CITY OF WEST HAVEN AND ITS BOARD OF EDUCATION

Assessment and Evaluation
Phase 1

February 22, 2024

Whittlesey
Forward Advising™

February 22, 2024

State of Connecticut
Office of Policy and Management
450 Capitol Ave
Hartford, CT 06106

We were engaged by the Office of Policy and Management ("OPM") to provide an assessment and evaluation of the City of West Haven (the "City") and its Board of Education's (the "BOE") financial organizational structure and its policies and procedures, practices, and internal controls as it relates to its fiscal management and administrative processes and financial systems.

The terms and scope of the work and services to be provided by us are outlined in Contract Number 16PSX0081 and Work Order Number 01 dated September 29, 2022 ("Work Order"). The services described in the Work Order are scheduled to be performed in multiple phases from the commencement of the Work Order through the anticipated completion date of October 31, 2024.

The attached report contains a summary of considerations regarding Phase 1 of a four-phase engagement. Phase 1 work was performed from September 29, 2022, through April 30, 2023. A draft of the attached report was shared by Whittlesey with the MARB, OPM, the City, and the BOE in executive session in late April and in early May of 2023.

The assessments and evaluations completed in Phase 1 are as follows:

1. Update on the BlumShapiro Munis Operational Assessment report from October 2018.
2. Cash disbursements
3. Update on the Human Resources Consulting Group Reports and other observations dated in September 2019 for the City and BOE.
4. Inventory of the City and BOE's policies and procedures and relevant forms.

We performed the assessments and evaluations on the Information Technology environments, and we will issue separate reports, anticipated to be presented at the February of 2024 MARB meeting as part of our Phase 1 reporting:

1. Assessment and considerations regarding the Information Technology environment of the City,
2. Assessment and considerations regarding the Information Technology environment of the BOE, and
3. Assessment and considerations regarding the Information Technology environment of West Haven Public Safety.

Issuance of the Phase 1 report was delayed to allow the City and the BOE time to address areas of vulnerability identified in Phase 1 of our engagement. Additionally, observations of highest vulnerability not remediated to date have been removed from the Phase 1 report and will be reported on in a later phase as the vulnerabilities have been remediated.

This report is based on assessments, evaluations, and relates to information provided to us through the date the work was performed. This report may be subject to change as assessments and evaluations are performed in subsequent phases.

Whittlesey PC

Whittlesey PC
Hartford, Connecticut

EXECUTIVE SUMMARY

Our engagement with OPM involved extensive collaboration between the Municipal Accountability Review Board ("MARB"), the City of West Haven, and its Board of Education.

Phase 1 of the engagement included areas determined to be high risk due to the nature or pervasiveness of the specified risk area. Completion of Phase 1 assessment and evaluations was completed through inquiries of management and employees at the City of West Haven and its Board of Education as well as review of documentation and other data, and performance of walkthroughs.

During Phase 1, we identified various areas that will assist the City of West Haven and its Board of Education in implementing best practices. A few of our considerations focus on centralizing functions across the City of West Haven and its Board of Education.

To effectively apply the considerations in our Phase 1 reports, the City of West Haven and its Board of Education requires adequate staffing of individuals who are qualified for their positions, are consistent in their employment, and embrace change. It is imperative that the City of West Haven and the Board of Education's employees are provided with supervision and guidance, as well as held accountable for their actions and performance. Further developing a team of qualified staff will enable the City of West Haven and its Board of Education to improve their current operating environment and close gaps between existing procedures and best practices.

We are very thankful for all the efforts of the City of West Haven and its Board of Education staff as well as all the OPM staff and the MARB that we have interacted with during Phase 1 of our engagement. Our efforts have been very collaborative and have been met with passion for seeing the City of West Haven and its Board of Education close gaps between existing procedures and best practices.

METHOD FOR PRIORITIZATION OF CONSIDERATIONS

All considerations have been prioritized in accordance with the following ratings:

High: The matter poses a significant risk to the integrity of the internal controls and should be addressed prior to matters considered of moderate or low priority.

H-I: Matters are of highest priority due to their significance and pervasiveness in their respective department or area.

H-II: Matters are significant in nature but are considered of less importance as those noted as H-1.

Moderate: The matter may not pose a significant risk on its own but is considered a weakness in internal controls and should be addressed after matters of high priority.

Low: The matter poses a minimal risk, and it is considered to be a best practice in internal controls and should be addressed as feasible.

Defined Terms:

City – City of West Haven

BOE – West Haven Board of Education

UPDATE ON THE BLUMSHAPIRO
MUNIS OPERATIONAL ASSESSMENT

We were engaged to evaluate the existing financial systems' processes for sufficient controls and safeguards, and data security. As part of these procedures, we have been engaged to provide an update on the BlumShapiro Munis Report completed in October 2018 (the "Munis Report") on whether the recommendations have been implemented. The Munis Report was an independent assessment of the use and implementation of the Munis fiscal management system.

We read the Munis Report and inquired with various City personnel to determine the status of the report's recommendations and discovered the following:

- The City's current staff in finance and procurement did not have, nor were made aware of, the Munis Report. A process is not in place for monitoring findings until resolved.

- As a result, minimal changes were noted to the Munis software.

Below is a summary of observations and considerations identified during our evaluation of the Munis Report, as follows:

- Payroll is now processed through ADP and not Munis.

- The version of the Munis software utilized by the City is significantly outdated and is no longer supported by Munis.

- An upgrade of the Munis software is in the preliminary stages.

- Considerations:
    - Utilize a qualified outsourced project manager to interface with the external vendor doing the upgrade.

    - Develop an implementation and training plan for the roll-out of the Munis upgrade.
        - Address issues noted in the Munis Report.
        - Involve the following:
            - Project Manager
            - Information Technology
            - Procurement
            - Finance – City and BOE

    - Reset and redevelop user access in Munis at the position/role level.

    - Develop and design internal controls around the Munis upgrades to be implemented including departmental roles and responsibilities.

    - Develop a process for monitoring and carrying forward findings until they are resolved. This issue was exacerbated from a history of vacant positions and turnover.

CASH DISBURSEMENTS

We were engaged to evaluate existing financial systems' processes for sufficient controls and safeguards, signatory authority, and data security. We have evaluated internal controls and processes in the significant transaction areas of cash disbursements, by observation and inquiry, of the City and BOE and evaluated internal controls and safeguards around financial systems related to cash disbursements.

Below is a summary of observations and considerations developed during our assessment and evaluation of cash disbursements.

I.   *Overall City and BOE:*

Internal Controls and Processes (**High**):

Several critical control deficiencies affecting internal control were identified on a widespread basis. These items are significant weaknesses in the cash disbursements process that should be addressed as a high priority.

- Tone at the top/internal control environment
  - City leadership, the BOE, and personnel in a supervisory role should establish the proper culture and tone to foster an environment of adherence to internal control policies and procedures.
  - The City and the BOE should identify and centralize redundant accounting functions, policies, and procedures, and this work should commence with the payroll and procurement processes. The goal of centralization is to develop specialization within the accounting functions.
  - The City should be aware of the internal control policies and procedures of the BOE and be cognizant of these while evaluating and processing disbursements on behalf of the BOE.

- Accountability
  - Develop and implement a system of accountability to provide a framework for personnel to be held accountable for adherence to internal control policies and procedures, up to and including termination of employment.
  - Establish a whistleblower provision that will protect the employees who utilize it from retaliation and build a culture on the notion "if you see something say something". A third party should be engaged to administer this process.

- Network and online systems
  - Develop and implement policies and procedures to regulate financial systems access, including provisions for monitoring on a regular basis.
  - Adequate planning and understanding of all software upgrades should take place before going live with any upgrade.

- Payroll
  - Hire a qualified and experienced payroll manager to oversee payroll systems and processes at both the City and BOE.

