Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 1 of 36

Control Area: Accrued Expenses

Control Subject: Expense Reimbursement

Updated Accouting Manual Page Number: 38

Entity(s):   BOE & Region 19

Control: 1

Advanced approval and supporting documentation/receipts are required as evidence for BOE and Region expense reimbursement.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: As-Needed

Sample Size: 39

Procedure: Test that granted BOE and Region 19 expense reimbursements have advanced approval prior to reimbursement. Ensure that evidence of the actual expenses incurred is provided.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that reimbursement requests have advanced approval by appropriate parties.	The project team sampled 39 BOE (50 total for all entities) and Region 19 expense reimbursements from 2014 and confirmed evidence of advanced approval for each reimbursement in the form of a signature and date. Per discussion with the Accounting Manager, the Finance Department moved from processing reimbursements from the Accounts Payable system to the Payroll system in October, 2014. Conclusion: No exception noted.	ssw	☑	☐
Confirm requestors provided vouchers and supporting documentation for reimbursement.	Upon review of the sampled expense reimbursements, the project team noted that three (3) reimbursements did not provide supporting documentation. Per discussion with the Accounting Manager, those reimbursements were for tuition or uninsured medical dependent care, and therefore were processed through HR to comply with FERPA and HIPAA laws. The remaining sample provided supporting documentation for reimbursement. Conclusion: No exceptions noted.	ssw	☑	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 2 of 36

Control Area:	Accrued Expenses					
		Updated Accouting Manual Page Number:	38	**Entity(s):**	Town	
Control Subject:	Expense Reimbursement & Mileage Reimbursement					

Control: 2	Advanced approval and supporting documentation/receipts are required as evidence for Town and mileage expense reimbursements.	**Risk Impact:** *High*
		Risk Probability: *Medium*

Control Frequency: As-Needed	**Sample Size:** 11	

Procedure: Test that Town and granted mileage reimbursements have advanced approval prior to the actual reimbursement.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Review the Town employee reimbursements and confirm approval from an Administrator	The project team sampled 11 Town expense reimbursements (50 total for all entities) from 2014 and confirmed evidence of advanced approval for each reimbursement in the form of a signature and date. Per discussion with the Accounting Manager, the Finance Department moved from processing reimbursements from the Accounts Payable system to the Payroll system in October, 2014. Conclusion: No exception noted.	ssw	✔	☐
Review mileage reimbursements for the Town and confirm advanced approval is evident.	The project team noted five (5) mileage reimbursements from the selected sample and confirmed supporting documentation and approval from an Administrator. Conclusion: No exceptions noted.	ssw	✔	☐
			☐	☐
			☐	☐

BlumShapiro
Accounting | Tax | Business Consulting

Control Area: Accrued Expenses

Control Subject: Travel Expense Reimbursement

Updated Accouting Manual Page Number: 38

Entity(s): Town

Control: 3

Advanced approval is required for any travel expense reimbursements.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: As-Needed

Sample Size: 2

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Procedure: Test that granted travel expense reimbursements have evidence of advanced approval.

Test	Result	Auditor	Pass	Fail
Confirm that Town travel reimbursement requests have a completed and signed Travel Request Form.	Of the 11 sampled Town expense reimbursements, the project team found two (2) reimbursements for non-mileage travel expenses. One (1) reimbursement was for an LSTA Grant and Project Management Workshop and the other was for a Microsoft Excel Training Course. A completed Travel Request Form was completed for both reimbursements. Conclusion: No exceptions noted.	ssw	☑	☐
			☐	☐
			☐	☐
			☐	☐

Control Area:	Administrative	**Updated Accouting Manual Page Number:**	28	**Entity(s):**	Town, BOE & Region 19
Control Subject:	New Hires				

Control: 4

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

Risk Impact: *Medium*

Risk Probability: *Medium*

Control Frequency: As-Needed   **Sample Size:** 32

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

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that new BOE full-time hires have a completed New Hire Checklist.	BlumShapiro elected to sample 10 new hires for the BOE and noted that seven (7) were full-time employees. All seven (7) had a completed New Hire Checklist on file. For the remaining sample, two (2) were substitutes and one was a part-time custodian and therefore did not require a New Hire Checklist. HR maintains an employee profile page from the Payroll system for all part-time hires. Conclusion: No exceptions noted.	ssw	☑	☐
Confirm that new Town hires have a completed Personnel Action Form and New Hire Policies via Intranet Acceptance Agreement.	BlumShapiro elected to sample 12 new hires for the Town and noted that 10 had completed PAFs and Intranet Acceptance Agreements on file. Per discussion with the HR Assistant, the two (2) employees without PAFs were not new hires but were listed as new hires in the ADMINS system do to changes in pay steps and grades. The two (2) employees without Intranet Acceptance Agreements were originally hired by the Town prior to mid-2012, which is before the agreement was required. Conclusion: No exception noted.	ssw	☑	☐
Confirm that Region 19 new hires without benefits have a completed New Hire Checklist.	BlumShapiro elected to sample 10 new hires for Region 19 and noted that six (6) were new hires with benefits. All six (6) had a completed New Hire Checklist on file. For the remaining sample, two (2) were student workers without benefits and the other two (2) were substitutes. Per discussion with the HR Assistant, all substitutes have a "substitute package" on file. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: BlumShapiro recommends that the Town revise the current policies and procedures for managing new hires and terminations across the Town, BOE and Region 19.		☐	☐

Control Area:	Administrative	**Updated Accouting Manual Page Number:** 28	**Entity(s):** Town, BOE & Region 19
Control Subject:	Terminations		

Control: 5

The Human Resource Department documents the employee termination process to ensure terminated employees are removed from access to Town resources.

Risk Impact: *High*

Risk Probability: *High*

Control Frequency: As-Needed

Sample Size: 30

Procedure: Test that employee termination documents are completed and maintained by the HR Department.

