

TOWN OF MANSFIELD  
FINANCE COMMITTEE MEETING

Monday, August 8, 2016

Audrey P. Beck Building  
Conference Room B  
5:30pm

A G E N D A

CALL TO ORDER

APPROVAL OF THE MINUTES

OPPORTUNITY FOR PUBLIC COMMENT

STAFF REPORTS

OLD BUSINESS

1. Policies and Procedures Update
2. Fraud Risk Assessment Implementation Update
3. Purchasing Ordinance Review
4. Financial Management Goals/Policies – Debt Performance

NEW BUSINESS

1. Preliminary Yearend Results

COMMUNICATIONS/OTHER BUSINESS/FUTURE AGENDA ITEMS

ADJOURNMENT

TOWN OF MANSFIELD  
FINANCE COMMITTEE MEETING  
MINUTES OF JULY 28, 2016

Members Present: Ryan (Chair), Raymond, Marcellino

Other Council Members Present: None

Staff Present: Trahan

Guests: None

1. Meeting called to order at 6:30pm
2. Approval of minutes for June 13, 2016

*Raymond moved and Ryan seconded to approve the minutes of the June 13, 2016 meeting as presented. Motion passed with Marcellino abstaining.*

3. Opportunity for Public Comment – None
4. Staff Reports – Finance Director Trahan provided an update on the streetlight purchase and upgrade project. Staff has requested an updated inventory listing from Eversource, which we need to move forward with the contract. In light of the facilities study, staff plans to finance this purchase and upgrade in order to hold energy account funds for future energy efficiency projects that might not be appropriate to finance. We have confirmed that there will be no pre-payment penalty.
5. Policies and Procedures Update – Trahan reported that she is still waiting to hear from the Mansfield Board as to whether their Policy Committee has reviewed the fiscal management policy changes. The Finance Committee has already approved the changes. Trahan will be presenting proposed changes for the Region 19 fiscal management policies to their Finance Committee on August 2<sup>nd</sup>. Both Boards are complying with the Town's Financial Management Policies and Procedures (FPP), these changes are intended to make the board policies consistent with the FPP.
6. Purchasing Ordinance Review – Trahan reviewed the changes discussed at the last Committee meeting that have been included in the draft ordinance. The Committee continued their page by page review of the Purchasing Ordinance. Trahan will provide another updated version for the Committee's review at the August meeting. In order for the Committee to determine the appropriate thresholds for approval and RFP/RFQ issuance, the Committee asked Trahan to provide statistics on the typical volume of purchase orders issued at the various dollar thresholds. Trahan will provide at the August meeting.
7. Debt Performance Goals – Trahan reviewed the current Debt Performance Goals, the GFOA best practice guidelines for a Debt Management Policy, and shared a draft Debt Management Policy for the Committee's review. Trahan will provide a table with sample debt affordability measures at the September Committee meeting. Once the Committee has reviewed the draft policy, Trahan will ask our Financial Advisor to come in to discuss the various bond structures available and how they might apply to us.

8. Communications/Other Business/Future Agenda Items -
9. Adjournment. The meeting adjourned at 7:37 pm.

*Raymond moved and Ryan seconded to adjourn. Motion passed unanimously.*

Respectfully Submitted,  
Cherie Trahan, Director of Finance

DRAFT



## Town of Mansfield Department of Finance

**To:** Mansfield Finance Committee  
**From:** Cherie Trahan, Director *CT*  
**CC:** Matt Hart, Town Manager, Amy Meriwether, Accounting Manager/Treasurer  
**Date:** August 8, 2016  
**Re:** Purchasing Order Activity and Approval Levels

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In reviewing the Purchasing Ordinance, the Finance Committee was interested in knowing the volume of purchase orders at the various possible thresholds of approval. This information will be helpful in determining if adjustments to approval or Request for Proposal/Qualifications levels is warranted.

The table below reflects the approval levels for purchase orders that are currently set up in the Financial Management System. Based on our settings in the Financial Management System, the Finance Director reviews and approves any purchase orders \$5,000 or more.

Approval Level	Town Funds	Mansfield Board	Region 19	Other Entities
1 All PO's	Dept. Head	Principal	Superintendent	Entity Director
2 All PO's	Accounting Mgr.	Superintendent	Accounting Mgr.	Accounting Mgr.
3 Over \$5,000	Finance Director	Accounting Mgr. Finance Director	Finance Director	Finance Director

The table below reflects the volume of purchase orders at various dollar amount thresholds. The Purchase Orders issued in FY 2015/16 were used for this analysis.

Dollar Threshold	Number of PO's	Cumulative No. of PO's	Total Dollar Value	Average PO Value
.01 – 999.99	3523		\$1,039,221	\$295
1,000.00 – 4,999.99	1073	4,596	\$2,373,602	\$2,212
5,000.00 – 7,499.99	148	4,744	\$884,713	\$5,978
7,500.00 – 14,999.99	151	4,895	\$1,587,557	\$10,514
15,000.00 – 24,999.99	98	4,993	\$1,893,230	\$19,319
25,000.00 – 49,999.99	92	5,085	\$3,301,150	\$35,882
50,000.00 – 99,999.99	54	5,139	\$3,550,208	\$65,745
100,000.00 and over	34	5,173	\$10,943,893	\$321,879

Currently, based on our Financial Policies & Procedures, any purchases for good & services between \$5,000 – 7,499.99 require that the purchaser obtain (3) quotes if possible.

Based on the Purchasing Ordinance we require a Best Value Source Selection Form be completed and approved by the Purchasing Agent (Finance Director) for any purchase of \$7,500 or more for goods and purchased services. This form documents how the purchaser went about selecting a vendor for the desired product or service. It must be approved by the Purchasing Agent before the purchase can be made with the vendor. It is the Purchasing Agent's responsibility to ensure that a fair and competitive (if possible) process has been followed.

**Professional and Technical Services:**

Currently, Professional and Technical Services of \$10,000 or more require a Request for Proposal or Request for Qualifications process documented with a Best Value Source Selection Form. A large number of purchase orders for professional and technical services are for specialized educational services, ie occupational/physical therapy, outplaced tuition, etc. which are not subject to the guidelines in the Purchasing Ordinance. However a Best Value Source Selection Form is required to be approved by the Finance Director in order for the purchase order to be issued.

Below is a table reflecting the professional and technical service purchase orders that were issued in FY 2015/16. The table breaks the purchase orders down by value/cost and type of service.

PO Value Range	Total PO's (Count) Value	Specialized Ed Services	Legal & Audit Services	Architects, Engineers, Surv/Appr	Police Services	Other / Miscellane ous
10,000.00 – 24,999.99	(56) \$904,232	(26) \$391,977	(7) \$139,250	(7) \$111,115	(13) \$216,017	(3) \$45,873
25,000.00 – 49,999.99	(24) \$852,441	(16) \$583,430	(5) \$161,112	(2) \$77,742	(1) \$30,157	
50,000.00 – 99,999.00	(20) \$1,283,936	(17) \$1,085,796	(1) \$52,500	(1) \$51,000		(1) \$94,640
100,000.00 and over	(7) \$2,747,995	(4) \$763,360	(1) \$200,000		(1) \$1,282,504	(1) \$502,130

The five thresholds that need to be reviewed and possibly updated are:

- (1) Level at which the purchaser is required to get (3) quotes (currently \$5,000)
- (2) Level at which the Finance Director approves the PO (currently \$5,000)
- (3) Level at which the Best Value Source Selection Form is required (currently \$7,500)
- (4) Level at which Professional & Technical services require a RFP/RFQ (currently \$10,000)
- (5) Level at which cumulative contracts with a single vendor are reported to the Finance Committee

Below are two possible options for your consideration:

Threshold	Current	Option 1	Option 2
Require 3 Quotes	\$5,000	\$5,000	\$5,000
Finance Director Approval	\$5,000	\$5,000	\$7,500
Best Value Source Selection Form	\$7,500	\$7,500	\$10,000
Professional & Technical RFP/RFQ	\$10,000	\$25,000	\$25,000
Cumulative Contract Value	N/A	\$50,000	\$50,000

Proposed Revisions – Version 2 – 8/8/16

**Chapter 76. Purchasing**

[HISTORY: Adopted by the Town Council of the Town of Mansfield 6-22-2009, effective 7-22-2009.[1] Amendments noted where applicable.]

GENERAL REFERENCES

Administrative departments — See Ch. 2.

Code of Ethics — See Ch. 25.

Disposal of property — See Ch. 73.

Reserve Fund — See Ch. 85.

[1] Editor's Note: This ordinance also superseded former Ch. 76, Purchasing, adopted 5-29-1990.

§ 76-1. Title.

This chapter shall be known and may be cited as "The Ordinance for Obtaining Goods and Services."

§ 76-2. Legislative authority.

This chapter is enacted pursuant to the provisions of Town Charter § C506B(1)(c).

§ 76-3. Purpose; applicability; environmental considerations.

- A. The purpose of this chapter is to provide a set of procedures designed to obtain the best possible value for the necessary goods and services purchased by the Town of Mansfield, in accordance with Article V, § C506, of the Town Charter. It shall be the general policy and presumption of the Town Council that contracts for the procurement of supplies, materials, equipment, property or services shall be entered into pursuant to a competitive process. The Town Council has also determined that competitive bidding in some instances may be against the best interest of the Town. The Council, therefore, invokes its powers under Article V, § C506B(1)(c), of the Town Charter to establish this chapter designed to better ensure receipt by the Town of the best possible value for necessary goods and services by taking advantage of all prudent purchasing methods and opportunities available in the marketplace, including the open competitive bidding

process, and delegates authority to implement these procedures to the Purchasing Agent. These procedures are further designed to provide for the fair and equitable treatment of all persons involved in public purchasing by the Town of Mansfield.

- B. This chapter shall apply to the purchase of all supplies, materials, equipment and other commodities and contractual services and construction (hereafter referred to as "products and services") required by any department, agency, board or commission of the Town, irrespective of the source of funds, except the purchase of specialized goods and contractual services for the purpose of instruction by the Board of Education. The Mansfield Board of Education and the Region 19 Board of Education shall be encouraged to adopt purchasing regulations similar to the provisions of this chapter. Nothing herein contained shall be construed to prevent the Director of Finance from serving, to the extent requested, as the Purchasing Agent for all requirements of the Board(s) of Education.
- C. In order to increase the development and awareness of environmentally sound products and services, the Town of Mansfield will ensure that all possible and feasible specifications are reviewed for consideration of environmental impacts. Consideration will be given to those products that, from a life cycle perspective, adversely affect the environment in the least possible way. This means that the Town of Mansfield will make a reasonable and responsible effort to choose product and services that:
  - 1) Are produced in an environmentally responsible manner.
  - 2) Are distributed in an environmentally responsible manner.
  - 3) Cause the least possible damage to the environment.
  - 4) Can be removed in an environmentally responsible manner.