- Procurement process
    - Require non-collusion and ethics disclosure forms to be completed prior to approval of a transaction.
    - Documentation should be retained by the procurement department to support that the procurement processes have been properly adhered to.
    - All active contracts need to be tracked, so as they come to term, they go through the procurement process.
    - Consider the establishment of a centralized building committee for all City and BOE construction projects, including a City and / or BOE employee with related expertise, and experienced members of relevant trades of equal political representation.

- Vendor management and approval
    - Develop and implement policies and procedures for vendor approval, including limiting the addition of vendors in Munis, to the Procurement department.
    - The vendor database of more than 30,000 vendors in Munis should be reduced to the approximately four hundred vendors that are used most often. This listing should then be further reviewed, and any questionable vendors should be further evaluated against the to-be-developed vendor approval policies and procedures to determine if they should remain in the vendor database. All vendors remaining in the vendor database must have all the required data completed.

- Purchase orders
    - Require blanket purchase orders for those departments that have recuring purchases. The blanket purchase order should reflect the budgeted or contracted amount.

II.   *City*

Internal Controls and Processes (**High**):

Based on our understanding of procedures currently being performed, and through inquiries and observations with City employees, as well as walkthroughs and reviews of relevant documentation, these items are significant weaknesses in internal control that should be addressed as a high priority.

- Policies and procedures
    - Develop and implement detailed written policies and procedures that maintain accountability for compliance with internal control requirements.

- Cash
    - Develop and implement thresholds for all approvals, including second approvals for wire, ACH, and cash transfers.
    - Review and document the review of reconciliations of all cash accounts. Preparing and reviewing cash reconciliations need to be performed by separate individuals.

- Disbursement Vouchers
    - Develop and implement policies and procedures to ensure disbursement vouchers adhere to procurement policies and to track budget transfers.

- o Strictly limit and document in policies and procedures the limited use of disbursement vouchers.

- Purchase Orders
  - o Require purchase orders to be approved in advance of the purchase transaction.
  - o Authorized individuals related to the purchase order should be required to approve each invoice, and to document that the purchased goods were received.
  - o Segregation of duties should be maintained between procurement and accounts payable, whereas procurement should not be able to process any transactions for payment.

- P-Cards
  - o Limit P-Cards to situations where they are an absolute necessity.
  - o Minimize P-Card spending limits, and limit transaction types to those relevant to department needs.
  - o Revisit which employees have P-Cards and determine whether access is deemed appropriate.
  - o Finance should obtain backup from each cardholder and reconcile to P-Card statements.
  - o Finance should reconcile and review P-Card reconciliation monthly before they authorize the P-Card balances for payment and record the transactions to the general ledger.
  - o The reconciliation of P-Cards needs to be completed before the monthly automatic payment of P-Cards, otherwise the automatic payment of P-Cards needs to be turned off.
  - o Shut off all P-Cards when receipts have not been obtained by the required date, to compel compliance with P-Card policies and procedures.

Internal Controls and Processes (**Medium**):

- Staffing
  - o The Finance department has an internal auditor that does not perform internal audit functions. The internal audit function should be outsourced to a qualified vendor with the skills, knowledge, and experience to perform this task.
  - o The internal auditor should report to the finance committee.
  - o The tasks currently assigned to the internal auditor should be assigned to a position in line with the tasks being performed.
  - o Hire an accounts payable manager to oversee new vendor setup, 1099 reporting, cost allocations, be a backup to the accounts payable clerk, and work collaboratively with the procurement department.
- Cash Management
  - o Develop policies and procedures to manage the scope and timing of disbursements, tracking of encumbrances, and monitoring the availability of funds.
- Procurement
  - o Periodic meetings should be held with the Procurement Director to work on process improvement and to provide feedback on progress made towards previously identified areas for process improvement.
  - o Policies and procedures should be developed for maintaining supporting documentation as part of the procurement process.
  - o A standardized contract should be developed for contracts awarded by the City.

Internal Controls and Processes (**Low**):

- Electronic disbursement routing
  - Implement an electronic process for disbursement routing and approval, for vendor routing and approval, and for review and approval of journal entries and other transactions.

III. *BOE*

Internal Controls and Processes (**High**):

Based on our understanding of procedures currently being performed, and through inquiries and observations with BOE employees, as well as walkthroughs and reviews of relevant documentation, these items are significant weaknesses in internal control that should be addressed as a high priority.

- Policies and procedures
  - Develop and implement detailed written policies and procedures to maintain accountability for compliance with internal control requirements.
- Vendor Management and Approval
  - Develop and implement policies and procedures to move this process to the procurement team at the City, to centralize vendor management.

Internal Controls and Processes (**Medium**):

- Procurement
  - A standardized contract should be developed for contracts awarded by the BOE.

UPDATE ON HUMAN RESOURCES CONSULTING GROUP REPORTS AND OTHER OBSERVATIONS

We were engaged to provide an update on the Human Resources Consulting Group Reports dated in September 2019 for both the City and BOE. We were also engaged to evaluate the current staffing levels and hiring processes of both the City and BOE.

To accomplish these procedures, we performed inquiries of various employees in the Personnel and Labor Relations Department of both the City and BOE. We also reviewed the results of the Human Resources Consulting Group Reports to see whether recommendations were implemented. The below summarizes open recommendations from the Human Resources Consulting Group Reports, as well as additional observations and considerations to improve the department, including operating payroll and human resource software, benefits administration, and general operational improvements to the department.

Overall City and BOE

High

Benefits and Other Human Resources Software
- A plan should be developed to fully implement and effectively utilize the human resources and benefits software.
    - The plan should include adequate and periodic training.
    - Management should consider utilizing electronic storage of personnel files.
- Personnel and Labor Relations Department should use the human resources and benefits software to ensure that all data being entered is accurate.

Benefits Administration
- Centralize benefits administration to service both the City and the BOE.
- The centralized benefits administration should have a manager with additional staffing resources to provide coverage if a staff member is on a leave of absence or on paid time off.
- Standardized policies and procedures should be developed for centralized benefits administration.
- A reconciliation should be performed monthly of medical benefits billed to employees enrolled in medical benefits in the human resources and benefits software.

Employment Applications
- All employment applications should be prepared in accordance with state and federal laws.

Fair Credit Reporting
- A Fair Credit Reporting Statement should be provided to any prospective candidate to comply with federal law.

City

High

- Hire a qualified Senior Personnel Generalist.
- Personnel and Labor Relations Department should hire all new employees through the human resources and benefits software.
- The Employee Handbook should be reviewed and updated annually to ensure compliance and require signed confirmation from employees.
- Compensation and personnel changes in payroll should ONLY be made by the Personnel and Labor Relations Department.

Medium

- All I-9 Forms should be signed by employees and Personnel and Labor Relations Department immediately upon reviewing the documentation. E-Verify could be used to improve efficiency and improve documentation.
- Personnel and Labor Relations Department and Payroll Staff should receive Written Information Security Protocol training.
- Improve tracking of sexual harassment training and develop training which includes safety, ethics, conflicts of interest, and payroll orientation.

Low

- All documents should be reviewed before they are placed into personnel files.
- The Personnel and Labor Relations Department should use the human resources and benefits software to ensure all data being entered is accurate.
- The Finance Department should periodically review access to the Finance Directory to ensure that only authorized individuals have access.

BOE

High

- An Employee Handbook should be developed to provide employees with access to updated policies that require signed confirmation from employees.
- Connecticut Department of Children and Families Form DCF-3031 for Authorization for release of information should be updated to DCF-3031 dated 7/22.

INVENTORY OF POLICIES AND PROCEDURES

We were engaged to create an inventory of the City and BOE's policies and procedures and relevant forms and to determine when the policies were last updated and evaluate that the procedures are current.

Below is a summary of observations and considerations identified during our inventory of policies and procedures and related forms in order of highest to lowest priority for each area.

While there are informal processes or policies in place for some of these areas, these policies and procedures should be formalized in writing to ensure consistent application throughout the City and BOE.