Status

Pass	Fail	Not Tested
☐	☑	☐

Test	Result	Auditor	Pass	Fail
Confirm that HR receives prompt notification when an employee has been terminated.	BlumShapiro elected to sample 30 terminated employees between the Town, BOE and Region 19. 12 employees were sampled on the Town side and only 10 were actual terminations - two (2) received new positions due to a change in pay steps and grades and were therefore listed as terminations in ADMINS. Per discussion with the Town HR Assistant, HR receives an email from Department Heads when to deactivate an employee in payroll. The project team observed copies of the email for each termination. Eight (8) terminations were sampled for the BOE and per discussion with the BOE HR Assistant, HR receives an email from Department Heads when to deactivate an employee in payroll. The project team observed copies of the email for each termination.		☐	☐
	The project team sampled 10 employees for Region 19 and noted one (1) employee was Student Labor and another employee was Special Services Work Study. Per discussion with the Region 19 HR Assistant, there are no formal procedures to notify HR when to remove these types of employees from payroll. HR relies on notification from the Special Services Department to remove Work Study employees but this rarely happens in a timely manner. The HR Assistant also explained that HR relies on remembering graduation dates to remove Student Labor employees from payroll. BlumShapiro recommends that Region 19 develop new termination procedures that puts more responsibility on Department Heads to communicate with HR. Conclusion: Exception noted.	ssw	☐	☑
Confirm that HR maintains a form of termination documentation for all terminated employees.	The project team found that Town HR maintains a form of termination correspondence (email, resignation letter, etc.) for all terminated employees. The BOE HR Department maintains an Exit Interview Checklist for all full-time employees but some part-time employees do not have anything on file. Per discussion with the Region 19 HR Assistant, some Region 19 full-time employees are managed through an Excel spreadsheet but many part-time terminations do not have anything on file. BlumShapiro recommends that HR maintain some form of documentation indicating that an employee was removed from payroll in a timely manner for all managed entities. Conclusion: Exception noted.	ssw	☐	☑
	NOTE: BlumShapiro recommends that the Town revise the current policies and procedures for managing new hires and terminations across the Town, BOE and Region 19.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 6 of 36

Control Area:	Budget			
Control Subject:	Review of Budget estimates	**Updated Accouting Manual Page Number:** 16	**Entity(s):**	Town, BOE & Region 19

Control: 6   Town management reviews and modifies all budget estimates prior to final appropriation by Town Council.

Risk Impact: *High*

Risk Probability: *Low*

Control Frequency: Quarterly   **Sample Size:** 6

Procedure: Test that the budget review process is followed prior to budget adoption.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm the Finance Director reviews and prepares Quarterly Financial Reports prior to submission to the Finance Committee.	The project team received copies of the Quarterly Financial Reports for Q4 2013 and Q1 2014 for Region 19, Mansfield BOE and the Town (includes EHHD and Discovery Depot). All reports contain a memo from the Finance Director to serve as evidence of her preparation of the budget. Conclusion: No exceptions noted.	ssw	☑	☐
			☐	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 7 of 36

Control Area:	Capital Assets				
		Updated Accouting Manual Page Number:	34-35	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Fixed Asset Management				

Control: 7
Current policies and procedures outline what qualifies as a fixed asset, who is responsible for maintaining fixed assets, and how to dispose of fixed assets.

Risk Impact: *Medium*

Risk Probability: *Medium*

Control Frequency: Continuous

Sample Size: 26

Procedure: Test that fixed assets meet qualification guidelines and are properly maintained and recorded.

Status		
Pass	**Fail**	**Not Tested**
✔	✔	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Accounting Manager and Accountant have a system for maintaining fixed asset records and for posting changes to the general ledger.	Per discussion with the Accounting Manager, all Town, BOE, Region 19, EHHD and Town Management Service Fund fixed assets are reviewed by the Accounting Manager on an annual basis. The project team received the 2014 fixed asset reports from the Sage system and noted the Accounting Manager's signature and date. All fixed asset changes are recorded to the general ledger by the Accountant. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm that fixed assets in the FMS meet the qualification guidelines outlined in the Fixed Asset Procedures document.	The project team sampled 26 fixed assets on file between all Town entities and confirmed they adhered to the qualification guidelines outlined in the Fixed Asset Procedures document. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm that fixed asset disposals have an accompanying disposal form with appropriate signatures.	The project team sampled eight (8) fixed asset disposals between all Town entities and confirmed an accompanying Fixed Asset Disposal Form for each disposal. Per observation of the forms, two (2) Region 19 disposals lacked the Town Manager's signature and one (1) EHHD disposal lacked the requestors signature. All forms require a requestor and approver signature. Conclusion: Exception noted.	ssw	☐	✔
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

Page 8 of 36

BlumShapiro
Accounting | Tax | Business Consulting

Control Area:	Capital Assets
Control Subject:	Fixed Asset Recordkeeping and Reconciliations

Updated Accouting Manual Page Number: 34-35

Entity(s): Town, BOE & Region 19

Control: 8

The Accounting Manager and Accountant work together to ensure all fixed asset recordkeeping is accurate and completed.

Risk Impact: *Medium*

Risk Probability: *High*

Control Frequency: Annual

Sample Size: 1

Procedure: Test that there are adequate review and sign off procedures for monitoring and recording fixed asset changes.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that Construction in Progress activity is maintained by the Accountant and reviewed by the Accounting Manager annually.	Per discussion with the Accounting Manager, BlumShapiro confirmed that CIP reports are created by the Accountant and reviewed and approved by the Accounting Manager. The project team received the annual CIP reports for all managed entities and noted the Accounting Manager's signature and date. Conclusion: No exception noted.	ssw	☑	☐
Confirm that the Accountant builds a depreciation allocation and assumption report that is reviewed by the Accounting Manager.	Per discussion with the Accounting Manager, the depreciation allocation and assumption report is part of the annual review of all fixed assets. The fixed asset reports contain a "book current depreciation" column that provides all the necessary information for review. The Accounting Manager signs and dates the fixed asset reports. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

BlumShapiro
Accounting | Tax | Business Consulting

Control Area: Cash Management

Control Subject: Petty Cash

Updated Accouting Manual Page Number: 18

Entity(s): Town, BOE & Region 19

Control: 9

The Town enforces withdrawal limits and approval controls to actively manage petty cash accounts.

Risk Impact: *High*

Risk Probability: *High*

Control Frequency: As-Needed

Sample Size: 11

Procedure: Test that granted petty cash withdrawals do not exceed the enforced withdrawal limit and have appropriate approval prior to withdrawal.