§ 76-4. Solicitation and award procedures.

- A. As provided in the Town Charter, the Director of Finance shall serve as the Purchasing Agent for the Town, and shall be responsible for the procurement of all products and services for the Town. Subject to the limitations set forth in the Charter and in § 76-3B of this chapter, the Purchasing Agent shall have the authority to approve all contract specifications, prescribe the method of source selection to be utilized in the procurement of all products or services, award all contracts for products and services based on a determination of the bidder who offers the best value to the Town, and shall have the authority necessary to enforce the purchasing provisions of the Charter and these rules. In addition, the Purchasing Agent shall have the following specific duties:
  - 1) To inspect all supplies, material and equipment ordered by and delivered to the Town to ensure compliance with specifications and conditions affecting the purchase

thereof, or delegate the inspection thereof to such Town employees as are authorized to purchase said supplies, materials or equipment in accordance with Subsection B of this section.

~~4~~2) To procure and award contracts for, or supervise the procurement of, all products and services needed by the Town, and to maintain custody and care of all contracts for goods and contractual services to which the Town is a party.

~~3~~3) To transfer between offices or sell, trade, or otherwise dispose of surplus supplies, materials, or equipment belonging to the Town.

~~3~~4) To prepare, issue, revise, and maintain all bid specifications and to establish and maintain programs for specification development, and the inspection, testing, and acceptance of products and services.

~~4~~5) To prepare and adopt operational procedures governing the procurement functions of the Town.

~~5~~6) To have the discretion and authority for cause to disqualify vendors and to declare them to be irresponsible bidders and to remove them from receiving any business from the Town.

~~6~~7) To cancel, in whole or in part, an invitation to bid, a request for proposals, or any other solicitation, or to reject, in whole or in part, any and all bids or proposals when to do so is in the best interests of the Town.

~~7~~8) To require, when necessary, bid deposits, performance bonds, insurance certificates, and labor and material bonds or other similar instruments or security which protect the interests of the Town.

~~8~~9) To procure for the Town all federal and state tax exemptions to which it is entitled.

~~9~~10) To ensure that the Town is exempt from state fair trade laws as provided by the Connecticut General Statutes.

~~4~~11) To join with other units of government and with private sector organizations in cooperative purchasing plans when the best interests of the Town would be served.

B. Delegation to other Town officials. With the written approval of the Town Manager, the Purchasing Agent may delegate any portion of the authority to purchase certain products and services to other Town employees, if such delegation is deemed necessary and appropriate for the effective and efficient operation of Town government and for the procurement of those items. The Purchasing Agent, with the written approval of the Town Manager, may revoke such delegation at any time. The person to whom such authority is delegated shall be responsible for complying with the requirements of the

Charter, this chapter and any rules or regulations which may exist relating to the execution of the procurement process.

C. Methods of source selection. In accordance with Article V of the Town Charter, unless otherwise prescribed by law, the Purchasing Agent shall take advantage of all prudent purchasing methods and opportunities available in the marketplace. This includes, but is not limited to, such methods as competitive sealed bids, competitive sealed proposals, competitive negotiation, sole-source procurement, small purchase procedures, credit card procedures, bulk ordering, emergency purchases, multi-step bidding, Internet purchasing, use of cooperative purchasing plans and public auctions. In deciding which method to utilize, the Purchasing Agent may take into consideration the following factors:

- 1) How to obtain the best value for the commodity.
- 2) Whether or not to utilize a fixed-price or fixed-service contract under the circumstances.
- 3) Whether quality, availability, or capability is overriding in relation to price.
- 4) Whether the initial installation needs to be evaluated together with subsequent maintenance and service capabilities and what priority should be given to these requirements.
- 5) What benefits are derived from product or service compatibility and standardization and what priority should be given to these requirements.
- 6) Whether the marketplace will respond better to a solicitation permitting not only a range of alternative proposals, but evaluation, discussion, and negotiation of them before making the award.
- 7) What is practicable and advantageous to the Town.
- 8) The availability of vendors.
- 9) The efficiency of the process.
- 10) The fair and equitable treatment of potential participants.
- 11) The degree to which specifications can be made clear and complete.
- 12) The timeliness of the process to the needs of the Town.

D. Award of contract. Contracts shall be awarded, by the Purchasing Agent to the vendor who offers the best value to the Town. The Finance Committee shall be advised in the next quarterly financial report, or sooner when appropriate, when the Purchasing Agent

awards a contract for goods or services (but not professional services as defined in Subsection I) other than by competitive sealed bid in accordance with Article V, § C506B(1)(c), of the Town Charter. Best value shall be determined by consideration of some or all of the following factors as deemed appropriate by the Purchasing Agent.

The Finance Committee shall be advised on a quarterly basis of all vendors whose contracts with the Town or Board reach \$TBD.

On behalf of the Town, the Purchasing Agent shall have the authority and responsibility to execute contracts for the purchase of all products and services for the Town, including professional and technical services under \$TBD. The Town Manager shall have the authority and responsibility to execute contracts for the purchase of all products and services for the Town \$TBD or more.

- 1) The quality, availability, adaptability, and efficiency of use of the products and service to the particular use required.
- 2) The degree to which the provided products and services meet the specified needs of the Town, including consideration, when appropriate, of the compatibility with and ease of integration with existing products, services or systems.
- 3) The number, scope, and significance of conditions or exceptions attached or contained in the bid and the terms of warranties, guarantees, return policies, and insurance provisions.
- 4) Whether the vendor can supply the product or service promptly, or within the specified time, without delay or additional conditions.
- 5) The competitiveness and reasonableness of the total cost or price, including consideration of the total life-cycle cost and any operational costs that are incurred if accepted.
- 6) A cost analysis or a price analysis including the specific elements of costs, the appropriate verification of cost or pricing data, the necessity of certain costs, the reasonableness of amounts estimated for the necessary costs, the reasonableness of allowances for contingencies, the basis used for allocation of indirect costs, and the appropriateness of allocations of particular indirect costs to the proposed contract.
- 7) A price analysis involving an evaluation of prices for the same or similar products or services. Price analysis criteria include, but are not limited to: price submissions of prospective vendors in the current procurement, prior price quotations and contract prices charged by the vendor, prices published in catalogs or price lists, prices available on the open market, and in-house estimates of cost.
- 8) Whether or not the vendor can supply the product or perform the service at the price offered.

- 9) The ability, capacity, experience, skill, and judgment of the vendor to perform the contract.
- 10) The reputation, character and integrity of the vendor.
- 11) The quality of performance on previous contracts or services to the Town or others.
- 12) The previous and existing compliance by the vendor with laws and ordinances or previous performance relating to the contract or service, or on other contracts with the Town or other entities.
- 13) The sufficiency, stability, and future solvency of the financial resources of the vendor.
- 14) The ability of the vendor to provide future maintenance and service for the use of the products or services subject to the contract.

E. Common specifications and standards.

- 1) In accordance with this chapter, all of the Town's departments, agencies, boards and commissions shall work together with the Purchasing Agent to identify common needs and establish standard specifications for the purchase of goods and contractual services which are commonly used by more than one department, agency, board, or commission.
- 2) The Purchasing Agent shall be responsible for identifying goods and contractual services common to the needs of the Town, School Department and their boards and commissions and for preparing and utilizing standard written specifications submitted for such goods and contractual services. After adoption, each standard specification shall, until revised or rescinded, apply in terms and effect to every purchase and contract for said goods or contractual service. The Town Manager may exempt any using agency of the Town from the use of the goods or contractual services in such standard specification if, in his/her judgment, it is in the best interest of the Town to so do.

F. Sole-source procurement and brand name specification.

- 1) It is the policy of the Town to encourage fair and practicable competition consistent with obtaining the best possible value for the necessary products and services required by the Town. Since the use of sole-source procurement or a brand name specification is restrictive, it may be used only when the Purchasing Agent makes a

written determination that there is only one practical source for the required product or service or that only the identified brand name item or items will satisfy the Town's needs and the Town Manager concurs with such finding. A requirement for a particular brand name does not justify sole-source procurement if there is more than one potential vendor for that product or service.

- 2) Any request by a using agency that procurement be restricted to one potential contractor or be limited to a specific brand name shall be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.
  - 3) A record of all sole-source procurements and brand name specifications shall be maintained. Sole-source records shall list each contractor's name; the amount and type of each contract; a listing of the products or services procured under each contract; and the effective dates of the contract. Brand name records shall list the brand name specification used, the number of suppliers solicited, the identity of these suppliers, the supplier awarded the contract, and the contract price. The Town Council Finance Committee shall be advised, in the next quarterly financial report, or sooner when appropriate, when the Purchasing Agent and the Town Manager have made a determination of brand name or sole-source selection.
- G. All purchases made and contracts executed by the Purchasing Agent shall be pursuant to a written or electronic purchase order from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be issued to any vendor unless and until the Director of Finance certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or order is to be issued. This requirement may be deferred in the event that an emergency situation requires prompt action by the Purchasing Agent. This subsection will not prevent the use of open purchase orders or the use of a purchasing card program designed to consolidate many small transactions onto a single monthly invoice.
- H. The responsible head of each department, office, institution, board, commission, agency or instrumentality of the Town shall certify, in writing, to the Purchasing Agent the names of such officers or employees who shall be exclusively authorized to sign purchase orders for such respective department, office, institution, board, commission, agency or instrumentality, and all requests for purchases shall be void unless executed by such certified officers or employees and approved by the Purchasing Agent.
- I. **Professional services.** As the procurement of professional services is generally exempt from the requirements of competitive sealed bidding, all contracts for professional services, including legal services, shall be obtained in accordance with the following guidelines, with the exception of the Town Attorney who shall be chosen in accordance with Article III, § C305, of the Town Charter. The Town Manager shall execute an agreement for professional services with the appointed Town Attorney.
- 1) A request for proposal (RFP) or request for qualifications (RFQ) shall be written for all requests for professional services [except as described in Subsection I(3) below] in excess of \$10,000 TBD. The RFP or RFQ shall be written in such a manner as to

describe the requirement to be met, without having the effect of exclusively requiring a proprietary product or service, or procurement from a sole source, unless approved in accordance with the requirements of this section. This requirement may be met by using State contracted pricing or pre-qualified pricing through other governmental or cooperative agency arrangement including but not limited to the Connecticut Conference of Municipalities (CCM) and Capital Region Council of Governments (CRCOG).