Observation 1: (**High**) — The following policies and procedures are not documented:

Financial:

Finance—
1. H-I   Cash disbursements
2. H-I   Payroll processing
3. H-I   Cash disbursement oversight over the BOE
4. H-I   Financial close and reporting for month, quarterly, and year-end
5. H-I   Voided transaction review
6. H-I   Cash flow management (cash, accounts receivable, inventory, capital items, and accounts payable)
7. H-II   Borrowing and repayment of long-term debt
8. H-II   Developing, monitoring, and reporting of the annual budget
9. H-II   Cash receipts and revenue cycle processing
10. H-II   Performance of physical inventory of fixed assets

Procurement—
1. H-I   Compliance with Tier IV MARB approval of contracts over $50,000
2. H-I   New vendor setup
3. H-I   Review of existing vendor contracts
4. H-II   Inventory receiving
5. H-II   Form 1099 reporting

Personnel and Labor Relations Department:
1. H-I   General operations
2. H-I   Benefits administration
3. H-II   Personnel budgeting
4. H-II   Training

Risk Management:
1. H-I   Whistleblower
2. H-I   Conflict of interest
3. H-I   Risk management
4. H-I   Internal audit
5. H-II   Document retention

Observation 1: (**Moderate**) —

Documents obtained do not appear to have been reviewed or revised within the past few years. This may result in outdated procedures and forms that are no longer followed or used.

Consideration 1: Management should perform a comprehensive review of existing policies and procedures to ensure they reflect the actual policies and procedures of the City and BOE. Management should also determine how often each form, policy, or procedure needs to be reviewed and implement a process for regularly occurring reviews. The City and BOE should establish a policy that requires all policies, procedures, and related forms to be reviewed and updated on a regular basis (i.e. annually). In addition, should a significant change be made to a process or system, management should revise the associated documents to be available when the new process or system is implemented.

Observation 2: (**Low**) —

We noted that most of the written documents do not contain creation, review, or revision dates. As a result, it is unclear as to when these documents were established or revised.

Consideration 2: All documents should clearly identify the creation, revision, and review dates, as well as include the individuals approving the revisions. Changes to the forms and documents should also be summarized to allow users to clearly identify areas of revision.

Headquarters
280 Trumbull Street, 24th Floor
Hartford, CT 06103
860.522.3111

One Hamden Center
2319 Whitney Avenue, Suite 2A
Hamden, CT 06518
203.397.2525

14 Bobala Road, 3rd Floor
Holyoke, MA 01040
413.536.3970

WAdvising.com

Whittlesey
Forward Advising™

Information Technology Assessment:
City of West Haven, Connecticut
City

February 22, 2024

Whittlesey
Technology

February 22, 2024

State of Connecticut
Office of Policy and Management
450 Capital Avenue
Hartford, CT 06106

We were engaged by the Office of Policy and Management ("OPM") to provide an Assessment and evaluation of the City of West Haven (the "City") and its Board of Education's (the "BOE") financial organizational structure and its policies and procedures, practices, and internal controls as it relates to its fiscal management and administrative processes and financial systems.

The terms and scope of the work and services to be provided by us are outlined in Contract Number 16PSX0081 and Work Order Number 01 dated September 29, 2022 ("Work Order"). The services described in the Work Order are scheduled to be performed in multiple phases from the commencement of the Work Order through the anticipated completion date of October 31, 2024.

Whittlesey was engaged by the Office of Policy and Management to conduct an Information Technology ("IT") Assessment of the City during Phase 1 of a four-phase engagement. IT Assessments of other IT environments of West Haven are to be provided in separately issued reports.

The attached report contains our summary of the IT Assessment of the City of West Haven. A draft of the detailed findings report was shared by Whittlesey with the MARB, OPM, and the City in executive session in late April and in early May of 2023.

Issuance of our Phase 1 reports was delayed to allow time for the City of West Haven to address areas of vulnerability identified in Phase 1 of our engagement.

Whittlesey PC

Whittlesey PC
Hartford, Connecticut

I.   Executive Summary

The results of the IT Assessment initially showed the City of West Haven had a **High (8.75)** level of risk across their IT environment. **We identified a total of 53 findings, where 39 of these findings carry a rating of either Critical (8) or High (31)**. With the lack of appropriate security controls throughout the environment, the city is ultimately exposed to unauthorized access and could potentially result in a breach and/or loss of data. **Since the completion of our IT Assessment, based solely on inquiries conducted with the City of West Haven IT staff, the risk across the IT environment has been substantially reduced through remediation efforts. (See section VI 'Conclusion' for further information on current remediation status).**

Key areas requiring remediation:
1. System Architecture and Security Configuration
2. Network Vulnerabilities
3. Cybersecurity Best Practices
4. Security Awareness
5. Physical Security
6. Patch Management
7. Software and Hardware Lifecycle
8. IT Governance
9. Vendor Management

The City of West Haven has implemented strong security controls in the following areas:
1. Firewall Management
2. Remote Access
3. Backup System
4. IT Policies and Procedures
5. Anti-Virus/Anti-Spyware Deployment
6. Security Encryption Protocols
7. Password Policy
8. Active Directory

This report is based on Assessments, evaluations, and relates to information provided to us through the date the work was performed and may be subject to change as Assessments and evaluations are conducted in subsequent phases.

<div align="center">

Overall risk rating: High - 8.75
Scale of 1 (lowest) to 10 (highest) risk

</div>

The findings are categorized and rated between **Critical/High/Medium/Low** based on the National Institute of Standards and Technology (NIST) cybersecurity risk Assessment framework, the Center for Internet Security (CIS), and the Common Vulnerability Scoring System Version 3.0 (CVSS).

We recommended to management they address findings with a critical or high rating **immediately**. Additionally, management was advised to assess the potential impact of those findings rated as medium and low and assign appropriate priority to them as well. Below is a table that shows the number of findings in each risk rating:

Rating	# Of Findings
CRITICAL	8
High	31
Medium	10
Low	4

RATING	DESCRIPTION
CRITICAL	The finding is a substantial threat and needs to be resolved as soon as possible.
HIGH	The finding may expose significant risks, including but not limited to: compromise of confidential information, regulatory violation or criticism, reputational damage, loss of earnings or capital, errors and omissions, and/or may have material impact on their ability to accomplish its operational goals and objectives. This finding requires immediate attention.
MEDIUM	The finding may not pose significant risk by itself but could be indicative of a missing control or a weakness in the current control framework. This finding should be addressed in the normal course of business.
LOW	The finding does not pose a significant risk. A recommendation is presented in which management should analyze, consider the costs and benefits, and determine an appropriate course of action within a reasonable period.

