

**CITY OF WEST HAVEN  
FY19 - 20 Audit Issues**

ID #	Area	Condition	Remedy	Comments	Date Completed	Status
<b>MATERIAL WEAKNESSES</b>						
1	Accounts Payable	It was noted during the audit that some expenditures were not posted to the proper period..	The City shall follow the generally accepted accounting principles set forth by the auditor. Effective immediately as part of the year-end close process review of AP activity will be expanded to all funds and not just the General Fund, Allingtown, and Sewer.	The invoice in question was a construction invoice for the High School project. This bill was processed to the capital fund which was not part of the year-end internal reviews. A memo has been generated to all department heads indicating the importance of timely submission of invoices, and a followup memo will be submitted closer to the end of the fiscal year indicating that any non-capital Purchase Orders will need to be submitted with signed invoices within 45 days of the end of the fiscal year or they will be liquidated. <i>sdj</i>	04/23/2022	Closed Pending Audit
<b>NON MATERIAL FINDINGS</b>						
2	Cash Controls	Controls in place are not adequate to verify that the entirety of cash received is deposited. Although bank reconciliations would catch material omissions, in performing a review of Receipt Batches during the audit, we noted instances where no approval signatures were present indicating that the batch had been reviewed.	The City shall review and revise (where needed) a control process related to the receipt and deposit of cash.	Process of double sign-off in place	03/01/2021	Closed Pending Audit
3	Purchasing - Shipping Receipts	Controls in place are not adequate to verify that goods and services ordered were properly received	Once the new purchasing manger is in the position we will review all purchasing procedures. Purchase Orders and Accounts Payable are the first areas the City wants expand MUNIS training to employees.	The City intends to initiate a Certificate of Receipt, in which Purchase Orders are delivered to the vendor, to the department, and a file copy held (paper or digital) in the Finance Department. Any employee who received a good or service should sign this stamped Certificate of Receipt indicating that the good or service was received appropriately before payment is issued (and countersigned by department head if appropriate). The Administration has embarked on a signature-matching program to ensure that validators/supervisors can better ensure that signatures match those authorized to approve. Any expenditure over \$5000 is inspected by staff outside of the originating department or finance. The existing Internal Auditor has been directed to review samples on a weekly basis of check runs and a regular review of receipts. <b>Additionally, MUNIS/Tyler Tech will be providing the first round of employee training on April 29, 2022 to extend the use of MUNIS across the enterprise; additional sessions will be scheduled to ensure that the information is retained by users.</b> The updated Purchasing Manual and necessary ordinance revisions will be provided once the staff has had the opportunity to engage in training and offer any positive feedback that may be helpful in improving process and workflow while protecting public trust. <i>sdj</i>	04/23/2022	Pending

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4	Bank Reconciliations	Currently there is no formal process pertaining to the review of bank reconciliations	Bank reconciliations shall be reviewed and approved in a timely manner, including dated signoff.	Bank Reconciliations are reviewed by the Assistant Finance Director, and in the absence of that position, the Finance Director. <i>sdj</i>	04/23/2022	Closed
5	Timesheets	It was noted that there were instances where timesheets were not approved by a supervisor or department head.	As part of the new ADP process all time records must be approved or the employee will not be paid.	Recent experience with ADP has demonstrated that employee missed "punches" will result in a reduced payment. Additionally, supervisor failure to sign off on timesheets will trigger intervention by the payroll/benefits coordinator. <i>sdj</i>	04/23/2022	Closed
6	Purchasing - Approved Vendor List	The City allows purchases without first approving vendors increasing the risk of fictitious vendors as well as not being able to obtain the best price or quality.	Once the new purchasing manger is in the position we will review all purchasing procedures. A new process will be developed around vendor creation and a system of management to validate vendors as legitimate and avoid duplication for issues such as a change of vendor address.	Purchasing Agent has been hired and is working with the Purchasing Consultant to adopt best practices for vendor management. A Purchasing Assistant position (Buyer) has been posted, closed, and is in the process of selection. In addition to potential fictitious vendors, there is a high degree of duplicate vendors that should be purged to streamline the requisition process. The appropriate processes for establishing/purging/merging vendors will be addressed in the MUNIS/Tyler training sessions. <i>sdj</i>	04/23/2022	Pending
7	Allingtown FD - Pension	Testing found an employee who was receiving a pension benefit in excess of what was indicated by the pension census file.	There must be a policy implemented with levels of approval and review. Manual processes must be eliminated.	While report was expected in June of 2022, exigent circumstances have required the City to reconsider other external options for development of a multi-tiered review process. Utilization of outside resources is required to ensure implementation of best practices. <i>sdj</i>	04/23/2022	Open
8	Pension Plans	Currently, the Police Pension Plan and Allingtown Pension Plan investments are managed by separate investment advisors with separate investment strategies.	Corporation Counsel has issued an RFP and the City awaits response (2/2002) <i>sdj</i>	Initial responses to the RFP were insufficient. The City is evaluating the opportunity to install a single Investment Manager through a collaborative board comprised of all public safety pensions. This Investment Manager will work with the Consolidated Board to identify a Fund Manager with a broad area of expertise to select Fund Managers to advise on the selection of asset managers in different classes (e.g. Large Cap Equity, International, Fixed Income, Real Estate), benchmark the performance of assets against appropriate indices, and recommend allocations based upon global trends. This process is in the initial conceptual phase. <i>sdj</i>	04/23/2022	Open