- 2) When the scope of work is less precise as determined by the Town Manager, the preferred method of obtaining professional services shall be through the use of competitive negotiation. The process used for the solicitation of proposals shall assure that a reasonable and representative number of vendors are given an opportunity to compete. The Town Manager may limit the number of qualified vendors considered and may approve solicitation by invitation or public notice.
- 3) In accordance with Article III, § C305C, of the Town Charter, the Town Manager, with the approval of the Town Council, may obtain special legal services other than the Town Attorney. In obtaining those services, the Town Manager may consider, in addition to hourly rate, the reputation, character and integrity of the firm, the quality of performance on previous contracts and services to the Town, the ability of the firm to provide these services over an extended period, and the ability, capacity, experience, skill and judgment of the attorneys performing the service.
- 4) The award of a professional services contract shall be done in a manner designed to obtain the best possible value to the Town and with consideration of the factors listed in Subsection D of this section, titled "Award of contract."
- 5) Professional services defined.

a. Professional services are defined as:

- i. Work requiring knowledge of an advanced type in a field of study and which frequently requires special credentialing, certification or licensure. Such areas include but are not limited to engineers, architects, appraisers, medical service providers, consultants, actuaries, banking services, and legal; or
- ii. Work that is original and creative in character in a recognized field or artistic endeavor or requires special abilities and depends primarily on a person's invention, imagination, or creative talent. Such fields or artistic endeavors include but are not limited to the following: health and fitness, cultural arts, crafts, ice skating, and specialty area instructors; and
- iii. Work that requires consistent exercise of independent discretion and judgment to perform according to a provider's own methods and without being subject to the control of the Town except as to the result of the work.

b. Professional service providers shall not be dependent on the Town as their sole client, and must be clearly considered an independent contractor as opposed to an employee as defined by state and federal laws, regulations, and court decisions.

6) On behalf of the Town, the Purchasing Agent shall have the authority and responsibility to execute professional service contracts under \$TBD. †The Town Manager shall have the authority and responsibility to execute professional service contracts in excess of \$40,000\$TBD.

J. Invoice schedule. All contracts for goods, contractual services and professional services to which the Town is a party shall include a provision requiring the vendor or contractor to invoice the Town in a timely manner, pursuant to a schedule established by the Purchasing Agent.

K. Custody of contracts. All contracts for goods, contractual services and professional services to which the Town is a party shall be kept in the office of the Purchasing Agent and shall be under the care and custody of the Purchasing Agent unless the Purchasing Agent has delegated the authority to take custody of such a contract to another Town official in accordance with Subsection B of this section. All other contracts to which the Town is a party or to which any officer or board, bureau or commission of the Town, acting in behalf of the Town, is a party shall be kept on file in the Town Clerk's office and shall be under the care and custody of the Town Clerk. When any officer, board, bureau or commission of said Town shall require any original contract in which the Town is interested, as aforesaid, the contract shall not be taken from the Town Clerk's or Purchasing Agent's office until such officer, board, bureau or commission has given a receipt therefor, and a copy of such contract shall be filed with the Town Clerk or Purchasing Agent as soon as the same can be made. The above provisions shall not apply when any such contract is needed for temporary use in the Town building and is returned on the same day that it is taken.

Town of Mansfield  
Preliminary Yearend Results  
FY 2015/16

	Budget	Est. Actual	Variance Fav/(Unfav)
Revenues <sup>(1)</sup>	\$ 48,632,270	\$ 48,579,384	\$ (52,886)
Expenditures <sup>(2)</sup>	16,421,370	16,064,628	356,742
Net Preliminary Results			\$ 303,856

<sup>(1)</sup> Reflects \$100,000 reserve for tax appeals

<sup>(2)</sup> Reflects \$143,000 in proposed adjustments

	Amount	% of Budget
Beginning Fund Balance (Available)	\$ 3,952,041	8.1%
Plus: Preliminary FY 15/16 Results	303,856	
Preliminary Ending Fund Balance (Available)	\$ 4,255,897	8.8%

FY15/16 Budget projected no increase to Fund Balance

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

Priority evaluations include consideration of amount of monies collected (materiality) and volume of transactions.

Priority levels identification is 1 for highest priority to 3 for lower priority recommendations

Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
<b>General</b>								
GEN-1	Operational	3		Use of a standard transmittal report for cash receipts		No change in practice	N/A - Current Practice	N/A
GEN-2	Operational	3		Supporting documentation be attached to cash receipts transmittal form	Yes	As recommended	9/1/2016	No Cost
GEN-3	Fraud Risk/Internal Control	3		Develop formal policies and procedures for Town fundraising activities. Note: Low dollar value	Yes	As recommended	12/31/2016	No Cost
GEN-4	Fraud Risk/Internal Control	1		When receipt books are used to document cash receipt collections, the cash receipts should be reconciled to the receipt book (receipt XXXX to XXXX)	Yes	Receipt books will be ordered and stored with the Finance Department. Upon issuance of a book, Finance will note the receipt numbers that are being assigned to the specific department. Departments will be notified that for all cash/checks deposited there should be a receipt. Once a receipt book has been used in its entirety it will be returned to Finance and reconciled to the GL. For any departments that do few receipts, there will be a periodic audit by the Finance department to make sure there are receipts for all collections.	9/1/2016	\$7.49/Department - Total of 9 departments without receipt software that utilize receipt books. Total cost is \$67.41.
GEN-5	Fraud Risk/Internal Control	2		Develop and implement formal policies and procedures to require all department heads, advisor, etc. to review budget and actual or activity reports formally communicate comments or no comments	Yes	As recommended	9/1/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

valuations include consideration of amount of monies collected (materiality) and volume of transactions.

levels identification is 1 for highest priority to 3 for lower priority recommendations

Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
	Fraud Risk/Internal Control	1		All checks received should be immediately stamped "for deposit only".	Yes	As recommended	9/1/2016	\$10.49/Department - Will need about 22 stamps. Total cost is \$230.78
	Fraud Risk/Internal Control	1		Formally document the current policies being used by the Town to conduct business and communicate the policies to the public	Yes - As deemed necessary	See specific sections below for a listing of recommended policies per department below.	See specific sections below	No Cost
	Fraud Risk/Internal Control	2		Consolidation of all Town billings and collection of billings to the Finance Department or Revenue Collector's office.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	2		Development and use of min/max or reasonability tests to ensure that all revenues are being properly transmitted to the Revenue Collector and being properly recorded in the general ledger	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	1		For each of the software programs being used by various Town Department, a review of permission should be performed to limit the permission to the employees direct responsibilities	Yes	Will be implemented within the capabilities of the software. See specific sections below related to recommended software changes and permission restrictions, if any	9/1/2016	No Cost
	Fraud Risk/Internal Control	1	No separate logins for each employee.	Each employee should be assigned a unique log in ID. Employees should log off during breaks or at the end of the day	No - There are instances where employees are entering a land record for example, which can take up to 20 minutes on one of the counter computers; a customer walks in and they need to utilize another computer to complete the customer transaction then go back to finish recording the land record. The software will not allow the same log in to be used simultaneously.	Although it would be ideal to have a software record of who completed each transaction there are only 3 employees within the department. All issued permits and licenses are generated through the software and automatically reported to the State/outside agency. Permits are reported and reconciled on a monthly basis with revenue received. Any licenses/permits issued without funds being received would be recognized within the same month. The only charges that could be unaccounted for are copy fees. With the majority of payments received by checks, the risk related to this is very low.	N/A - Current Practice	N/A

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

Priority evaluations include consideration of amount of monies collected (materiality) and volume of transactions.  
Priority levels identification is 1 for highest priority to 3 for lower priority recommendations

Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
TC-2	Internal Control	2	Dog license transactions are initially recorded in the internally developed software program and then are subsequently recorded in the Town Clerk's register software system. Also the internally developed software does not allow the user to note the type of payment	All transactions should be entered into the Town Clerk's register software system. The internally developed dog license software should be used to manage operations and not for recording transactions	Yes	As recommended	9/1/2016	No Cost
TC-3	Internal Control	1	No reconciliation performed between the transactions recorded in the internally generated dog license software program, the amount recorded in the Town Clerk's register software system and the general ledger.	Internally developed software activity should be reconciled to the amount processed in the Town Clerk's register software system and the general ledger	Yes	As recommended	9/1/2016	No Cost
TC-4	Fraud Risk/Internal Control	1	All users can void transactions	The ability to void transactions should be limited to certain designated employees or the void transaction report be printed and approved by the Town Clerk on a monthly basis	Yes	It is not feasible to limit the ability to void transactions due to staffing arrangements. Therefore, the Town Clerk will start reviewing and signing off a void report on a monthly basis.	9/1/2016	No Cost
TC-5	Operational	3	Current policy is that no change is provided to customers for checks that are made out for the wrong amount. Normally the amount is not significant and is often used to pay for copies	Policy be reviewed by the Town to determine if it is in accordance with Town objectives. Once the policy has been reviewed and finalized, the policy should be formally documented and communicated to the public	Yes	As recommended	12/31/2016	No Cost
<b>Police Department</b>								
PD-1	Fraud Risk/Internal Control	1	Receipts are not issued to the customer for payments received.	A receipt book should be implemented to document amounts collected and allow the balancing of activity	Yes	The Police department will no longer allow payments to be made within their department. All individuals will be redirected to the Revenue Collector's office for payment processing. In the rare case there is an irate individual that refuses to go to the Revenue Collector's office, a receipt book will be kept on hand to record payment.	9/1/2016	\$7.49