Status		
Pass	**Fail**	**Not Tested**
☑	☑	☐

Test	Result	Auditor	Pass	Fail
Confirm that individual petty cash withdrawals do not exceed $100.	The project team sampled petty cash reports for the months of March and August and confirmed a total of 11 petty cash administrators between all Town entities. Per observation of the petty cash reports, BlumShapiro noted that all individual withdrawals did not exceed $100. Conclusion: No exceptions noted.	ssw	☑	☐
Confirm that supervisor approval is evident prior to cash advancements.	For the month of August, the project team found that the Discovery Depot did not provide a signed voucher for reimbursement - only receipts. For the month of March, the project team noted that a petty cash Administrator for Region 19 (Lisa Beebe) approved her own reimbursement voucher prior to submission to Finance. BlumShapiro recommends that no administrator be allowed to sign for their own voucher. Conclusion: Exception noted.	ssw	☐	☑
For petty cash reimbursements, confirm that original receipts are provided and submitted during the fiscal year of the purchase.	The project team noted that the administrators mentioned in the Test 2 Result did not always provide original copies of receipts for reimbursements. Some requestors simply provided a piece of paper with the amount of expense incurred written down. The missing receipts were for minor expenses, such as trips to the UConn Dairy bar. BlumShapiro recommends that all reimbursements require original receipts regardless of the level of expense. Conclusion: Exception noted.	ssw	☐	☑
Ensure the Petty Cash Administrators compile detailed reports documenting changes to their accounts.	Per discussion with the Accounting Manager, the combination of all month-end vouchers are the detailed reports provided by Administrators. These are reviewed and approved by the Administrator and Finance. A purchase order is then created to reimburse the accounts. Conclusion: No exceptions noted.	ssw	☑	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 10 of 36

Control Area:	Cash Management			Entity(s):	Town, BOE & Region 19
Control Subject:	Daily Receipts	Updated Accouting Manual Page Number:	20		

Control: **10**	The Accounting Manager reviews daily revenue totals provided by the Collector's Office prior to creating a journal entry.	**Risk Impact:**	*Medium*
		Risk Probability:	*Medium*

Control Frequency:	Daily	Sample Size:	12

Procedure: Test that the Accounting Manager actively reviews daily revenue totals

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Accounting Manager reviews the Daily Summary Sheet against printed out batches. Ensure signature and review.	The project team elected to sample the 17th of every month and reviewed the daily summary sheet against the reports of collection. February 17th was President's Day, and May 17th and August 17th were weekends and therefore did not have a daily summary sheet. The remaining nine (9) daily summary sheets were reviewed and approved by the Accounting Manager with a signature and date. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 11 of 36

Control Area:	Cash Management		
		Updated Accouting Manual Page Number: 29&7	**Entity(s):** Town, BOE & Region 19
Control Subject:	Cash Disbursements		

Control: 11

The payroll distribution list is reviewed prior to sending check files to the bank. Bank transfers are not to be released by an employee who set the original transfer up.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Continuous   **Sample Size:** 2

Procedure: Test that the payroll distribution list and bank transfers are reviewed prior to final cash disbursement.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Accounting Manager reviews the payroll distribution list, and signs and dates it, prior to sending the check files to the bank.	The project team received the payroll distribution lists for all managed entities for the months of February and July and noted the Accounting Manager's review and approval with a signature and date. Conclusion: No exceptions noted.	ssw	☑	☐
Confirm that the Finance Director, Accounting Manager, Accountant and Budget Analyst are restricted from releasing their own bank transfers.	Per inquiry with the Accounting Manager, the aforementioned finance staff are restricted from releasing their own bank transfers via a secure token approval. The project team sat down with the Accounting Manager and observed a sample transaction in which the Accounting Manager was unable to conduct a transfer until a secondary approval was made. Conclusion: No exception noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 12 of 36

Control Area:	Chart of Accounts				
Updated Accouting Manual Page Number:		13	**Entity(s):**	Town	
Control Subject:	Account Management				

Control: 12

The Finance Director, Accounting Manager and Budget Analyst are the only users in the FMS with the ability to add new accounts to the Chart of Accounts.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: As-Needed   **Sample Size:** N/A

Procedure: Test that only authorized users have the ability to add new accounts in the FMS.

Status		
Pass	**Fail**	**Not Tested**
☐	☐	☑

Test	Result	Auditor	Pass	Fail
Confirm that the Finance Director, Accounting Manager and Budget Analyst are the only users in the FMS with the ability to add new accounts.	Users in the System, Advanced or Support Group have the ability to add new accounts to the existing COA in ADMINS. BlumShapiro has elected to test this control in Phase II to ensure the newly established procedures for adding new accounts to the COA are followed. Conclusion: Not Tested.	ssw	☐	☐
Confirm that requests for new accounts must be sent directly to the Accounting Manager, via email, for review, approval and creation.	Per discussion with the Accounting Manager, all new requests are directly emailed to her. However, this process was not implemented until she joined the Finance Department earlier in 2014, so not all old accounts followed this approval process. BlumShapiro has elected to test this control in Phase II to ensure the Accounting Manager's new procedure is fully followed through with. Conclusion: Not Tested.	ssw	☐	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 13 of 36

Control Area:	Closing Procedures	**Updated Accouting Manual Page Number:**	19	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Monthly Procedures				

Control: 13

The Accounting Manager reconciles bank statements on a monthly basis.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Daily & Monthly　　　　**Sample Size:** 3

Procedure: Test that the Accounting Manager reviews bank statements on a monthly basis.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Accounting Manager reconciles bank statements on a monthly basis.	The project teamed sampled monthly bank reconciliations for January, May and October for all managed entities. Per discussion with the Accounting Manager, the Discovery Depot did not have its own bank account in January and was therefore part of the Town's bank reconciliation. All other reconciliations were reviewed and approved by the Accounting Manager with a signature and date. Conclusion: No exceptions noted.	ssw	☑	☐
Confirm that the Accounting Manager keeps a cash control spreadsheet for the People's checking accounts and maintains it on a daily basis .	Per observation with the Accounting Manager, cash movement from the People's checking accounts are maintained on a separate Excel spreadsheet. The spreadsheet is maintained on a daily basis and all activity is compared against bank statements to ensure accuracy. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 14 of 36

Control Area: Closing Procedures

Control Subject: Informal Financial Close

Updated Accouting Manual Page Number: 31

Entity(s): Town, BOE & Region 19

Control: 14

The Accounting Manager and Finance Director perform an informal financial close in preparation of the financial statements to be reviewed by the Finance Committee.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Quarterly