Detailed individual findings have been provided separately to the City of West Haven IT staff for assistance in their remediation efforts.
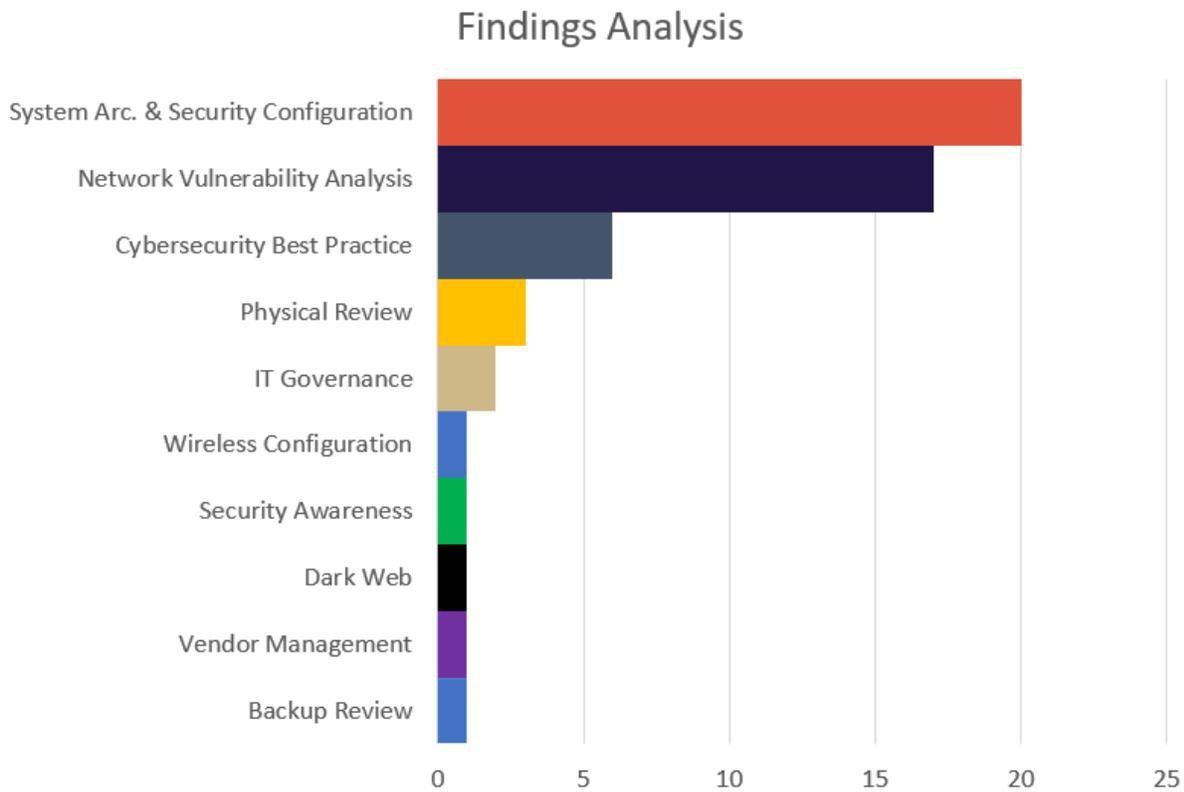
Findings Analysis

III. Objective and Scope

The scope of this IT Assessment was limited (by design) to the systems present at the following location:

- **355 Main St, West Haven, CT 06516**

The Assessment process utilizes a methodology based on NIST standards to help the City of West Haven identify risk(s) and determine their overall IT preparedness. The objective of the Assessment is to examine the administrative, technical, and physical controls that should be integrated into the design and implementation of the systems and processes supporting the City of West Haven's information assets. The Assessment is focused on the IT infrastructure, as follows:

- Network Vulnerability Analysis
- Cybersecurity best practice review
- Business Continuity & Backup Assessment
- Wireless and Physical Security
- IT Governance, Policy, and Documentation Review
- System Architecture and Security Configuration Review
- Phishing – Test of the employee's susceptibility *(this was not performed for the City due to technical issues)*
- Compliance Review

IV. Limitations

The IT Assessment is intended to provide initial insight into the overall technology posture of the City of West Haven. It is not intended as a comprehensive review of the IT General Controls environment or to validate the City of West Haven's full compliance requirements and its compliance. However, the Assessment considered select information technology controls based on the City of West Haven's regulatory environment as well as the assessors' knowledge of operations. Additionally, the scope of this Assessment was not designed to result in an opinion on the control environment, and we have not expressed such an opinion.

V. Warranty

In connection with the Assessment audit, no warranties, expressed or implied, regarding the effectiveness of the controls over information technology have been made. The procedures within the scope of this engagement have not been designed to allow for the expression of an opinion on the organization's controls over technology and information security. Accordingly, we do not express an opinion over these controls. We have not tested controls established by any third party, therefore, controls established by these organizations have been assumed "in place," functional, and sufficient. This report is provided as part of this engagement, is solely for use by management and not intended for public use or disclosure.

VI.   Conclusion

The purpose of an IT Assessment is to review and identify vulnerabilities so that risk-handling activities may be prioritized, planned, and invoked as needed or as resources allow. Most of the recommendations can be handled without high cost and be completed with hourly labor.

The City of West Haven's IT staff has made an outstanding effort, despite being short-staffed, to immediately address and remediate the identified findings from the IT Assessment upon receipt of the findings report. Due to their immediate action and efforts, they were able to reduce risk and mitigate findings that ultimately strengthen their overall IT security posture.

As of January 30, 2024, based solely on inquiries conducted with the City of West Haven's IT staff, all of the 'Critical' findings have been fully remediated. Of the 31 'High' findings, 29 have been fully remediated and the remaining 2 are currently in process. Of the 10 'Medium' items, 9 have been fully remediated and the remaining 1 is in process.* All 4 'Low' findings have been fully remediated.

The remaining 3 items that are 'in process' require longer term remediation and are currently being led by a third-party vendor with the assistance of the City of West Haven's IT staff.
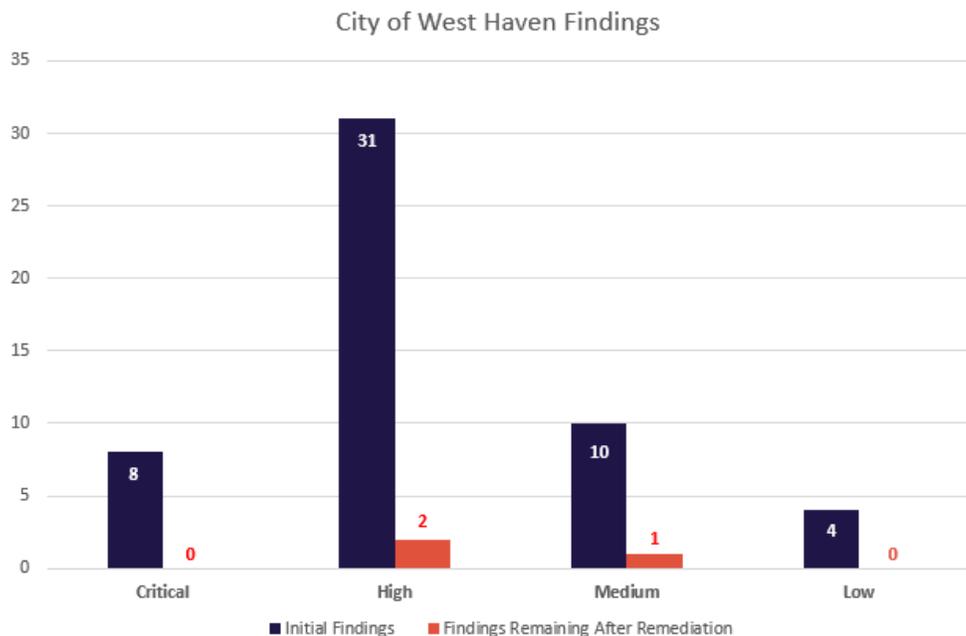
By remediating the findings in this report and improving security controls, the City of West Haven reduces their overall security risk and improves their ability to defend against outsider threats while ensuring the confidentiality, integrity, and availability of their data.

To assist with ensuring IT strategy and controls are implemented appropriately going forward, the following will be implemented in 2024:

- IT Governance – used to effectively manage their IT risks and ensure that the activities associated with information and technology are aligned with the municipality's overall objectives.
- Validation Assessment – a secondary IT Assessment will be performed in 2024 and will continue on an annual basis to ensure all findings are addressed and remediated appropriately and to identify any new threats that may emerge throughout the IT environment.

We thank you for your cooperation in the process and your immediate attention given to remediating the identified vulnerabilities.

Whittlesey
Forward Advising™

Information Technology Assessment: City of West Haven, Connecticut Board of Education

February 22, 2024

Whittlesey Technology

February 22, 2024

State of Connecticut
Office of Policy and Management
450 Capital Avenue
Hartford, CT 06106

We were engaged by the Office of Policy and Management ("OPM") to provide an assessment and evaluation of the City of West Haven (the "City") and its Board of Education's (the "BOE") financial organizational structure and its policies and procedures, practices, and internal controls as it relates to its fiscal management and administrative processes and financial systems.