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
	Fraud Risk/Internal Control	2	Spreadsheet is used to track receipts for ordinance violation tickets issued. Information is sent from the Police Department to the Revenue Collector and from the Revenue Collector to the Police Department to update the spreadsheet	1. Formal System be developed to properly account for and monitor the activity of ordinance violation tickets issued and collected. The sequence of ticket numbers should be accounted on a periodic basis to ensure completeness. 2. Police department cease collecting the monies for the tickets that are issued. 3. If the spreadsheet continues to be the accounting system for ordinance violation tickets, reconcile the spreadsheet to the GL on a periodic basis.	1. No - Pre-numbered tickets books are issued to officers and tracked by the Police Department secretary. However, there are other violation tickets that are not in books which cannot be tracked. They are shared with officers within the troop as well as UCONN officers. 2. Yes 3. Yes	1. All tickets have multiple copies. One of the copies is provided to the Police department secretary for tracking. If a ticket is not turned in it would be found when the citizen comes in to make payment. No payments are accepted in the field. 2. As recommended 3. As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	2	Hearing officer reviews and accepts or declines parking ticket appeals. Approved appeals are entered into the ticket software which voids the ticket. Also, system has multiple logins, but they are not formally assigned to an individual.	1. Exception reports are generated by user and the reports are reviewed and approved by a supervisor. 2. Each user be assigned a unique user account and password.	1. Yes 2. No	1. The Sargeant will be notified in writing when a ticket is void so he is aware. Police department secretary can print exception report periodically for the Sargeants review. 2. System only allows for 4-5 licenses without an additional monthly charge.	12/31/2016	1. No Cost 2. If determined additional licenses should be purchased, the cost is \$65/license/month.
	Fraud Risk/Internal Control	3	Parking tickets must be paid by the 10th day or they are doubled. System does not have the ability to adjust the 10 day period when the 10th falls on a holiday or weekend. Penalty needs to be removed when determined appropriate.	1. Town set up formal policies and procedures for reporting and monitoring adjustments. 2. Expection reports are generated by user and reviewed and approved by a supervisor. Note: Low dollar value	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	3	Police vehicles are parked at the garage. No formal policies and procedures to manage equipment and other inventory.	Town develop and implement formal policies and procedures regarding the use of equipment.	Yes	As recommended	12/31/2016	No Cost
<b>Services Department</b>								
	Fraud Risk/Internal Control	2	Not all policies are formally documented	All policies be formally documented and that the policies include the development of forms to document activity and the required approvals.	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	3	Department does not use a formal intake form to document a resident request for assistance	All requests for assistance be documented on an intake form or application form. The form can also be used to formally approve assistance provided.	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	3	Department currently accounts for donations on a spreadsheet and also provides recognition letters to donors.	Spreadsheet be reconciled to the recognition letters to ensure completeness. Reconciliation should be reviewed and approved by Finance on a periodic basis. Note: Low dollar value	Yes	As recommended	12/31/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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HS-4	Fraud Risk/Internal Control	1	No receipts are issued for gift cards received. The spreadsheet is used to prepare the transmittal report, but the collections are not reconciled to the receipt book.	Transmittal/Deposit forms should be reconciled to the receipt book. The transmittal should identify the applicable receipt numbers. A receipt should be provided to the donor of the gift cards and a separate receipt book should be used for that purpose and reconciled to the gift card inventory.	Yes	As recommended	9/1/2016	2 Receipt Books = \$14.98
<u>Planning and Zoning/Wetlands</u>								
PZW-1	Fraud Risk/Internal Control	1	The collection of cash receipts is documented by noting the receipt on the application. The notation also includes the payment type. Only customers who pay in cash are provided a receipt, unless it is requested	The department should use a prenumbered receipt book for all transactions and the receipt book should be reconciled to the transmittal reports and the related deposit. The new software installed by the Building Department should be reviewed and considered if it is capable to manage the permits and applications by the department.	Yes	With regards to the new software, they do not currently have this software but will evaluate once installed.	9/1/2016	\$7.49
PZW-2	Fraud Risk/Internal Control	1	The applications and permits issued are not prenumbered	All permits should be prenumbered and the accountability for all issued permits should be performed on a period basis	No - Permits are available in the office and online, it is not feasible to prenumber them.	The department has started using a log to track all issued permits. They are awaiting the implementation of the new software which will allow them to produce reports directly from the software. Once these reports are available they can be audited/reconciled to the GL by the Finance Department. For now, Finance will monitor collections with the newly created log.	Upon installment of new software	No Cost
PZW-3	Fraud Risk/Internal Control	2	Transmittal reports are not being prepared and cash transmitted is not being forwarded to the Revenue Collector on a standard basis	Transmittals and deposits should be completed on a daily basis, but no less than weekly.	Yes	As recommended	9/1/2016	No Cost
PZW-4	Fraud Risk/Internal Control	2	There is no reconciliation performed when preparing the transmittal reports to the applications received for the same period	When transmittal reports are prepared, a reconciliation should be performed to balance the activity being reported. Note: Low dollar value	Yes	As recommended	9/1/2016	No Cost
PZW-5	Fraud Risk/Internal Control	2	There is no log of permits by type maintained	A log of permits and applications should be developed and implemented to monitor department activity. Note: Low dollar value	Yes	As recommended	9/1/2016	No Cost
PZW-6	Fraud Risk/Internal Control	3	There is a quarterly report prepared and sent to the Town Manager that includes the number of permits issued. This report does not contain any financial information (amounts collected for the permits).	The report be modified to include amount of monies collected. This report should also be provided to the Finance Department for review and monitoring	No - This report is no longer produced.	Newly created permit log will note permit receipt number which can be traced back to the receipt book and tracked by Finance on a periodic basis.	12/31/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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	Fraud Risk/Internal Control	1	Permits are not prenumbered. Permit number is assigned after the permit is issued. In addition, there is no accounting for the sequence of the permits issued.	Permits should be prenumbered and the sequence of permit numbers should be accounted for.	No - Permits are available in the office and online, it is not feasible to prenumber them.	The department has started using a log to track all issued permits. They are awaiting the implementation of the new software which will allow them to produce reports directly from the software. Once these reports are available they can be audited/reconciled to the GL by the Finance Department. For now, Finance will monitor collections with the newly created log	Upon installment of new software	No Cost
<b>Recreation</b>								
	Fraud Risk/Internal Control	1	Only managers can void/adjust transactions. There is no adjustment report generated as part of the balancing process. Therefore, the adjustments are not reviewed and approved by the Recreation Director.	An adjustment report should be generated as part of the daily balancing process and be reviewed and approved by the Recreation Director	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	3	Prices for merchandise for sale are programmed into the register system by the managers. The prices are not reviewed and approved by the Director	After the prices are programmed into the register, they be reviewed and approved by the Director	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	2	The manager's back office will accept customer payments. The transaction is logged under the manager's user ID, but the manager then balances their own deposit.	Develop and implement a formal policy regarding the processing of transactions by the managers from the back office. The policy should address whether this is an acceptable practice and if so, the other manager perform the recount and verification of the deposit	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	3	Department uses two different rental forms. One form is for the rental of a room for a party or event and another for rental of the facility. The Department also rents the pavilion. In addition, rentals can be done through the website. Currently, none of the rental forms are prenumbered. Rentals require payment in full at the time of registration.	1. All applications are prenumbered and that, at least annually, the sequence of applications approved be reconciled with the amounts recorded as revenue in the GL. 2. Amounts deposited and recorded in the GL be reconciled to the calendar/binder that is used to manage the rentals.	1. No - Prenumbering is not feasible as reservations be made in person or online. 2. Yes	1. Employees managing rentals set up the registration with the customer but all payments are taken via the receptionist. The receptionist will receive a completed registration from the manager and customer will pay the receptionist directly. 2. As recommended	12/31/2016	No Cost

Town of Mansfield, Connecticut  
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PR-5	Fraud Risk/Internal Control	1	Certain transactions such as rental reservations and prepayments are entered in to the Parks and Recreation software as household credits on customer accounts. Household credits cannot be transferred between customer accounts, but can be processed as a refund and then a payment to the new account. Only managers can apply household credits. When the payment is entered, the software allocates it to the "unknown" category. When the transaction is processed, a note is added to the description to identify what type of revenue the payment should be classified as when applied. The system has the ability to generate reports of the balances of household credits. Currently, these reports are not being reviewed and approved by the Recreation Director nor are they being provided to the Finance Department to ensure proper recording of these balances during the year or at year end.	The software should be reviewed to identify a more efficient process for applying household payments and to eliminate the need to add notes and reenter the transactions to the proper category. The activity report for household credits should be reviewed and approved by the Recreation Director and provided by the Finance Department on a periodic basis.	Yes	The software company has already been contacted to address this exact issue. This is a software limitation where there is no resolution. However, an activity report for household credits can be produced and reviewed by the Director. In addition, the Finance Department does reconcile the "Unknown" revenue to the GL on a monthly basis.	9/1/2016	No Cost
PR-6	Fraud Risk/Internal Control	1	There are non-active customer accounts with credit balances. Some of the balances have been inactive for years.	The Town should develop and implement a policy for credit balances. The activity report for credit balances should be provided by the Finance Director on a periodic basis.	Yes	As recommended	9/1/2016	No Cost
PR-7	Fraud Risk/Internal Control	2	Rosters for programs are provided to the Department program managers. If any adjustments are necessary they are initiated by the program manager. The Department managers will process the credit in the software system based upon the roster provided by the program manager. The roster is then noted with the credit processed and returned the program manager.	1. Any credits that are required to be processed be formally requested and approved. A credit request form should be developed and implemented to document approve of the credit and processing in the software. 2. Report of the credits processed be generated and reviewed by Director	1. Yes - This is currently in practice. Customers complete credit request forms which are then reviewed and approved via sign off by the manager. The form is forwarded to the Administrative Assistance for processing. 2. Yes	1. N/A - Current practice 2. As recommended	12/31/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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	Fraud Risk/Internal Control	3	Certain independent contractors are paid based upon enrollment and other contractors are paid based upon the class.	The Town review the contractors that are being paid by class to determine if they can be paid by enrollment. If a contractor is paid by enrollment, there is an incentive to verify that all customers in the program have enrolled.	TBD	Although some contractors are paid by the class and not the enrollment, the number of attendees is reviewed as a certain number of people need to sign up for a class for it to happen. If the minimum number of attendees is not met, the class is canceled and the contractor is not paid. This will be further reviewed and changes made as necessary.	TBD	TBD
	Fraud Risk/Internal Control	2	The Department conducts an annual physical inventory during the summer. The documentation of the physical inventory is not retained.	Documentation of Physical inventory should be maintained	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	2	The Department uses certain inventory items for promotional items	Inventory used for promotional items should be recorded through the register software.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	2	Department does not have any formal policies or procedures to update the inventory balance when performing test counts or after the physical inventory is taken.	Develop and implement formal policies and procedures and forms to document all adjustments of inventory balances.	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	2	The Department sells gift certificates for use at the Community Center. The gift certificates are prenumbered and the numbers are entered into the software program when sold. The software program has the ability to generate reports on the balances of gift certificates that have not been redeemed.	A report of unredeemed gift certificate balances should be provided by the Finance Department on a periodic basis	Yes	As recommended	9/1/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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PR-13	Fraud Risk/Internal Control	2	Parks and Rec software has accounts receivable balances dating back to 2008	Develop formal policies and procedures regarding delinquent accounts receivables and when they are sent to collections. The policy should also include the process, documentation required and the authority to write off receivable balances. The balance authorized to be written off should be processed through the register software and reconciled to the authorization. The policy should also include/consider guidelines and required approvals to write off balances under a certain threshold.	Yes - This was in process prior to the fraud risk assessment being conducted	As recommended	12/31/2016	No Cost
<b>Senior Center</b>								
SC-1	Fraud Risk/Internal Control	2	Collection of cash receipts for the Meals on Wheels program is counted by 2 individuals before it is deposited, but is not documented.	1. Counting and verification of the amount received be documented by employees on the transmittal form. 2. Develop a policy regarding the Town collecting monies for outside vendor programs.	Yes	As recommended	12/31/2016	No Cost
SC-2	Fraud Risk/Internal Control	1	A receipt is issued at the time of collection for all receipts collected noting the payment type. The payments are then entered into the Senior Center software program. Currently, there is no reconciliation performed between the receipt book, the deposits and the software.	The activity of the receipt book should be balanced and reconciled to the amount entered into the Senior Center Software program and the transmittal/deposit.	Yes	As recommended	9/1/2016	No Cost
SC-3	Fraud Risk/Internal Control	1	One employee is responsible for the collection of receipts, entering the receipts into the Senior Center software and preparing the deposit.	The functions of collecting, recording and preparing the deposit should be segregated.	Yes	As recommended	9/1/2016	No Cost
SC-4	Fraud Risk/Internal Control	3	A separate organization is providing programs and services at the Senior Center to the membership. There is no current policies and procedures or agreement related to this activity.	Develop a policy regarding separate organizations providing programs and services at the Senior Center.	TBD - This needs additional discussion	TBD	TBD	No Cost
<b>Tax Collector</b>								

