given appropriate access to Town resources.

Risk Impact: High

Risk Probability: High

Control Frequency: As-Needed

Sample Size:

Procedure: Test that new hire documents are completed and maintained by the HR Department.

<u>Status</u>		
Pass	Fail	Not Tested
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Test	Result	Auditor	Pass	Fail
Confirm that new hires have a completed and signed New Hire Checklist.			<input type="checkbox"/>	<input type="checkbox"/>
Confirm that new hires have a signed New Hire Policies via Intranet Acceptance Agreement.			<input type="checkbox"/>	<input type="checkbox"/>
Confirm that new hires have a completed Personnel Action Form.			<input type="checkbox"/>	<input type="checkbox"/>
<div style="border: 2px solid black; border-radius: 50%; width: 150px; height: 100px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> <p style="font-size: 24px; margin: 0;">Sample Document</p> </div>				
			<input type="checkbox"/>	<input type="checkbox"/>