Sample Size: 2

Procedure: Test that the informal financial close is completed and reviewed on a quarterly basis.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Accounting Manager performs a quarterly bank reconciliation.	The project team sampled the Q4-2013/14 and Q1-2014/15 reconciliations for all managed entities and confirmed Accounting Manager review and approval with a signature and date. Conclusion: No exception noted.	ssw	✔	☐
Confirm that the Accounting Manager performs a detailed fund review by reconciling asset and liability accounts, and by reviewing revenue and expenditure detail for each account.	The project team sampled the detailed fund reviews for Q4-2013/14 and Q1-2014/15 and confirmed debits and credits were balanced for all asset and liability accounts. Revenues and expenditures for each account were reviewed in detail as well. BlumShapiro received the reviews for all managed entities. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm that a purchase order reconciliation is completed to review aged purchase orders.	BlumShapiro received the purchase order aging report for all outstanding purchase orders before 7/21/2014 and noted that outstanding POs under 30 days, 31-60 days outstanding, 61-90 days outstanding and over 90 days outstanding were indicated and totaled. Conclusion: No exception noted.	ssw	✔	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

BlumShapıro
Accounting | Tax | Business Consulting

Control Area:	Closing Procedures
Control Subject:	Formal Financial Close

Updated Accouting Manual Page Number: 31

Entity(s): Town, BOE & Region 19

Control: 15   The Accounting Manager and Finance Director perform the formal financial close.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Annually

Sample Size: N/A

Procedure: Test that the formal financial close is completed and reviewed on a yearly basis.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the formal financial close includes all processes completed in the informal financial close.	Per discussion with the Finance Director and Accounting Manager, all processes completed for the monthly and quarterly informal closes are reviewed and repeated to complete the year-end formal close. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm that the recording of all receivables, payables, deferred revenues, year end journal entries, and fixed assets and depreciation are reviewed by the Finance Director.	Per discussion with the Finance Director, the recording of all these items are completed in the detailed fund analysis, which is done on a quarterly basis by the Finance Director. Conclusion: No exceptions noted.	ssw	✔	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 16 of 36

Control Area:	Financial Management System Administration	**Updated Accouting Manual Page Number:**	8	**Entity(s):**	Town
Control Subject:	User Administration				

Control: 16	Only authorized employees have administrative rights in the FMS. The Accounting Manager is solely responsible for adding and removing user.	**Risk Impact:**	*High*
		Risk Probability:	*Medium*

Control Frequency:	Continuous	**Sample Size:**	N/A

Procedure:	Test that only authorized employees have access rights in the FMS to add, remove and modify user settings	

Status

Pass	Fail	Not Tested
✔	☐	✔

Test	Result	Auditor	Pass	Fail
Confirm that access to administrative rights in the FMS is limited.	All users in the System group have administrative rights. The project team received the user account listing and noted that the Finance Director, Accounting Manager, IT Director and Budget Analyst have administrative rights. Per discussion with the Finance Director, the Budget Analyst was added to this group as a precaution in case she needed the ability to perform certain tasks within the system. BlumShapiro recommends that only employees with the required job function have administrative abilities in ADMINS. BlumShapiro has elected to fully test this control in Phase II. Conclusion: Not tested.	ssw	☐	☐
Confirm that the Accounting Manager is responsible for user administration in the system.	Per discussion with the Finance Director, the Accounting Manager is responsible for adding and removing users in the financial system. BlumShapiro has recommended new procedures for approving the creation and removal of users in ADMINS and will test in Phase II. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm the existence of role-based access in the FMS.	Per discussion with the Accounting Manager, users are given access to the FMS based on job function. The project team received a user account listing and noted that the individual accounts were placed in different security groups. Conclusion: No exceptions noted.	ssw	✔	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 17 of 36

Control Area: Financial Management System Administration

Control Subject: System Security

Updated Accouting Manual Page Number: 11

Entity(s): Town

Control: 17

Users of Admins Unified Community must first authenticate to Active Directory, and then authenticate with a separate user ID and password, before gaining access to the system.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Continuous

Sample Size: N/A

Procedure: Test that user ID and password requirements are configured to adequately protect access to the FMS.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that Active Directory requires unique user IDs and passwords for access to the Town network.	BlumShapiro received a screenshot of the Active Directory password policy and observed that unique user IDs are required and passwords must to be at least six (6) characters in length and expire every 90 days. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm that Admins Unified Community requires users to have unique user IDs and passwords to authenticate to the system.	Per discussion with the Finance Director and IT Director, users must authenticate to Active Directory and then use a separate unique user ID and password to access ADMINS. Conclusion: No exceptions noted.	ssw	✔	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 18 of 36

Control Area:	Grant Management
Control Subject:	Grant Reporting and Tracking

Updated Accouting Manual Page Number: 33

Entity(s): Town, BOE & Region 19

Control: 18	The Finance Department must receive a copy of the Grant Award Letter before the Grant Administrator is allowed to spend any of the funds. However, not all grants are actively tracked by the Finance Department, so this control applies only to those being tracked.

Risk Impact: *Medium*

Risk Probability: *High*

Control Frequency: As-Needed

Sample Size: 5

Procedure: Test that Grant Administrators provide a copy of the Grant Award Letter prior to spending any grant funds.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Finance Department receives an applicable copy of the Grant Award Letter for grants actively being tracked.	Per discussion with the Budget Analyst, the Finance Department requires award letters for all the grants they track. BlumShapiro elected to sample five (5) grants: two (2) for EHHD, one (1) for the Mansfield Youth Services Bureau, one (1) for Region 19 and one (1) for Mansfield Public Schools. The project team received a copy of the Grant Award Letter for each one. Conclusion: No exceptions noted.	ssw	☑	☐
Confirm that the Budget Analyst reviews educational grant funds on a monthly basis to prepare for ED111 state reports.	BlumShapiro received a copy of the monthly reviews for FY 2013-14. Three (3) of the five (5) sampled grants were education grants and the project team confirmed that they were present in the monthly reviews. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 19 of 36

Control Area:	Journal Entries				

Control Subject:	Posting Permissions	**Updated Accouting Manual Page Number:**	7	**Entity(s):**	Town

Control: 19 Only authorized employees have the ability to post journal entries in the FMS.

Risk Impact: *High*

Risk Probability: *Low*

Control Frequency: Continuous

Sample Size: N/A

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Procedure: Test that only authorized employees have the system access rights needed to post a journal entry.