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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	Fraud Risk/Internal Control	1	Access to the tax register software is not controlled by a user ID or password, therefore, transactions are not identified by user. There are certain functions that are controlled by passwords	Each employee should be assigned a unique log in ID. Employees should log off during breaks or at the end of the day.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	1	All users can void transactions	The ability to void transactions should be limited to certain employees	Yes	All users need to have access to void transactions due to the staffing of the department. However, exception reports will be prepared and reviewed by both the Tax Collector and Finance Department on a periodic basis as stated in recommendation number TXC-3 below.	9/1/2016	No Cost
	Fraud Risk/Internal Control	2	The tax collection software can also produce other exception reports such as an override code report. The report is not currently being produced and reviewed.	Void and other exception reports should be reviewed and approved by the Tax Collector.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	2	The town processes all mailed tax payments manually through the tax software in the office.	The should consider implementing a lockbox service for tax payments		No - Per review of GFOA recommendations on lock boxes, we do not have enough volume to benefit. In addition, we would need a low error (on the customers side) of less than 10% which the Tax Collector doesn't feel we have. Due to these two reasons alone, there is no benefit financially (paying the additional fees) or related to accuracy. Using a lock box with the amount of customer error we currently have would actually increase our workload	N/A	N/A
	Fraud Risk/Internal Control	1	There is a lack of segregation of duties with respect to the processing of tax payments, balancing, preparing and going to the bank.	The Tax Collector's office should implement procedures to segregate duties regarding the cash receipts function.	Yes	As recommended	9/1/2016	No Cost
Tax Collector								

Town of Mansfield, Connecticut  
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RC-1	Fraud Risk/Internal Control	1	There is no counting of cash or receipts provided at the time the departments transmit cash receipts to the Revenue Collector's department. A signed copy of the transmittal report is returned to the Department once the cash is counted.	As transmittals are submitted, the cash should be counted and a receipt should be issued or the transmittal should be signed by the Revenue Collector's Department and the employee.	Yes	As recommended	9/1/2016	No Cost
RC-2	Fraud Risk/Internal Control	2	Department performs the billing and collection for retiree medical insurance contributions. The data is obtained for the various departments and the Collector generates the invoices. The department is not provided a billing register to verify the billings. The Collector's office also processes the cash receipts.	1. Billing and collection process be properly segregated between two different employees. 2. Billing register be reviewed and approved by the responsible department prior to the billing being processed.	Yes	As recommended	9/1/2016	No Cost
RC-3	Fraud Risk/Internal Control	3	No formal policy, procedure or form to process corrections to the sewer billings	Develop and implement formal policies and procedures, including a correction form and the required authorizations.	No	Billing changes are very rare and there is always a paper trail of any changes which includes making the Finance Director aware of the change. No formal form considered necessary	N/A	N/A
RC-4	Fraud Risk/Internal Control	2	For ticket fine payments made to the Revenue Collector, a receipt is provided to the customer from a pre-numbered receipt book. The information from the receipt book is then posted to the parking ticket software system. In certain instances, the activity of the receipt book was not posted to the ticket software on a timely basis. Also, no reconciliation between the ticket fine receipt book and the amount collected and posted into the ticket software	1. Develop and implement a formal policy and procedure to ensure that all ticket fines paid are posted on a timely basis. 2. Activity from the prenumbered receipt book be reconciled to the amount collected and the amount posted to the ticket software system. Reconciliation should be documented.	No - This is no longer happening. All payments are being recorded in the Complus system, not the receipt book.	N/A	N/A	N/A
RC-5	Fraud Risk/Internal Control	2	There are no software controls regarding the increasing or decreasing of fines and no exception reports available from the system to allow monitoring of these types of transactions	Review software capabilities related to the controls over the adjustment of fee amounts to determine if reports can be generated. If not, the Town should develop formal policies and procedures over adjustments to ticket amounts.	Yes	Revenue Collector's access has been changed to "read only" when it comes to changing the fees. She can now only apply payments	9/1/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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	Fraud Risk/Internal Control	2	Not all departments are providing supporting documentation for the deposit along with the transmittal	All departments should be required to provide supporting documentation for the amount being deposited along with the transmittal report	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	1	Various other departments are currently responsible for billings generated by their department. In many cases the billings are not provided to the Finance Department or the Revenue Collector. In certain instances, this also has created a lack of segregation of duties over the billing and collection function.	The Town should consider centralizing the billing and collection of other Town departments to the Revenue Collector's office. The Town should also consider separating the billing and collection functions within the Revenue Collector's office.	Yes	As recommended	9/1/2016	No Cost
	Best Practices	3	Assistant Tax Collector's salary is charged 50% to the Public Works department. The current estimate of the actual time necessary to process this activity is greater than 50%.	Review the desired roles and responsibilities of the department. This would include where salaries should be budgeted. Should also include a time study as to where the department is actually spending its time and where the Town desires the level of effort for each area of responsibility of the department.	TBD	This will be reviewed during the next budget season	TBD	No Cost
	Fraud Risk/Internal Control	1	The library software is not being utilized to manage, balance and reconcile financial activity. Due to the nature of operations, weather, hardships and other reasons, certain fees and charges are waived or adjusted. Also, the Library software system has the capability to identify the payment type received, but payment are not being entered by type. The system currently defaults to cash as a payment type and, therefore, all transactions are noted as such.	1. The Library should develop and implement formal policies and procedures for any fee or fine waivers. 2. The Library should account for the collection of all fines and other cash receipts using the Library software. 3. The register report should be attached to the transmittal report. 4. The Library should implement a policy to correctly identify each transaction by the appropriate payment type	1. No - The waiver of any fines is a judgement call that is made by the person at the desk. It is just a way to encourage patrons to return items on time but is not mean to penalize. 2. Yes 3. Yes 4. Yes	1. N/A 2. As recommended 3. As recommended 4. As recommended	9/1/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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LB-2	Fraud Risk/Internal Control	3	No reconciliation of the number of pages to the charges for printing. In some cases, fees are waived and that is some instances Library staff also print to the public printer.	1. Procedures be implemented to document the number of pages printed, the fees charged and the fee waivers. 2. Formal policy be developed on the waiver of fees including whos has the authority to do so.	1. No - There is a low volume related to this activity. Collections only total about \$1,000 year. 2. No - Anyone with access to the Circulation software has the ability to waive fees at their discretion. Again this is low volume. Director can run reports to review the amount of fines being waived on a periodic basis	N/A	N/A	No Cost
LB-3	Fraud Risk/Internal Control	2	The library software program tracks the activity of each user's library card. This includes any fines, lost book charges and adjustments.	Library software should be reviewed for capability to produce exception reports. These reports should be reviewed and approved on a periodic basis.	Yes	As recommended	12/31/2016	No Cost
LB-4	Fraud Risk/Internal Control	2	During our review, we noted that refunds to customers for lost books that were subsequently found are refunded through the Library's petty cash fund	The library should develop and implement a formal refund form. All refunds should be processed through the finance Department.	No - Dollar value is low and only happens 1-2 per year. As long as documentation per the refund is properly included with the petty cash support, Finance is fine with keeping the current practice	N/A	N/A	N/A
LB-5	Fraud Risk/Internal Control	3	Library policies and not written and formally communicated	Formally document the current policies in place and communicate them to the employees and public	Yes	With the exception of the specific policies noted above, the Library will reievw their other policies and make communications to the public on ones deemed necessary	12/31/2016	No Cost
LB-6	Fraud Risk/Internal Control	3	Sales of misc items are accounted for on a manual tally sheet. The transactions are not processed through the Library software. Sales of these items are approx \$200 annually. No formal inventory records are maintained for these items.	Sales for misc items be recorded through the register system and inventory control sheet be maintained and updated for purchases and sales.	TBD - Software does not have the capability to ring in a specific product. It can only be rung in as "Other." They are further exploring the program to see if they can find a way to complete these transactions on a detailed and consistent basis.	TBD	12/31/2016	No Cost
LB-7	Fraud Risk/Internal Control	1	Access to the Library Software is not controlled by user ID or password.	Each employee should be assigned a unique log in ID. Employees should log off during breaks or at the end of the day.	No - The circulation desk changes employees on an hourly basis. The software takes time to load and would inhibit good customer service with each employee logging in and out.	Finance will work with the Library within the next couple of weeks to determine and alternative control since this was identified as a top priority implementation.	9/1/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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	Fraud Risk/Internal Control	1	The library bookkeeper/manager counts the monies and prepares the deposit as well as the related transmittal form. The transmittal does not list the amounts of cash and checks being transmitted.	The Library should implement procedures to segregate duties with respect to the cash receipts function. Cash and check amounts should be detailed on the transmittal form for verification.	Yes	As recommended	9/1/2016	No Cost
<b>Department</b>								
	Fraud Risk/Internal Control	2	The calculation for new construction projects is performed by the Building Inspector. The department does not require a standard form to document the calculation, nor is the calculation reviewed and approved by the building official	The Town should develop and implement a standard form to calculate building permit fees.	No - The standard permit fee application is completed by the applicant, the fees are determined by the secretary and then reviewed, approved and signed off by the Building Official or Assistant Building Official.	N/A	N/A	N/A
	Fraud Risk/Internal Control	2	The value used to calculate the permit fee for renovations/alterations is based upon the estimate provided by the homeowner or contractor. It is reviewed by the Building Department, but the review is not formally documented or approved by the Building Official. The Building Department does not require the contractor/homeowner to provide any supporting documentation to support the estimated value.	1. Town require supporting documentation for the estimated value of the project. The documentation should be a written estimate or contract and should be retained in the permit file. 2. Town implement a formal policy/form to document the review and approval of building permit fees. The form should be approved by the Building Official and retained in the permit file.	1. No - Under the ordinance the Building Department has the right to request supporting documentation for any estimates that don't seem reasonable. This is requested as deemed necessary. In addition, when Inspectors go out onto a site they will be able to determine if the estimate provided on the application is reasonable. 2. The fee schedule is set up per the ordinance which is already documented	N/A	N/A	N/A
	Fraud Risk/Internal Control	3	The Fire Marshall fee is added to the fees charged to the customer by the Building department when determined to be due.	Fire Marshall be required to review and approve the applications to verify/approve that fees are being charged appropriately.	Yes	The Fire Marshall signs off on all applications and the fee charged is part of the application review.	N/A - Current practice	No Cost
	Fraud Risk/Internal Control	2	The Town has two developer agreements in place that set the building fees for the projects permitted by these developers	The permit charges for the two developers with formal agreements with the town should be formally approved by the Building Official	No - These agreements were put in place by the Town Manager and approved by the Town Council.	N/A	N/A - Current practice	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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BD-5	Fraud Risk/Internal Control	1	The building permits issued are not prenumbered. The building permit number is assigned after the permit is issued. Also, there is no accounting for the sequence of the permits issued.	Building permits should be prenumbered and the sequence of permits should be accounted for	Yes - Building permits are given a permit number when they are approved, not when the application is submitted because it is possible for an application to be rejected. However, as soon as a permit application is entered into to the MagNet software it is assigned a case number. Additionally, as soon as permits are approved they automatically receive a permit number from MagNet. Also, the sequence of permit numbers is accounted for by Theresa using an internally created spreadsheet which tracks each permit that is approved in sequential order.	N/A	N/A - Current practice	No Cost
BD-6	Fraud Risk/Internal Control	2	Building permits issued are accounted for on an excel spreadsheet. The spreadsheet then is designed to generate the transmittal. One employee maintains the spreadsheet. The spreadsheet is not reviewed by the Building Official or other supervisory employee.	Town review the reporting capability of the new software and use the reports generated from the software to balance collection activity.	Yes	As recommended	9/1/2016	No Cost
BD-7	Fraud Risk/Internal Control	1	Building permits are now being entered into the newly implemented Building Department software system. The software system generates the building permit, tracks inspections and also logs each entry. Permits can be deleted, but the permit number will not be deleted.	Only the Building Official and Assistant Building Official should have the administrative rights to be able to void/delete/rollback permits. An exception report should be produced on a monthly basis and should be reviewed and approved by the Building Official.	Yes	Removing the privilege to void/delete/rollback permits would be a hinderance to everyday operations. However, the Magnet software is capabale of running an exception report that will be reviewed and approved by the Building Official on periodic basis	9/1/2016	No Cost
BD-8	Fraud Risk/Internal Control	1	When entering payments for building permits, the system allows the type of payment to be entered. The daily register report currently being produced does not show separate amounts for cash and checks collected.	The software should be reviewed to determine if a report can be produced that will present the total collected by payment type	Yes	As recommended	9/1/2016	No Cost