The terms and scope of the work and services to be provided by us are outlined in Contract Number 16PSX0081 and Work Order Number 01 dated September 29, 2022 ("Work Order"). The services described in the Work Order are scheduled to be performed in multiple phases from the commencement of the Work Order through the anticipated completion date of October 31, 2024.

Whittlesey was engaged by the Office of Policy and Management to conduct an Information Technology ("IT") Assessment of the BOE during Phase 1 of a four-phase engagement. IT Assessments of other IT environments of West Haven are to be provided in separately issued reports.

The attached report contains our summary of the IT Assessment of the City of West Haven Board of Education. A draft of the detailed findings report was shared by Whittlesey with the MARB, OPM, the City, and the BOE in executive session in late April and in early May of 2023.

Issuance of our Phase 1 reports was delayed to allow time for the BOE to address areas of vulnerability identified in Phase 1 of our engagement.

Whittlesey PC

Whittlesey PC
Hartford, Connecticut

I.   Executive Summary

The results of the IT assessment initially showed the City of West Haven Board of Education had a <u>High (7.5)</u> level of risk across their IT environment. **We identified a total of 34 findings, where 19 of these findings carry a rating of either Critical (5) or High (14)**. With the lack of appropriate security controls throughout the environment, the BOE is ultimately exposed to unauthorized access and could potentially result in a breach and/or loss of data. **Since the completion of our IT assessment, based solely on inquiries conducted with the third-party IT managed service provider, the risk across the IT environment has been substantially reduced through remediation efforts. (See section VI 'Conclusion' for further information on current remediation status.)**

Key areas requiring remediation:
1. System Architecture and Security Configurations
2. Network Vulnerabilities
3. Cybersecurity Best Practices
4. Security Awareness
5. Patch Management
6. Software and Hardware Lifecycle
7. Physical Security

The City of West Haven Board of Education has implemented strong security controls in the following areas:
1. Multi-Factor Authentication (MFA) Deployment
2. Backup System
3. Anti-Virus/Anti-Spyware Deployment
4. Active Directory Architecture

The City of West Haven Board of Education outsources its IT support function to a third-party managed service provider.

This report is based on assessments, evaluations, and relates to information provided to us through the date the work was performed and may be subject to change as assessments and evaluations are conducted in subsequent phases.

II.   Findings Overview

Overall risk rating: High - 7.5
Scale of 1 (lowest) to 10 (highest) risk

The findings are categorized and rated between **Critical/High/Medium/Low** based on the National Institute of Standards and Technology (NIST) cybersecurity risk assessment framework, the Center for Internet Security (CIS), and the Common Vulnerability Scoring System Version 3.0 (CVSS).

We recommended to management they address findings with a critical or high rating **immediately**. Additionally, management was advised to assess the potential impact of those findings rated as medium and low and assign appropriate priority to them as well. Below is a table that shows the number of findings in each risk rating:

Rating	# Of Findings
CRITICAL	5
High	14
Medium	12
Low	3

RATING	DESCRIPTION
CRITICAL	The finding is a substantial threat and needs to be resolved as soon as possible.
HIGH	The finding may expose significant risks, including but not limited to: compromise of confidential information, regulatory violation or criticism, reputational damage, loss of earnings or capital, errors and omissions, and/or may have material impact on their ability to accomplish its operational goals and objectives. This finding requires immediate attention.
MEDIUM	The finding may not pose significant risk by itself but could be indicative of a missing control or a weakness in the current control framework. This finding should be addressed in the normal course of business.
LOW	The finding does not pose a significant risk. A recommendation is presented in which management should analyze, consider the costs and benefits, and determine an appropriate course of action within a reasonable period.

Detailed individual findings have been provided separately to the IT managed service provider for assistance in their remediation efforts.
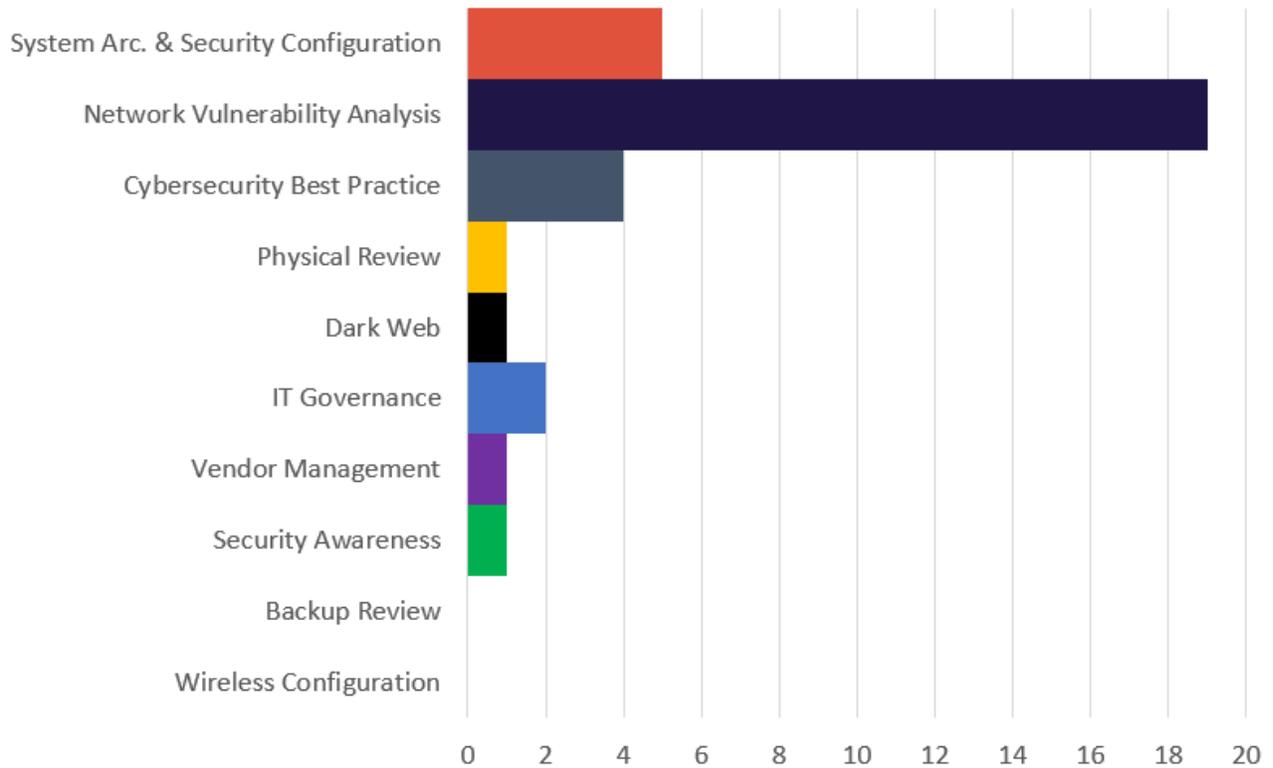
Findings Analysis

Category	Count
System Arc. & Security Configuration	5
Network Vulnerability Analysis	19
Cybersecurity Best Practice	4
Physical Review	1
Dark Web	1
IT Governance	2
Vendor Management	1
Security Awareness	1
Backup Review	0
Wireless Configuration	0

III.   Objective and Scope

The scope of this IT assessment was limited (by design) to the systems present at the following locations:

- 1 McDonough Plz, West Haven, CT 06516 – West Haven High School
- 148 South St, West Haven, CT 06516 – Hayley School
- 255 Meloy Rd, West Haven, CT 06516 – Anna V. Molloy School
- 2 Tetlow Street, West Haven CT 06516 – May V. Carrigan Intermediate School

The above four locations were selected as part of the assessment due to the fact that each one houses physical IT infrastructure.