Test	Result	Auditor	Pass	Fail
Review AUC and confirm that only the Finance Director, Accounting Manager, Accountant and Budget Analyst have the ability to post journal entries.	BlumShapiro review the user account listing and noted that only members of the System, Advanced, Finance and Support group have the ability to post journal entries. Aside from the IT Director and support personnel from ADMINS, only the Finance Director, Accounting Manager, Accountant and Budget Analyst have the ability to post journal entries. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 20 of 36

Control Area:	Journal Entries				
Control Subject:	Review Procedures	**Updated Accouting Manual Page Number:**	7	**Entity(s):**	Town

Control: 20

All journal entries are reviewed and approved by a supervisor prior to getting posted to the General Ledger. At this time, the involved employees do not follow a uniform process.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Continuous   **Sample Size:** 30

Procedure: Test that journal entries posted to the General ledger are reviewed and approved prior to posting.

Status		
Pass	**Fail**	**Not Tested**
☑	☑	☐

Test	Result	Auditor	Pass	Fail
For the Accountant's journal entries, confirm that the Accounting Manager reviews and approves them via email or hardcopy.	The project team sampled 10 journal entries made by the Accountant and confirmed Accounting Manager review and approval with the approval dates indicated as well. Three (3) were reviewed and approved via hardcopy and seven (7) were reviewed and approved via email. Conclusion: No exceptions noted.	ssw	☑	☐
For the Accounting Manager's journal entries, confirm the Finance Director reviews and approves them via email or hardcopy.	The project team sampled 10 journal entries made by the Accounting Manager and confirmed Finance Director review and approval with the approval dates indicated as well. All 10 journal entries were reviewed and approved via hardcopy. Conclusion: No exceptions noted.	ssw	☑	☐
For the Budget Analyst's journal entries, confirm the Finance Director reviews and approves them via email or hardcopy.	The project team sampled 10 journal entries made by the Budget Analyst and confirmed Finance Director review and approval for all but one (1) of the sampled journal entries. Per discussion with the Accounting Manager, the Accounting Manager forgot to email the Finance Director to review this entry. The Accounting Manager reviews all journal entries posted for a given quarter in order to catch unapproved entries, however this review is not documented. Conclusion: Exception noted.	ssw	☐	☑
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 21 of 36

Control Area:	Payroll			
		Updated Accouting Manual Page Number: 29-30	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Timekeeping and Payroll Runs			

Control: 21 Employee hours are reviewed and approved prior to checks being distributed. At this time, standardized timesheets do not exist for each Department.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Bi-weekly **Sample Size:** 20

Procedure: Test that payroll runs are reviewed and approved before employees are paid.

Status		
Pass	**Fail**	**Not Tested**
☑	☑	☐

Test	Result	Auditor	Pass	Fail
Confirm that Department Heads review, sign and date employee timesheets prior to submission to Payroll.	BlumShapiro elected to sample 20 timesheets (2 EHHD, 4 BOE, 6 Town, 2 Discovery Depot, 6 Region 19) for the two (2) pay periods in the month of February. The project team noted two (2) employee timesheets from the Discovery Deport lacked a signature from the respective Department Head and one (1) employee from Region 19 (Miranda Hoar) did not provide a timesheet at all. Per discussion with the Finance Clerk, this employee is a tutor who received split payments in two (2) separate pay periods. The Tutor's payroll was processed with a form that indicated pay and G/L code, but it was not a standard timesheet and no Department Head signature approval was present. Conclusion: Exception noted.	ssw	☐	☑
Confirm that the Payroll Clerk documents and signs the review of payroll runs by balancing timesheets to a system generated report.	For the two (2) sampled pay periods, BlumShapiro noted that a review against an ADMINS generated report was completed. All but one (1) review contained evidence of Payroll Clerk review and approval in the form of a signature and date. The project team noted that the review of EHHD timesheets for the second pay period of February lacked a signature and date from the Payroll Clerk - only red check marks were present. BlumShapiro recommends signatures and dates by the approver for all reviews. Conclusion: Exception Noted.	ssw	☐	☑
Confirm that the Accounting Manager reviews and signs 941 tax reports prior to submission.	BlumShapiro sampled the Quarterly Federal Tax Returns for Q3-2013/14 and Q4-2013/14 and confirmed review and approval by the Accounting Manager. All managed entities were included. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 22 of 36

Control Area: Payroll

Control Subject: Employee Pay Validation

Updated Accouting Manual Page Number: 29

Entity(s): Town

Control: 22

The Finance Department performs a pay-period estimate to ensure that calculated employee pay is equivalent to what is entered into the FMS.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Bi-weekly

Sample Size: N/A

Procedure: Test that pay period estimates are completed for each payroll run.

Status		
Pass	**Fail**	**Not Tested**
☐	☐	☑

Test	Result	Auditor	Pass	Fail
Confirm the completion of the pay period estimates for each payroll run.	Per discussion with the Accounting Manager, pay period estimates are informally completed every pay period. Presently, pay period estimates are not archived and signed off on. BlumShapiro has made the recommendation to formally document, review and archive all pay period estimates as part of the Finance Department's updated policies and procedures. Conclusion: Not tested.	ssw	☐	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 23 of 36

Control Area:	Purchasing/AP		
Control Subject:	Purchase Order Processing	**Updated Accouting Manual Page Number:** 26	**Entity(s):** Town, BOE & Region 19

Control: 23

Accounts Payable is responsible for maintaining purchasing records and matching checks against corresponding purchase orders and invoices.

Risk Impact: *High*

Risk Probability: *High*

Control Frequency: Continuous   **Sample Size:** 30

Procedure: Review the purchasing process and confirm the proper procedures for recordkeeping and review are followed.

Status		
Pass	**Fail**	**Not Tested**
✔	✔	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Finance Department keeps record of all purchase orders and invoices.	Per discussion with the Accounting Manager, the Finance Department maintains copies of all purchase orders, invoices and checks. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm that the AP Clerk reviews checks against the corresponding invoices and purchase orders prior to sending payments to the vendor.	The project team sampled 30 purchase orders for the months of February, May and October, and found that all corresponding invoices and checks matched. Although this helps signify a successful review by the AP Clerk, the AP Clerk does not sign and date the purchase order to evidence that the review was completed. BlumShapiro recommends that all reviewers provide a signature and date as evidence of completion. BlumShapiro also recommends that the Accounting Manager perform her secondary review of check runs before vendors are paid and bring any issues to the attention of the AP Clerk. Conclusion: Exception noted. NOTE: This control will be added to the updated policies and procedures manual.	ssw	☐	✔
Ensure that only the original invoice is used to process purchases.	Per observation of the 30 sampled purchase orders, BlumShapiro confirmed that original invoices were used to process the purchases. Conclusion: No exception noted.	ssw	✔	☐
Review purchase orders and confirm the PO numbers do not contain issuer name or department name.	Per observation of the 30 sampled purchase orders, BlumShapiro confirmed that the PO numbers did not contain issuer name or department name. Conclusion: No exceptions noted.	ssw	✔	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 24 of 36

Control Area:	Purchasing/AP				
		Updated Accouting Manual Page Number:	21-22	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Expensive Purchases				

Control: 24

The Finance Director must review and approve purchases in excess of $5000.