Town of Mansfield, Connecticut  
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	Fraud Risk/Internal Control	2	The cash receipts are being balanced and reconciled to the excel spreadsheet and not to the new building department software. Since the excel worksheet is created from the permits issued, it does not ensure completeness	The cash receipt activity should be reconciled to reports generated from the software program	Yes	As recommended	9/1/2016	No Cost
	Best Practices	3	Currently, if a check is received for an incorrect amount, it is returned to the customer with a request to ask for a new check with the correct amount.	Town review this policy and develop a formal policy regarding this type of transaction.	Yes	As recommended	12/31/2016	No Cost
	Best Practices	1	The department is still currently using a receipt book to record certain, but not all, collections.	All collections should be reconciled to the software system reports.	Yes	As recommended	9/1/2016	No Cost
	Internal Control/Fraud Risk	1	One employee in the Building Department prepares the billing for the housing fee, accepts the payments and maintains the accounts receivable records.	The functions of billing, collecting and accounting should be properly segregated. All billings should be provided to the revenue collector.	Yes	As recommended	9/1/2016	No Cost
	Best Practices	3	The certificates of occupancy are collected in a folder which is picked up by the Assessor's Department on a periodic basis. We also noted that the newly implemented software has the ability to generate certificate of occupancy reports.	The certificate of occupancy reports from the software system be provided to the Assessor's Department on a periodic basis, but at least monthly.	Yes	N/A - Current Practice	N/A	N/A
	Fraud Risk/Internal Control	3	Department accepts performance bonds and driveway bonds. All cash bonds are sent to the Finance Department. The department does not maintain and update a listing of bonds (cash and surety).	Develop a list of both performance bonds and driveway bonds and update the listing for new bonds and to document releases in accordance with the Town policy.	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	1	The department documents cash collections by the use of a receipt book. The transmittal reports that are prepared are not reconciled to the receipt book	The Transmittal/deposit should be reconciled to the receipt book.	Yes	As recommended	9/1/2016	No Cost

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PW-3	Fraud Risk/Internal Control	1	Permits issued are not prenumbered. The permit number is assigned after the permit is issued by the employee accepting payment for the permit. In addition, there is no accounting for the sequence of the permits issued.	Permits should be prenumbered and the sequence of permit numbers should be accounted for	No - The permit application form is available to customers online for convenience which makes prenumbering the applications difficult.	TBD - Finance will work with Public Works to determine a tracking system for all permits since this is a high priority implementation. Currently, the secretary and Asst Engineer perform tracking of permits but will develop a formal system	12/31/2016	TBD
PW-4	Fraud Risk/Internal Control	1	The permits issued are accounted for on an excel spreadsheet.	The spreadsheet of permits issued should be reconciled to the receipt book.	Yes	As recommended	9/1/2016	No Cost
PW-5	Fraud Risk/Internal Control	2	The department also collects fees for trash service if a customer comes to the Public Works department to pay. Customers are only given a receipt if they pay in cash. Payments are also accepted by the Revenue Collector.	The public works department should stop accepting payments from customers for trash service and should instead direct them to the Revenue Collector.	Yes	As recommended	9/1/2016	No Cost
PW-6	Fraud Risk/Internal Control	3	The Department uses an excel spreadsheet to manage customer service changes and requests.	We recommend that the changes to service be required to be documented in writing from the customer and formally reconciled to the actual billing system	Yes	As recommended	12/31/2016	No Cost
PW-7	Fraud Risk/Internal Control	3	The Department purchases and sells recycling bins and composting kits. Most of the items are purchased based upon preorders.	Purchases and sales of these items be formally accounted for. Items purchased should be inventoried and the sales accounted for the total value of the purchase. This accounting should be formally documented and the inventory balance should be verified on a periodic basis.	No - The dollar value related to this is very small and the inventory coming in goes out within the same week.	N/A	N/A	N/A
PW-8	Fraud Risk/Internal Control	3	The Department receives the monies (checks) for the sale of recyclables. In some instances, employees from the Transfer Station deliver the scrap metal to the dealer who then gives the check to the employee. The amounts received are tracked and reviewed analytically.	1. The checks received for recyclables be sent directly to the Finance Department and not to the Public Works Department nor provided to the employee dropping off the materials. 2. The Town implement procedures to control the materials being sold and to estimate the expected volume to be able to compare the actual receipts.	Yes	As recommended	12/31/2016	No Cost
PW-9	Fraud Risk/Internal Control	2	The department equipment is located at the Public Works garage. The keys to the equipment are also kept unlocked in the garage. The equipment is not formally inspected or compared to logged usage.	Keys to vehicles should be controlled via a lock key cabinet. Also equipment usage logs should be compared to actual usage on a periodic basis	No - There is always someone at the garage to monitor the usage of the equipment and vehicles. At night all equipment and vehicles are returned back to the garage. The Operations Manager does a walk around at the end of the day and would notice if anything was missing.	N/A	N/A	N/A

Town of Mansfield, Connecticut  
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	Fraud Risk/Internal Control	2	The fuel pumps user/login is the Town assigned employee number. The fuel pump also requires that the user enter the estimate mileage of the vehicle. The key for the fuel pump is also programmed to a specific vehicle.	User logins should be changed to something other than the employee's employee number	Yes	The employee number is not used as the login for employees. The Director mispoke as this was a practice as a previous Town.	N/A - Current Practice	N/A
	Fraud Risk/Internal Control	2	The fuel pumps are able to produce a usage report. The report is used by the Finance Department for billing purposes, but it is not reviewed by the Public Works Director.	The Public Works Director or Assistant Public Works Director should review and approve both the fuel system report and the manual diesel fuel log on a weekly basis.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	3	There are no cameras located at the either the gas or diesel fuel pumps.	We recommend that the Town consider installing cameras at the fuel pump locations.	Yes	As recommended	TBD - When funds become available	Approx \$20,000
	Fraud Risk/Internal Control	3	The Public Works garage does not have a fence to protect the equipment at the location or to prevent access to the garage after business hours.	1. The Town consider installing a fence to increase the physical security and access to the Town's public works equipment. 2. The Town consider installing a keyless entry at the garage with each employee having a unique access code to further strengthen the security of the Town's assets at the garage.	Yes	As recommended	TBD - When funds become available	TBD
<b>Station</b>								
	Fraud Risk/Internal Control	2		Recommend that the Town consider eliminating collection of receipts at the Transfer Station and implement the use of tickets or vouchers that would be sold at Town Hall and then used to dispose of items at the Transfer Station.	TBD - This is something that Town has been working towards over the course of the last year or so. Still in implementation phase to determine feasibility	TBD	TBD	TBD
	Internal Control	3	Town does not have a scale at the transfer station and therefore the standard analysis regarding the weight of trash accepted vs the weight of the trash that is hauled out cannot be performed.	1. The Town consider implementing a scale at the Transfer Station. 2. The Town consider performing a formal analysis of the amount recorded as revenue based upon the weight hauled out.	TBD - This will reviewed but is only an additional control on top of current controls. Not a priority	TBD	TBD	TBD
<b>Field Superintendent's Office</b>								