The assessment process utilizes a methodology based on NIST standards to help the City of West Haven Board of Education identify risk(s) and determine their overall IT preparedness. The objective of the assessment is to examine the administrative, technical, and physical controls that should be integrated into the design and implementation of the systems and processes supporting the City of West Haven Board of Education's information assets. The assessment is focused on the IT infrastructure, as follows:

- Network Vulnerability Analysis
- Cybersecurity best practice review
- Business Continuity & Backup assessment
- Wireless and Physical Security
- IT Governance, Policy, and Documentation Review
- System Architecture and Security Configuration Review
- Phishing – Test of your employee's susceptibility
- Compliance Review

IV.   Limitations

The IT assessment is intended to provide initial insight into the overall technology posture of the City of West Haven Board of Education. It is not intended as a comprehensive review of the IT General Controls environment or to validate the City of West Haven Board of Education's full compliance requirements and its compliance. However, the assessment considered select information technology controls based on the City of West Haven Board of Education's regulatory environment as well as the assessors' knowledge of operations. Additionally, the scope of this assessment was not designed to result in an opinion on the control environment, and we have not expressed such an opinion.

V.   Warranty

In connection with the assessment audit, no warranties, expressed or implied, regarding the effectiveness of the controls over information technology have been made. The procedures within the scope of this engagement have not been designed to allow for the expression of an opinion on the organization's controls over technology and information security. Accordingly, we do not express an opinion over these controls. We have not tested controls established by any third party, therefore, controls established by these organizations have been assumed "in place," functional, and sufficient. This report is provided as part of this engagement, is solely for use by management and not intended for public use or disclosure.

VI.   Conclusion

The purpose of an IT Assessment is to review and identify vulnerabilities so that risk-handling activities may be prioritized, planned, and invoked as needed or as resources allow. Most of the recommendations can be handled without high cost and be completed with hourly labor.

The City of West Haven Board of Education's IT managed service provider immediately began to address and remediate the identified findings from the IT assessment upon receipt of the findings report. Due to their immediate action and efforts, they were able to reduce risk and mitigate findings that ultimately strengthen their overall IT security posture.

As of January 30, 2024, based solely on inquiries conducted with the City of West Haven Board of Education's IT managed service provider, 4 of the 5 'Critical' findings have been fully remediated and the remaining 1 is currently in process. Of the 14 'High' findings, 7 have been fully remediated and the remaining 7 are currently in process. Of the 12 'Medium' items, 5 have been fully remediated and the remaining 7 are in process. Of the 3 'Low' findings, 1 has been fully remediated and 2 are in process.*****

*The majority of the items that are 'in process' are third-party vendor dependent and not the responsibility of the City of West Haven Board of Education's IT managed service provider.
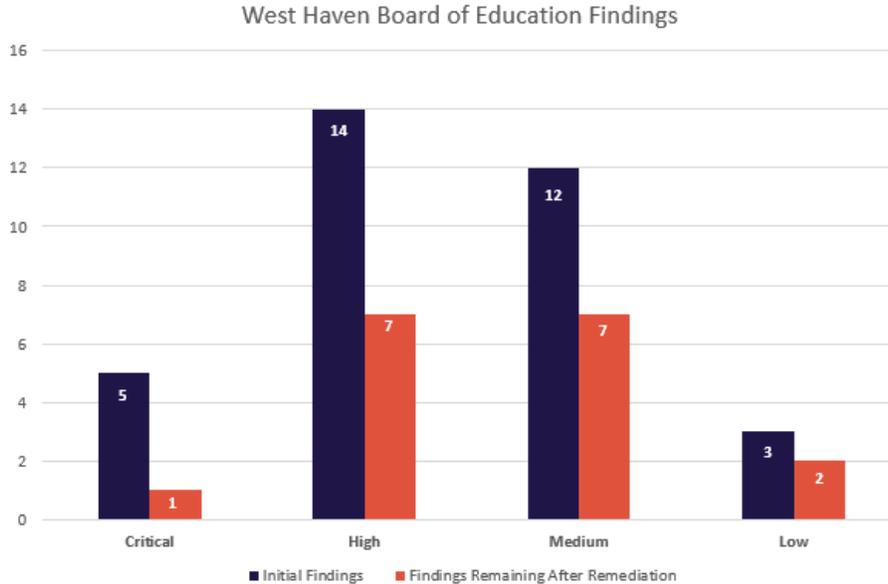
By remediating the findings in this report and improving security controls, the City of West Haven Board of Education reduces their overall security risk and improves their ability to defend against outsider threats while ensuring the confidentiality, integrity, and availability of their data.

To assist with ensuring IT strategy and controls are implemented appropriately going forward, the following will be implemented in 2024:

- IT Governance – used to effectively manage their IT risks and ensure that the activities associated with information and technology are aligned with the municipality's overall objectives.
- Validation Assessment – a secondary IT assessment will be performed in 2024 and will continue on an annual basis to ensure all findings are addressed and remediated appropriately and to identify any new threats that may emerge throughout the IT environment.

We thank you for your cooperation in the process and your immediate attention given to remediating the identified vulnerabilities.

Headquarters
280 Trumbull Street, 24th Floor
Hartford, CT 06103
860.522.3111

———————————————

One Hamden Center
2319 Whitney Avenue, Suite 2A
Hamden, CT 06518
203.397.2525

14 Bobala Road, 3rd Floor
Holyoke, MA 01040
413.536.3970

———————————————

WAdvising.com

Whittlesey
Forward Advising™

Information Technology Assessment:
City of West Haven, Connecticut
Public Safety

February 22, 2024

Whittlesey
Technology

February 22, 2024

State of Connecticut
Office of Policy and Management
450 Capital Avenue
Hartford, CT 06106

We were engaged by the Office of Policy and Management ("OPM") to provide an Assessment and evaluation of the City of West Haven (the "City") and its Board of Education's (the "BOE") financial organizational structure and its policies and procedures, practices, and internal controls as it relates to its fiscal management and administrative processes and financial systems.

The terms and scope of the work and services to be provided by us are outlined in Contract Number 16PSX0081 and Work Order Number 01 dated September 29, 2022 ("Work Order"). The services described in the Work Order are scheduled to be performed in multiple phases from the commencement of the Work Order through the anticipated completion date of October 31, 2024.

Whittlesey was engaged by the Office of Policy and Management to conduct an Information Technology (IT) Assessment of the West Haven Public Safety (including the Animal Control Division) during Phase 1 of a four-phase engagement. IT Assessments of other IT environments of West Haven are to be provided in separately issued reports.

The attached report contains our summary of the IT Assessment of the West Haven Public Safety and Animal Control. A draft of the detailed findings report was shared by Whittlesey with the MARB, OPM, and the City in executive session in late April and in early May of 2023.

Issuance of our Phase 1 reports was delayed to allow time for the City of West Haven to address areas of vulnerability identified in Phase 1 of our engagement.

Whittlesey PC

Whittlesey PC
Hartford, Connecticut

I.   Executive Summary

The results of the IT Assessment initially showed the West Haven Public Safety and Animal Control had a <u>Medium-Low (4.0)</u> level of IT risk across their environment. **We identified a total of 27 findings, where 7 of these findings carry a rating of either Critical (5) or High (2)**. With the lack of appropriate security controls throughout the environment, West Haven Public Safety and Animal Control is ultimately exposed to unauthorized access and could potentially result in a breach and/or loss of data. **Since the completion of our IT Assessment, based solely on inquiries conducted with West Haven Public Safety and Animal Control IT staff, the risk across the IT environment has been substantially reduced through remediation efforts. (See section VI 'Conclusion' for further information on current remediation status).**

Key areas requiring remediation:
1. System Architecture and Security Configuration
2. Network Vulnerabilities
3. Cybersecurity Best Practices
4. Security Awareness
5. Software and Hardware Lifecycle
6. Physical Security

West Haven Public Safety and Animal Control has implemented strong security controls in the following areas:
1. Backup System
2. Multi-Factor Authentication (MFA) deployment
3. Anti-Virus/Anti-Spyware
4. Network Perimeter Security
5. Password Policy
6. Audit Logging

We would like to note the challenges faced by West Haven Public Safety and Animal Control for maintaining business continuity and implementing security controls throughout the environment. IT does not currently have a dedicated budget, which makes it difficult to procure necessary equipment and solutions throughout the year. The additional funds from an IT budget designated for West Haven Public Safety and Animal Control would be dedicated to hardware/software inventory (75%) and cyber security (25%). Nonetheless, IT staff has implemented solutions to mitigate risks using a defense-in-depth (layered) approach when it comes to securing the Public Safety's network infrastructure.