Risk Impact: *High*

Risk Probability: *Low*

Control Frequency:	As-Needed	**Sample Size:**	10

Procedure: Test that purchases in excess of $5,000 are approved by the Finance Director.

Status

Pass	Fail	Not Tested
✔	✔	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Finance Director reviews and signs off on purchase orders in excess of $5,000.	BlumShapiro sampled 10 purchase orders in excess of $5,000 and confirmed the Finance Director's signature on each purchase order. Conclusion: No exception noted.	ssw	✔	☐
Confirm that a completed Best Value Method Source Selection form is attached to purchase orders in excess of $7,500 purchases that do not go out to bid.	Per discussion with the Finance Director, use of the Best Value Method Source Selection form has been loosely enforced in the past because many purchase orders are reoccurring charges for services. BlumShapiro found that one (1) purchase order indicated a Best Value Method Source Selection form was completed, but the form was not retained and processed with the PO. BlumShapiro recommends requiring use of the form under a clear and concise protocol. Conclusion: Exception noted.	ssw	☐	✔
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

BlumShapiro
Accounting | Tax | Business Consulting

Control Area:	Purchasing/AP			
		Updated Accouting Manual Page Number: 42	**Entity(s):**	Town & BOE
Control Subject:	Gift Card Management			

Control: 25 The purchase of gift cards must be approved and inventoried.

Risk Impact: *Medium*

Risk Probability: *Medium*

Control Frequency: As-Needed   **Sample Size:** 2

Procedure: Test that the purchase of gift cards must be approved and inventoried.

Status

Pass	Fail	Not Tested
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that original requests for gift cards are signed by Department Heads and the Finance Director or Town Manager. Ensure that requests contain the number of cards to be purchased, the merchant, the denomination of each card, the intended recipient and the reason for the purchase.	Per discussion with the Accounting Manager, only the Human Services and Youth Services departments have gift cards on-hand. Also, the Accounting Manager explained that the Finance Department did not keep record of originating requests until fiscal year 2014-15. The project team sampled requests for the months of July and September and confirmed approval from the Department Head and Finance Director. The requests contain the aforementioned required information. Conclusion: No exceptions noted.	ssw	☑	☐
Ensure that purchased cards are inventoried by requesting departments using the Gift Card Inventory List.	The project team sampled July and September inventory reports provided by the Human and Youth Services departments and confirmed that individual cards are inventoried along with their balances. Conclusion: No exceptions noted.	ssw	☑	☐
Confirm a month end report documenting the physical inventory of gift cards in departmental possession, compared to the Gift Card Inventory List, is approved by Department Heads and sent to the Finance Office.	Per discussion with the Accounting Manager, year-end reports were required in fiscal year 2013-14 and month-end reports are required for 2014-15. For the sampled months, the project team noted that the Finance Department reviewed inventory counts and ending balances and signed off on all activity between the two (2) departments. Department Head signature review was provided as well. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 26 of 36

Control Area: Purchasing/AP

Control Subject: Purchasing Card Policies

Updated Accouting Manual Page Number: 23-24

Entity(s): Town, BOE & Region 19

Control: 26

Employees granted P-Cards must sign the Cardholder Agreement Form and the Credit Card Use Policy.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: As-Needed

Sample Size: 10

Procedure: Test that employees granted P-Cards are authorized and sign the proper usage policies.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Ensure that cardholders are appropriate due to job function.	The project team elected to sample 10 cardholders from a population of 97. Per discussion with the Budget Analyst, all 10 employees were authorized a purchasing card and continue to use them due to job function. Conclusion: No exception noted.	ssw	✔	☐
Confirm that cardholders sign the Cardholder Agreement Form	BlumShapiro received copies of the completed Cardholder Agreement Form for each sampled cardholder. Conclusion: No exceptions noted.	ssw	✔	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 27 of 36

Control Area:	Purchasing/AP				
		Updated Accouting Manual Page Number:	24	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Purchasing Card Spending Limits				

Control: 27

Employees granted P-Cards are held to daily and monthly spending limits.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Continuous

Sample Size: 10

Procedure: Test that cardholders are held to appropriate spending limits due to job function.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that employees with a $1000 single-transaction and $5000 monthly spending limit are appropriate due to job function.	Of the 10 sampled cardholders, four (4) were given the minimum spending limit. Per discussion with the Budget Analyst, these employees were given the minimum because their job responsibilities do not require higher limits. BlumShapiro recommends that the Finance Department review spending limits on an annual basis and adjust individual limits accordingly. Conclusion: No exception noted.	ssw	☑	☐
Confirm that cardholders with a $5,000 single-transaction and $25,000 monthly limit are appropriate due to job function.	Of the 10 sampled cardholders, two (2) were given limits that exceeded $5,000 daily and $25,000 monthly (Parks & Recreation Director and IT Director). Per discussion with the Budget Analyst, these employees need the ability to make expensive purchases for the Town and therefore require higher limits. BlumShapiro recommends allowing high spending limits on a case-by-case basis, but then lowering the limits until another expensive purchase is needed. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 28 of 36

Control Area:	Purchasing/AP		
Control Subject:	Purchasing Card Expense Reporting	**Updated Accouting Manual Page Number:** 23-24	**Entity(s):** Town, BOE & Region 19

Control: 28

Employees granted P-Cards are required to disclose their monthly spending to the Finance Department.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Monthly

Sample Size: 10

Procedure: Test that cardholders submit evidence of expenditure in order to disclose their spending to the Finance Department.