Town of Mansfield, Connecticut  
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MSO-1	Fraud Risk/Internal Control	2	The billings for medical insurance invoices are not being provided to the Revenue Collector or the Finance Department. In addition, there is no segregation of duties between the billing, collection and accounting for these revenues/receivables. The Finance Department is not provided the balance outstanding at year end to record as accounts receivable.	We recommend that the Revenue Collector perform the billing for all groups that are required to pay the Town for medical insurance coverage as they currently do for retirees.	Yes	As recommended	12/31/2016	No Cost
MSO-2	Fraud Risk/Internal Control	2	The mail is opened and distributed by the office secretary. The checks received are not logged and reconciled to the transmittal and deposit reports.	We recommend that all checks received be logged by the office secretary before distribution and that the amount transmitted to the Revenue Collector be reconciled to the log.	Yes	As recommended	12/31/2016	No Cost
<b>Cafeteria Program</b>								
CAF-1	Fraud Risk/Internal Control	1	When the monies are picked up from each school, the receipts are not counted at that time and no receipt is provided to the managers to document the amount of cash transmitted.  Also, the Cafeteria managers do not prepare a transmittal report as do other departments. The transmittal is prepared by the Revenue Collector.	1. Cafeteria managers formally reconcile the register reports to the amount collected and research/explain any differences. This reconciliation should be documented and noted on the register report and the transmittal. 2. Before cash is transmitted to the Revenue Collector, the monies be counted by the employee who is accepting custody of the monies and a receipt be prepared or the counting documented in some way such as by a sign off on the transmittal.	TBD	This will be discussed with the new Food Services Director upon her start	TBD	No Cost
CAF-2	Fraud Risk/Internal Control	1	Although a register system is being used to process the lunch sale transactions, the cafeteria lunch sales are being recorded in the general ledger on a cash basis (the amount deposited).	1. The sales be recorded based upon the register reports and that the difference between the register report and the actual amount of cash be recorded as cash short/over. This amount should be documented on the register report and transmittal as noted above. 2. A cash short and over account be established for each school in order to monitor the amount of differences and allow for adequate monitoring and review when necessary. 3. Each Cafeteria operation be reviewed for any undeposited monies and if any exist, they be deposited immediately.	TBD	This will be discussed with the new Food Services Director upon her start	TBD	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

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	Efficiency/Internal Control	2	The Revenue Collector is picking up the cash receipts from the Middle School. The Revenue Collector then reviews the register reports, prepares the transmittal report and makes the deposit.	1. The Middle School cafeteria cash receipts be transmitted to the Revenue Collector after proper balancing and preparation of the transmittal report. 2. Each school have locked bank bags and a safe to ensure undeposited monies are secured before they are deposited and during the transfer to the Revenue Collector.	TBD	This will be discussed with the new Food Services Director upon her start	TBD	No Cost
	Internal Control	1	Currently, the cashiers have the ability to make corrections in the register system.	Only the Cafeteria Manager has the ability to make corrections. The corrections should be logged by user and a correction report should be produced on a monthly basis and reviewed by the Cafeteria Director or bookkeeper.	TBD	This will be discussed with the new Food Services Director upon her start	TBD	No Cost
	Internal Control	2	The managers at the elementary and middle schools do not recount the cash receipts before they are picked up to be deposited. Elementary schools only collect checks to be applied to the card and cash for .25 or .50 cents for ice cream.	1. The process for balancing the registers with each cashier include the recounting of the cash by the Cafeteria Manager and a sign off by the cashier agreeing to the amount of cash collected. 2. For elementary schools only, consideration should be given to require all payments to be applied to the students card be sent directly to the Cafeteria office to be processed.	TBD	This will be discussed with the new Food Services Director upon her start	TBD	No Cost
	Internal Control	3	The Town does not record a la carte sales separately from lunch sales.	All cafeteria revenues be recorded by type in order to allow for proper monitoring and reconciliation. This would include student lunch sales, adult lunch sales, a la carte sales, catering and state and federal grants.	TBD	This will be discussed with the new Food Services Director upon her start	TBD	No Cost
	Internal Control	2	The Cafeteria bookkeeper does the billing for catering. Most catering is done for internal organizations and payment is processed through a journal entry done by the Finance Department.  There is a catering request form, but the form is not prenumbered.	1. For billings related to outside organizations, we recommend that the invoice be provided to the Finance Department at the time the invoice is produced for proper recording and monitoring. 2. The catering request form be prenumbered or that the requests be approved by the Cafeteria Director and then forwarded to the Finance Department.	Yes	As recommended	12/31/2016	No Cost

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CAF-8	Internal Control	2	The Cafeteria software accounts for the balance of each student's lunch card. The program has formal policies for when the balance falls below \$0, as well as the capability to notify parents before the balance goes negative. In certain cases, balances are transferred between siblings both during the year, if one balance is negative and when a student graduates. The student balance reports are not provided to the Finance Department at year end.	1. The Cafeteria program provide the Finance Department a student school lunch balance report on a quarterly basis in order that the balances can be monitored and properly recorded at year end. 2. The Cafeteria program develop and implement a balance transfer policy and form. All balance transfers should be approved by the Cafeteria Director. If available, a balance transfer report should be produced and reviewed on a monthly basis.	Yes	As recommended	12/31/2016	No Cost
CAF-9	Fraud Risk/Internal Control	2	Currently, the policy is to do a physical inventory every quarter.	We recommend that the inventory be documented and the Cafeteria program develop written policies and procedures that address the frequency of inventory counts, the required documentation and approvals for disposal of inventory and employee responsibilities related to food inventory and supplies.	Yes	As recommended	TBD - Will be discussed with new Food Service Director when she starts	No Cost
CAF-10	Fraud Risk/Internal Control	3	Currently, the policy is that cashiers are not permitted to pay any vendors or other amounts from the cash receipts in the register.	We recommend that a policy prohibiting pay out from the register be formally documented and communicated.	Yes	As recommended	12/31/2016	No Cost
<b>Mansfield Downtown Partnership</b>								
DD-1	Fraud Risk/Internal Control	2	The memberships and sponsorships are being accounted for and managed using an excel worksheet. The membership forms are not prenumbered and memberships can be purchased on-line. There is no reconciliation of the excel worksheet to the amount recorded for memberships and sponsorships to the general ledger	1. The date of the deposit be noted on the membership form to allow for reconciliation to the transmittal report. 2. A reconciliation be performed on a periodic basis of the membership revenues and the sponsorship revenues to the amount recorded in the general ledger.	Yes	As recommended	12/31/2016	No Cost
<b>Region 19 Superintendent's Office</b>								

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	Fraud Risk/Internal Control	3	The District is collecting monies for a separate legal entity. No receipts are provided to the individual transmitting the cash receipts to the District.	<p>1. A receipt book be used to provide the individual a receipt for the amount of cash and checks transmitted. The amount of receipts should be counted in the presence of the individual transmitting the receipts.</p> <p>2. The Town consider developing a formal agreement with the separate legal entity to define rights, responsibilities and liability.</p> <p>3. The District require documentation to be submitted with the deposit for the amount of monies transmitted and the sources of the monies. The documentation could include information such as the number of tickets sold or other units of measure to evaluate completeness and accountability.</p>	<p>1. Yes</p> <p>2. TBD - Will discuss with Foundation President</p> <p>3. Yes</p>	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	2	Currently, the District is billing out of District students for tuition. The billings are not provided to the Finance Department	The Finance Department be provided a copy of all billings or that the Town manage the billing and collection process.	Yes	As recommended	9/1/2016	No Cost
<b>Physical Education Program</b>								
	Fraud Risk/Internal Control	1	The sales are being accounted for by either a receipt book or a paper receipt that was implemented in fiscal year 2015 for the tree sales. If the customer is provided a paper receipt, they are not provided a receipt from the receipt book. The paper receipts are not prenumbered to allow proper accountability. They also do not document whether the payment was made by cash or check. In addition, the program does have a cash register, but it is not functioning and has not been replaced. Based upon the current procedures, there is no accountability for sales and, therefore, no ability to reconcile cash collected to sales.	<p>1. The cash register be repaired or a new one purchased to properly record the sales of all types of items noted above. In lieu of the cash register, a receipt book should be used to account for all sales. The receipt book should document the type of payment (cash or check).</p> <p>2. Where possible for all items sold, particularly for the Christmas trees, there should be a system of inventory control. The total amount of trees for sale should be documented and reconciled with sales. Trees that are unsalable should be documented by the teacher advisor when disposed.</p>	TBD - Discuss when employees return from summer break	TBD	TBD	TBD

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AGED-2	Fraud Risk/Internal Control	2	The cash is counted by the student and teacher advisor and documented on the envelope. The cash receipts are brought to the AG program office, locked in the safe and then counted by the AG program bookkeeper the next school day.	1. The amount of cash collected be independently documented by the teacher advisor. 2. The amount left in the safe be e-mailed to the Student Activity bookkeeper	TBD - Discuss when employees return from summer break	TBD	TBD	No Cost
AGED-3	Fraud Risk/Internal Control	2	The cash receipts collected by the AG program are counted by the AG program bookkeeper and then is transmitted to the Revenue Collector directly vs being provided to the Student Activity bookkeeper.	We recommend that the cash collected by the AG program be forwarded to the student activity bookkeeper for deposit like all other student activity funds. This will provide additional control, monitoring and accountability for these monies.	TBD - Discuss when employees return from summer break	TBD	TBD	No Cost
<b>Student Activities</b>								
SA-1	Fraud Risk/Internal Control	1	Student activity advisors and others bring monies to be deposited to the student activity bookkeeper in the Superintendent's office. The advisor completes a deposit form noting the amount of the deposit and the activity the receipts are for. The advisor then signs the form and logs the date and amount of the deposit on the deposit log. The monies then are transmitted to the District. The monies are not counted by the student activity bookkeeper at that time. When they are counted, if there is any discrepancy, the advisor is contacted to review. The monies for that activity are not deposited until the difference is resolved.	1. The monies be counted in the presence of the advisor and that the advisor be given a receipt for the amount transmitted (cash and checks). 2. The receipt book then should be used to balance the amount deposited and the amounts recorded in the general ledger.	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost

Town of Mansfield, Connecticut  
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	Fraud Risk/Internal Control	1	Not all activities provide the bookkeeper supporting documentation with the monies being deposited.	<p>1. Recommend that detailed supporting documentation be provided to the bookkeeper to support the amount being deposited. The documentation should include receipt book numbers, counts for number of sales of merchandise or tickets, register reports or other documentation that documents completeness.</p> <p>2. The supporting documentation should include details on the payment type (cash vs check).</p>	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost
	Fraud Risk/Internal Control	3	Certain types of activities are able to be verified using a min/max or reasonability test. Examples of these type of activities would be any event with ticket sales, dues, sales (yearbook), etc. where there is a known quantity available.	<p>1. The District require the use and formal documentation of a min/max or reasonability test for activities where the data is available.</p> <p>2. The accountability for the total potential value should be compared to the revenues recorded and the balance remaining of the merchandise or number of tickets.</p> <p>3. Any comp tickets or merchandise be formally approved, documented and accounted for to allow for this type analysis.</p>	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost
	Fraud Risk/Internal Control	2	During our review we noted that certain activities are being accounted for through the school bank. Transactions recorded through the school bank creates detailed records of the payments received by student. The school bank software creates a detailed report for the payment made by each student for a particular time period that supports the deposit.	The District require all activities to use the school bank for student specific payments to increase accountability and provide adequate supporting documentation for deposits. Use of the school bank also provides the details needed to verify payments made by each student if a refund becomes necessary.	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost
	Fraud Risk/Internal Control	2	The District does not use a formal software program to account for the activity for each student activity fund. The bookkeeper accounts for the activity for each fund using excel. The activity is tracked by the Town's general ledger software system by fund, but is not capable of accounting for the balance of each fund.	We recommend that the District consider the purchase and use of a student activity software program to increase the efficiency of accounting for each fund. The software can be used to produce monthly reports for the Town to record the student activity funds' transaction.	No - The Admins system will be used going forward to account for the Student Activity balances for each fund	N/A	12/31/2016	No Cost
	Fraud Risk/Internal Control	2	The monies collected for the agricultural education program are processed by the student activity bookkeeper, but are deposited directly by the agricultural education bookkeeper.	All monies be processed/deposited by the student activity bookkeeper. This will increase efficiency and monitoring over the activity of this program.	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost

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SA-7	Fraud Risk/Internal Control	2	The student activity advisors are not formally provided activity reports on a specific periodic basis for the funds they are responsible for.	We recommend that on a monthly basis, each advisor be provided a report that details the activity of the fund they are managing and that the advisor be required to sign and return the report as evidence of review.	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost
SA-8	Fraud Risk/Internal Control	2	During our review of the listing of student activity funds, we noted the following: <ul style="list-style-type: none"> <li>• The District has custody of class funds going back to 1994</li> <li>• Old scholarship funds are recorded in the student activity fund ledger</li> <li>• There are many inactive activity funds that have not had activity in several years</li> <li>• There are accounts with negative balances</li> <li>• There are funds that do not appear to be student related</li> </ul>	1. The District immediately disburse all monies related to the graduating classes to the class officer or obtain an authorization from the class that the monies be donated to the District or the Foundation 2. All scholarship monies be removed from the student activity fund and bank account and be properly reported as private purpose trust funds or transferred to the Foundation. 3. The District review all current accounts to determine the following: <ul style="list-style-type: none"> <li>• Accounts that are not active and should be closed.</li> <li>• The plan to address the funds with negative balances. A formal policy and procedures should be developed and implemented to prevent accounts from being overspent.</li> <li>• Accounts that are not "student activities". These amounts should be segregated from actual student monies and recorded properly and reported under the proper fund type.</li> </ul>	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost
SA-9	Fraud Risk/Internal Control	1	During our review of the listing of student activity funds, we noted that there are accounts labeled principal's account and interest.	We recommend that the District develop and implement a formal policy for the principal account and the interest account. The policy for the principal account should include a detailed policy on what the funds in that account can used for and any required approvals.	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	TBD - Will be discussed with appropriate individuals upon the start of the School Year	No Cost
<b>Eastern Highlands Health District</b>								
EHHD-1	Fraud Risk/Internal Control	2	The deposit is prepared by the clerk. The deposit and transmittal are not reviewed by the Department head before sending it to the Revenue Collector.	The transmittal form and related deposit should be reviewed by the Department Head	No - No other departments have a review of the deposit by the Department prior to sending to the Revenue Collector.	The Director does perform a review of revenue on a quarterly basis	N/A - Current Practice	N/A

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
valuations include consideration of amount of monies collected (materiality) and volume of transactions.								
levels identification is 1 for highest priority to 3 for lower priority recommendations								
	Fraud Risk/Internal Control	2	Certain towns send the actual cash and checks collected to the District to be deposited vs sending a check for the amount collected.	We recommend that the District require the member towns to provide the District a check for the amount collected. Supporting documentation for the deposit should also be forwarded with the check to review for completeness and proper recording.	TBD - This needs to be further discussed with the Director and member towns	TBD	TBD	No Cost
	Fraud Risk/Internal Control	2	There is no min/max or reasonability calculation performed on permit revenue as a method to ensure completeness.	We recommend that a min/max or reasonability calculation be performed on a periodic basis, but no less than annually, to ensure all permit revenues have been properly recorded.	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	1	Applications for permits are not prenumbered	All permits should be prenumbered and all permits issued should be accounted for on a periodic basis	TBD - This needs to be further discussed with the Director. He does not believe this is feasible since applications are available online	TBD - Finance will work with EHHD to determine a tracking system for all permits since this is a high priority implementation.	TBD	No Cost
	Fraud Risk/Internal Control	1	A prenumbered receipt book is used for all payments processed in the District office, including the applications accepted in Ashford where the District has office hours. A receipt is also issued for the total receipts transmitted by other towns when they are brought to the District Office.	The activity of the receipt book should be balanced and reconciled to amounts entered into the permit tracking database and the transmittal/deposit.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	2	Permits are entered into a database that is used to track permits and prepare the transmittal to the Revenue Collector. There is no reconciliation of the permit database to the amount recorded in the general ledger	The permit database should be reconciled to the general ledger on a quarterly basis.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	3	The District has vehicles that are used by District employees. Per policy, only the Director takes a vehicle home. The other vehicles are not located at Town Hall, therefore, actual monitoring of the policy is not possible. There is a vehicle log, but it is not reviewed during the year, only at year end.	We recommend that the vehicle use log be compared to the actual mileage on a periodic basis, but not less than quarterly.	TBD - This will reviewed but is only an additional control on top of current controls. Not a priority	TBD	TBD	No Cost
Depot								

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

Priority evaluations include consideration of amount of monies collected (materiality) and volume of transactions.  
Priority levels identification is 1 for highest priority to 3 for lower priority recommendations

Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
DDDC-1	Fraud Risk/Internal Control	1	A customer is issued a receipt from the receipt book only when a payment is made for the enrollment fee or when a cash payment is received. Other payments are processed through the day care software and the receipt is left in the parent's mailbox.	All transactions should be processed directly through the register software or the activity recorded using the manual receipt book be reconciled to the register report.	Yes	As recommended	9/1/2016	No Cost
DDDC-2	Fraud Risk/Internal Control	1	We recommend that the procedures be revised to correct the lack of segregation of duties over the cash receipts process. We recommend that an employee be assigned to process the transactions in the software system, balance the activity and prepare the deposit. The balanced reports and the deposit should then be reviewed and approved by the Director or Assistant Director.	The cash receipts control procedures should be revised to correct the lack of segregation of duties. An employee should be assigned to process the transactions, balance the activity, and prepare the deposit. The balanced reports and the deposit should then be reviewed and approved by the Director or Assistant Director.	Yes	This will begin as soon as the Asst Director position is filled	TBD	No Cost
DDDC-3	Fraud Risk/Internal Control	2	Fees are charged to customers based upon income and State determined guidelines. The fees calculated are not reviewed, recalculated or formally approved.	We recommend that an excel based form be developed and implemented to calculate the fee to be charged to each customer and that the calculation be formally reviewed and approved by the Director or Assistant Director.	Yes	As recommended	12/31/2016	No Cost
DDDC-4	Fraud Risk/Internal Control	2	The Day Care requires customers to sign a one year contract when their child is registered. The contract also requires a deposit at the time of registration. The deposit varies based upon the amount of the fees to be charged. The information is entered into the software system and a report can be generated detailing the deposits that have been paid. This report is not produced and reconciled on a periodic basis and is not being provided to the Finance Department.	The customer deposit report should be reviewed and reconciled.	Yes	As recommended	12/31/2016	No Cost

Town of Mansfield, Connecticut  
Table of Recommendations by Type and Priority

valuations include consideration of amount of monies collected (materiality) and volume of transactions.  
Levels identification is 1 for highest priority to 3 for lower priority recommendations

Recommendation Number	Recommendation Type	Priority	Condition	Recommendation Summary Description	Implement	Resolve	Implementation Date	Cost Analysis
	Fraud Risk/Internal Control	2	Customers are invoiced fees on a weekly basis. Reminders are sent to customers for delinquent fees. Based upon discussion, any accounts receivable write offs would need to be approved by the Board, but there is no formal written policy. The software has the ability to produce an accounts receivable report. This report is not currently being provided to the Finance Department.	1. The accounts receivable report be produced on a monthly basis and sent to the Finance Department to ensure proper recording, reporting and monitoring. 2. Formal procedures be developed and implemented for accounts receivable write offs (bad debts). The Depot Board should initially approve the amounts to be written off and then forwarded to the Town for final approval.	Yes	As recommended	12/31/2016	No Cost
	Fraud Risk/Internal Control	2	The Day care receives certain state grants that require periodic reporting. The reports contain both financial and nonfinancial data. The reports are not currently being prepared or reviewed by the Finance Department before being submitted to the State.	Grant reports should be reviewed and approved by the Finance Department	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	1	The Day Care program has a function to process customer refunds when necessary for overpayments and to return customer deposits. The day care does not currently have a formal refund policy or refund form to document the request and approval of the refund.	A formal refund policy should be developed and implemented.	Yes	As recommended	9/1/2016	No Cost
	Fraud Risk/Internal Control	1	The Day Care charges additional fees for extended day or late pick up. The fee is assessed to the customer using a form when late pick up occurs. These forms are not prenumbered.	All additional billing forms should be prenumbered and all additional fees issued should be performed on a periodic basis.	Yes	As recommended	9/1/2016	No Cost