This report is based on Assessments, evaluations, and relates to information provided to us through the date the work was performed and may be subject to change as Assessments and evaluations are conducted in subsequent phases.

Overall risk rating: Medium-Low – 4.0
Scale of 1 (lowest) to 10 (highest) risk

The findings are categorized and rated between **Critical/High/Medium/Low** based on the National Institute of Standards and Technology (NIST) cybersecurity risk Assessment framework, the Center for Internet Security (CIS), and the Common Vulnerability Scoring System Version 3.0 (CVSS).

We recommended to management they address findings with a critical or high rating **immediately**. Additionally, management was advised to assess the potential impact of those findings rated as medium and low and assign appropriate priority to them as well. Below is a table that shows the number of findings in each risk rating:

Rating	# Of Findings
CRITICAL	5
High	2
Medium	18
Low	2

RATING	DESCRIPTION
CRITICAL	The finding is a substantial threat and needs to be resolved as soon as possible.
HIGH	The finding may expose significant risks, including but not limited to: compromise of confidential information, regulatory violation or criticism, reputational damage, loss of earnings or capital, errors and omissions, and/or may have material impact on their ability to accomplish its operational goals and objectives. This finding requires immediate attention.
MEDIUM	The finding may not pose significant risk by itself but could be indicative of a missing control or a weakness in the current control framework. This finding should be addressed in the normal course of business.
LOW	The finding does not pose a significant risk. A recommendation is presented in which management should analyze, consider the costs and benefits, and determine an appropriate course of action within a reasonable period.

*Detailed individual findings have been provided separately to the West Haven Public Safety and Animal Control IT staff for assistance in their remediation efforts.
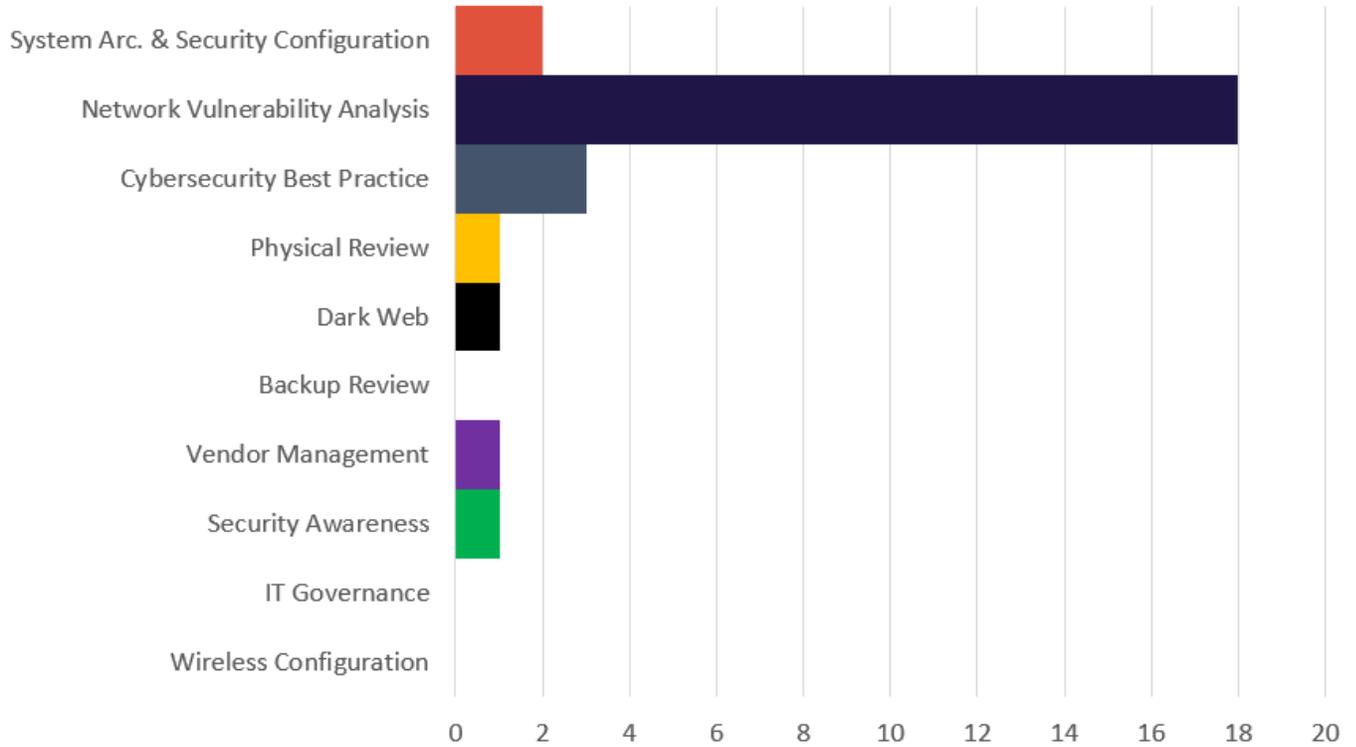
Findings Analysis

System Arc. & Security Configuration — 2
Network Vulnerability Analysis — 18
Cybersecurity Best Practice — 3
Physical Review — 1
Dark Web — 1
Backup Review — 0
Vendor Management — 1
Security Awareness — 1
IT Governance — 0
Wireless Configuration — 0

III.   Objective and Scope

The scope of this IT Assessment was limited (by design) to the systems present at the following location:

- **200 Saw Mill Road, West Haven, CT**

The Assessment process utilizes a methodology based on NIST standards to help West Haven Public Safety and Animal Control identify risk(s) and determine their overall IT preparedness. The objective of the Assessment is to examine the administrative, technical, and physical controls that should be integrated into the design and implementation of the systems and processes supporting West Haven Public Safety and Animal Control's information assets. The Assessment is focused on the IT infrastructure, as follows:

- Network Vulnerability Analysis
- Cybersecurity best practice review
- Business Continuity & Backup Assessment
- Wireless and Physical Security
- IT Governance, Policy, and Documentation Review
- System Architecture and Security Configuration Review
- Phishing – Test of your employee's susceptibility
- Compliance Review

IV.   Limitations

The IT Assessment is intended to provide initial insight into the overall technology posture of West Haven Public Safety and Animal Control. It is not intended as a comprehensive review of the IT General Controls environment or to validate West Haven Public Safety and Animal Control's full compliance requirements and its compliance. However, the Assessment considered select information technology controls based on West Haven Public Safety and Animal Control's regulatory environment as well as the assessors' knowledge of operations. Additionally, the scope of this Assessment was not designed to result in an opinion on the control environment, and we have not expressed such an opinion.

V.   Warranty

In connection with the Assessment audit, no warranties, expressed or implied, regarding the effectiveness of the controls over information technology have been made. The procedures within the scope of this engagement have not been designed to allow for the expression of an opinion on the organization's controls over technology and information security. Accordingly, we do not express an opinion over these controls. We have not tested controls established by any third party, therefore, controls established by these organizations have been assumed "in place," functional, and sufficient. This report is provided as part of this engagement, is solely for use by management and not intended for public use or disclosure.

VI.   Conclusion

The purpose of an IT Assessment is to review and identify vulnerabilities so that risk-handling activities may be prioritized, planned, and invoked as needed or as resources allow. Most of the recommendations can be handled without high cost and be completed with hourly labor.

West Haven Public Safety and Animal Control's IT staff immediately began to address and remediate the identified findings from the IT Assessment upon receipt of the findings report. Due to their immediate action and efforts, they were able to reduce risk and mitigate findings that ultimately strengthen their overall IT security posture.