Status

Pass	Fail	Not Tested
☑	☑	☐

Test	Result	Auditor	Pass	Fail
Confirm that employees granted P-Cards submit evidence (i.e. receipts) of their expenses on a monthly basis.	BlumShapiro sampled the same 10 cardholders between the months of February, May and October and examined their monthly expense reports. The project team confirmed that supporting documentation was provided for each purchase made. Conclusion: No exception noted.	SSW	☑	☐
Confirm Department Head review and approval of monthly expense reports.	For the selected sampled, BlumShapiro confirmed signed approval by the appropriate Department Head for each monthly expense report. BlumShapiro noted that some Department Heads forgot to include a date along with their signature but we do not feel it constitutes a failure. We encourage that dates be enforced in addition to a signature for all reviewers. Conclusion: No exception noted.	SSW	☑	☐
Ensure that the Finance Department reviews the expense reports prior to creating the journal entry.	Per observation of the selected sample, BlumShapiro found that two (2) expense reports (Jamie Russell - February & Sharon Tyler - October) did not have Finance Department approval in the form of a signature and date - only red check marks were present. The remaining reports contained Finance Department signatures and dates. BlumShapiro recommends that approvers include their signature and the date as part of all reviews. Conclusion: Exception noted.	SSW	☐	☑
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 29 of 36

Control Area:	Revenue/Receivables
Control Subject:	Recording Daily Revenues

Updated Accouting Manual Page Number: 20

Entity(s): Town

Control: **29**

The receipt and recording of daily revenues (cash and checks) requires the use of standardized forms and review by the Collector's Office and the Finance Department.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: Daily

Sample Size: 12

Procedure: Review the revenue recording process and ensure all required reviews and documents are utilized.

Status

Pass	Fail	Not Tested
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm the use of a standardized Report of Collection form for recording revenue across all Town locations. Review the Report of Collection form and ensure the form includes revenue details, G/L account number, deposit amounts by cash and check, and a signature and date by the verifier.	Per discussion with the Accounting Manager, the Report of Collection is the standardized form for recording revenue across Town locations. The project team reviewed the Report of Collection forms for the 17th of every month and confirmed that they contained corresponding revenue details, G/L account numbers, deposit amounts by cash and check and a signature and date by the provider. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm the use of the Daily Revenue Sheet for recording daily Report of Collection forms - ensure the Report of Collection forms are retained with the Daily Revenue sheet when provided to the Finance Department.	BlumShapiro sampled the Daily Revenue Sheets for the 17th of every month and confirmed that their corresponding Report of Collection forms were retained as well. Conclusion: No exceptions noted.	ssw	✔	☐
Confirm the Finance Department reviews the Daily Revenue Sheet prior to inputting the totals into the FMS.	Per observation of the of the sampled Daily Revenue Sheets, the project team confirmed Accounting Manager review in the form of a signature and date. Conclusion: No exception noted.	ssw	✔	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 30 of 36

Control Area: Revenue/Receivables

Control Subject: Short and Over Adjustments

Updated Accouting Manual Page Number: 20

Entity(s): Town

Control: 30

Discrepancies over $1.00 in the recording of daily revenues are adjusted manually to ensure accurate reporting. A separate Report of Collections is filled out to complete this process.

Risk Impact: *Low*

Risk Probability: *Medium*

Control Frequency: As-Needed

Sample Size: N/A

Status		
Pass	**Fail**	**Not Tested**
☐	☐	☑

Procedure: Test that short/over adjustments are manually created with a journal entry and by completing a corresponding Report of Collections.

Test	Result	Auditor	Pass	Fail
Review short/over adjusting journal entries and confirm corresponding Report of Collections exist and are properly completed.	BlumShapiro's original sample of Report of Collections forms did not contain any short/over adjustments. Therefore, BlumShapiro will test in Phase II. Conclusion: Not tested.	ssw	☐	☐
			☐	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 31 of 36

Control Area:	Student Activity Fund				
		Updated Accouting Manual Page Number:	36-37	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Fund Management Procedures				

Control: 31

The Superintendent's Office and the Finance Department are responsible for overseeing the account. Only authorized employees are allowed to sign account checks. The Superintendent's approval is required for month-end account replenishment.

Risk Impact: *High*

Risk Probability: *High*

Control Frequency: Continuous

Sample Size: 4

Procedure: Test that the proper controls and approvals are in place to actively manage the Student Activity Fund. Ensure funds are not being disbursed without review and approval. Confirm a monthly account reconciliation is performed.

Status		
Pass	**Fail**	**Not Tested**
✔	✔	☐

Test	Result	Auditor	Pass	Fail
Confirm the Student Activity fund is a single signature checking account and only individuals as directed by the Superintendent are authorized to sign the checks.	Per discussion with the Accounting Manager, Region 19 and Mansfield BOE each have their own Student Activity account. Both accounts are set up as single signature checking accounts. The Accounting Manager confirmed that only individuals assigned by the Superintendent are authorized to sign the checks. BlumShapiro recommends that the Superintendent clearly document individuals who have signing privileges. Conclusion: No exception noted.	ssw	✔	☐
Confirm the schools submit a month-end voucher to replenish the accounts. Sample month-end vouchers and confirm copies of the checks drawn are attached and that the Superintendent approved the voucher.	BlumShapiro elected to sample the months of February, May, September and November and confirmed Superintendent approval. The project team found that the month-end vouchers (POs) do not contain copies of all the checks drawn, but rather a copy of the check register/ledger maintained by the respective schools. Copies of the checks drawn are only available in the monthly bank statements. Per observation of the sampled checks drawn, the project team found that three (3) Region 19 checks did not have an approval signature. BlumShapiro recommends a complete revision of the Student Activity Fund reimbursement process. Conclusion: Exception noted.	ssw	☐	✔
Confirm that monthly bank statements are sent to the Finance Department for review and reconciliation. Ensure the process is properly completed and documented.	BlumShapiro elected to sample the months of February, May, September and November. The project team confirmed Finance Department review and approval for the Region 19 bank reconciliation. Per discussion with the Accounting Manager, the Finance Department does not perform a bank reconciliation for the Mansfield BOE Student Activity Fund. Finance should be involved in the reconciliation of all Student Activity funds and BlumShapiro recommends Finance take over this process for the Mansfield BOE account. Conclusion: Exception noted.	ssw	☐	✔
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 32 of 36

Control Area:	Athletic Activity Fund				
		Updated Accouting Manual Page Number:	36-37	**Entity(s):**	Town, BOE & Region 19
Control Subject:	Fund Management Procedures				

Control: 32

The Superintendent's Office and the Finance Department are responsible for overseeing the account. Only authorized employees are allowed to sign account checks. The Superintendent's approval is required for month-end account replenishment.

Risk Impact: *High*

Risk Probability: *High*

Control Frequency: Continuous

Sample Size: 4

Status		
Pass	**Fail**	**Not Tested**
☑	☑	☐

Procedure: Test that the proper controls and approvals are in place for actively managing the Athletic Activity Fund. Ensure funds are not being disbursed without review and approval. Confirm an account reconciliation is performed.

Test	Result	Auditor	Pass	Fail
Confirm the Athletic Activity fund is a single signature checking account and only individuals as directed by the Superintendent are authorized to sign the checks.	Per discussion with the Accounting Manager, Region 19 and Mansfield BOE each have their own Athletic Activity account. Both accounts are set up as single signature checking accounts. The Accounting Manager confirmed that only individuals assigned by the Superintendent are authorized to sign the checks. BlumShapiro recommends that the Superintendent clearly document individuals who have signing privileges. Conclusion: No exception noted.	ssw	☑	☐
Confirm the schools submit a month-end voucher to replenish the accounts. Sample month-end vouchers and confirm copies of the checks drawn are attached and that the Superintendent approved the voucher.	BlumShapiro elected to sample the months of February, May, September and November and confirmed Superintendent approval. The project team found that the month-end vouchers (POs) do not contain copies of all the checks drawn, but rather a copy of the check register/ledger maintained by the respective schools. Copies of the checks drawn are only available in the monthly bank statements. Per observation of the sampled checks drawn, the project team found that some checks in the month of November were written to "blank". BlumShapiro recommends a complete revision of the Athletic Activity fund reimbursement process. Conclusion: Exception noted.	ssw	☐	☑
Confirm that monthly bank statements are sent to the Finance Department for review and reconciliation. Ensure the process is properly completed and documented.	BlumShapiro elected to sample the months of February, May, September and November. The project team reviewed the bank reconciliations for both Athletic Activity accounts and confirmed Finance Department approval with signatures and dates. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 33 of 36

Control Area: System Interfaces

Control Subject: Interface Security

Updated Accouting Manual Page Number: 6

Entity(s): Town

Control: 33	Admins Unified Community, Quality Data Services and Vision Systems are the applications in use that have data with financial reporting implications. No electronic interfaces exists between the financial systems.

Risk Impact: *Medium*

Risk Probability: *Low*

Control Frequency: Continuous

Sample Size: N/A

Procedure: Ensure that no electronic interfacing of data exists between the financial systems.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm how data is uploaded from QDS to AUC.	Per discussion with the IT Director and Finance Director, there are no electronic interfaces to ADMINS. All tax and payroll data is entered into the application via manual journal entries. Conclusion: No exception noted.	ssw	✔	☐
Confirm how data is uploaded from Vision to AUC.	Per discussion with the IT Director and Finance Director, there are no electronic interfaces to ADMINS. All tax and payroll data is entered into the application via manual journal entries. Conclusion: No exception noted.	ssw	✔	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 34 of 36

Control Area:	Vendor Management		
		Updated Accouting Manual Page Number: 27	**Entity(s):** Town
Control Subject:	Adding a Vendor to File		

Control: 34

The ability to add vendors in Admins Unified Community is limited to authorized employees only. No formal process for reviewing vendors prior to addition to file exists at this time.

Risk Impact: *High*

Risk Probability: *Medium*

Control Frequency: As-Needed   **Sample Size:** 1

Procedure: Confirm that the ability to add vendors in Admins Unified Community is limited to authorized employees.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Finance Director, Accounting Manager, Budget Analyst, Accounts Payable Clerk and Finance Clerk are the only users with the ability to add vendors to file.	Per observation of the ADMINS user account listing, aside from the IT Director, the aforementioned Finance staff are the only users with the necessary entitlement to add vendors to file. Conclusion: No exceptions noted	ssw	✔	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 35 of 36

Control Area:	Vendor Management	
Control Subject:	Vendor Payment Verification	

Updated Accouting Manual Page Number: 26

Entity(s): Town

Control: 35

Payments to vendors (checks) are reviewed by Accounts Payable prior to being distributed.

Risk Impact: *High*

Risk Probability: *High*

Control Frequency: Continuous

Sample Size: 30

Procedure: Review Town purchases and test that all payments (checks) are reviewed and verified prior to being distributed.

Status		
Pass	**Fail**	**Not Tested**
☑	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm that the Accounts Payables clerk cuts, verifies, signs and distributes checks.	Per discussion with the Accounting Manager and Finance Director, the AP Clerk is responsible for completing this process. BlumShapiro recommends physically evidencing this process with a signature and date. The Accounting Manager has begun reviewing check runs and brings any questions or concerns to the attention of the AP Clerk. Conclusion: No exception noted.	ssw	☑	☐
For a selected sample of purchases, confirm that payments (checks) match their corresponding invoices and that the Accounts Payable Clerk completes this process prior to distributing payments.	BlumShapiro sampled 30 purchases between the months of February, May and October, and confirmed that all payment amounts matched what was stated on the corresponding invoice. Although it is not evidenced at this time, the AP Clerk completes this matching process before checks are distributed. Conclusion: No exceptions noted.	ssw	☑	☐
	NOTE: This control will be added to the updated policies and procedures manual.		☐	☐
			☐	☐

Town of Mansfield
Financial and Operational Controls Testing Procedures and Results
February 2015

BlumShapiro
Accounting | Tax | Business Consulting

Page 36 of 36

Control Area:	Use of Town Cellphones	
Control Subject:	Acceptable Use Policy	

Updated Accouting Manual Page Number: 43

Entity(s): Town

Control: 36

Employees granted a Town-owned cellphone who elect to use it for personal use are required to adhere to the Town's acceptable usage policy.

Risk Impact: *Low*

Risk Probability: *Low*

Control Frequency: Continuous

Sample Size: 7

Procedure: Test that employees granted Town-owned cellphones who elect to use it for personal use sign the Cellular Telephone Use Policy.

Status		
Pass	**Fail**	**Not Tested**
✔	☐	☐

Test	Result	Auditor	Pass	Fail
Confirm a signed Cellular Telephone Use Policy is on file for employees who use a Town-owned cellphone for personal use.	BlumShapiro sampled seven (7) employees with Town-owned cellphones and confirmed three (3) of them use the phone for personal use. All three (3) employees had completed copies of the Cellular Telephone Use Policy. For the remaining employees in the sample, three (3) elected not to use their phones for personal use and one (1) is a member of the State Police and is therefore excluded from the clause. Conclusion: No exceptions noted.	ssw	✔	☐
			☐	☐
			☐	☐
			☐	☐