As of January 30, 2024, based solely on inquiries conducted with West Haven Public Safety and Animal Control IT staff, 4 of the 5 'Critical' findings have been fully remediated and the remaining 1 is currently in process. Of the 2 'High' findings, one has been fully remediated and the remaining 1 is currently in process. Of the 18 'Medium' items, 9 have been fully remediated and the remaining 9 are in process.* Both 'Low' findings have been fully remediated.

*The majority of the items that are 'in process' are third-party vendor dependent and not the responsibility of West Haven Public Safety and Animal Control IT staff.
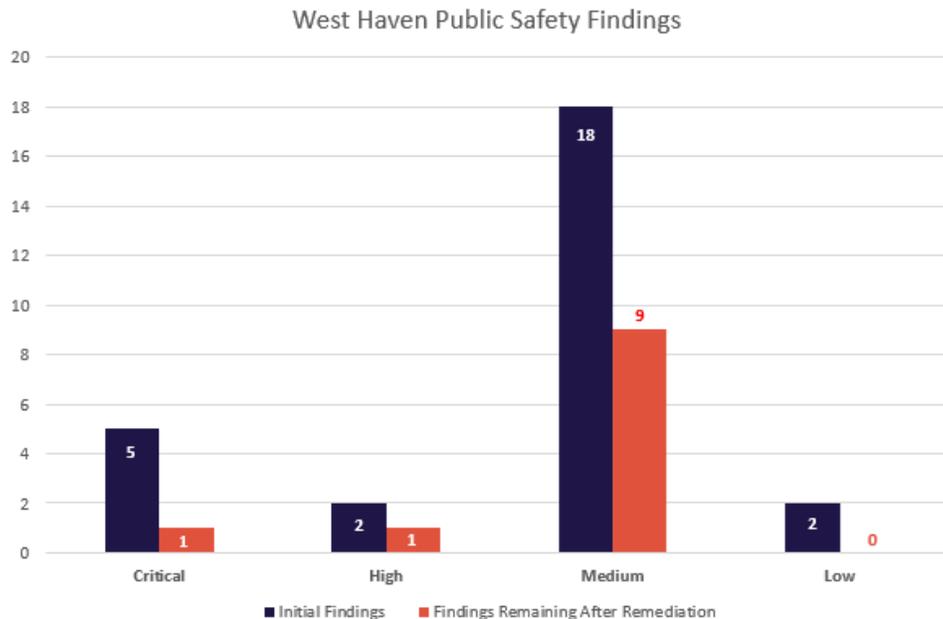
By remediating the findings in this report and improving security controls, the West Haven Public Safety and Animal Control reduces their overall security risk and improves their ability to defend against outsider threats while ensuring the confidentiality, integrity, and availability of their data.

To assist with ensuring IT strategy and controls are implemented appropriately going forward, the following will be implemented in 2024:

- IT Governance – used to effectively manage their IT risks and ensure that the activities associated with information and technology are aligned with the municipality's overall objectives.
- Validation Assessment – a secondary IT Assessment will be performed in 2024 and will continue on an annual basis to ensure all findings are addressed and remediated appropriately and to identify any new threats that may emerge throughout the IT environment.

We thank you for your cooperation in the process and your immediate attention given to remediating the identified vulnerabilities.

Whittlesey
Forward Advising™

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516

Dorinda Borer
Mayor

City Hall
1896-1968

February 16, 2024

RE: Whittlesey PC Report – City of West Haven and the Board of Education – Phase 1 Assessment and Evaluation

Members of the Municipal Accountability Review Board:

Whittlesey has completed Phase 1 of its engagement and issued its report which provides their assessment and evaluation of the City's and its Board of Education's financial organizational structure and its policies and procedures, practices, and internal controls as it relates to its fiscal management and administrative processes and financial systems.

With collaboration and support of the MARB, OPM Staff, Whittlesey, Protiviti and the dedicated, hardworking employees of the City of West Haven and their contributions to improve the financial operations of the City, this partnership has made significant progress despite the lack of local resources and staffing. This assessment is the road map that identified the vulnerable areas that warranted the City's immediate attention to resolve high risk issues. The City has been working to correct the vulnerabilities prior to the issuance of the report.

As the Mayor, I appreciate the process that has been put in place to strengthen financial controls over the long term which will provide the citizens of West Haven with the confidence that we are safeguarding the assets of the City.

I am pleased to report on the significant progress that has been made, while understanding we continue to have work to do in order to meet the State's expectations and mine. As we continue to hire qualified staff we will get the job done.

Included in this memo are the Assessments points and the status of the work that was completed to address each point.

I would like to point out that while the IT report is being issued separately and this memo does not include the individual assessment points, the City was recognized by

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
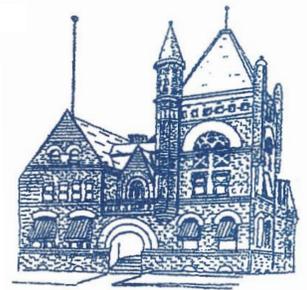
Dorinda Borer
Mayor

City Hall
1896-1968

Whittlesey for fully remediating all findings and recognized an impressive response and resolution. I thank the IT leadership and staff for their dedication and work to bring our City into compliance in this critical arena.

Executive Summary

Staffing

The new administration has evaluated open job descriptions in every department, restructured the Finance department, and identified critical positions. The city posted open positions and advertised them in recruiting jobsites and news outlets. The city is actively pursuing credentialed, qualified and diverse personnel for vacant positions. Several people have been hired in critical roles. Temporary help has been contracted to fill other vacancies.

Munis Operational Assessment

Munis Upgrade

The upgrade that was underway at the time of the evaluation was delayed so that adequate testing could be performed. A test environment was created, and primary stakeholders tested the functionality of the new system so that any issues noted could be resolved prior to conversion. This process was highly successful and had the side-effect of building some familiarity in the teams prior to the upgrade. The city successfully upgraded to the most stable cloud-based version of the software as recommended by Munis. There are no unresolved issues and there was no interruption of service. Future upgrades will be planned and executed as the vendor identifies stable platforms that support our application.

Documentation of Process and Internal Controls around software upgrades are in the development stage and will be in place prior to the next upgrade. These procedures will be applied to all software upgrades. The city plans to utilize the assistance of the Protiviti Finance Management team to finalize and codify these procedures. (See below regarding Inventory of Policies and Procedures).

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
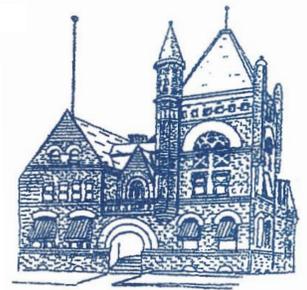
Dorinda Borer
Mayor

City Hall
1896-1968

Munis Access

Munis user access has been reviewed and redeveloped at the position/role level. A process to notify IT during the onboarding and offboarding process has been developed. Listings of current users and their access was reviewed and updated by the IT Manager, Procurement Director, and Finance Director in consultation with Department Managers. This review will be repeated quarterly.

Cash Disbursements

Internal Controls and Processes

Setting the tone at the top is imperative in this area. Therefore the enforcement of internal controls is equally important as the implementation of controls. From myself as Mayor through upper management it has been communicated to employees not only what the controls are, but the importance of adherence and the ramifications if they are not followed.

External notification of controls was also important in this area as Vendors had been notified that effective July 1, 2023, the city was demanding a PO in place prior to payment of an invoice.

Internal Controls

The city has developed critical safeguards and controls. Practices have been changed from vendor management and approval to cash disbursement to protect this vital asset. The city also maintains evidence of these reviews. Proper segregation of duties has been employed to separate the Procurement team from the Payment team and the Personnel team from the Payroll team. This has been achieved through strategic hires and utilization of access controls in the financial and HR/Payroll systems. Under the new administration and with support of the new Treasurer, the Finance Director and Treasurer now review all invoices for payment to ensure that they are valid and appropriately documented prior to approving the check run. They also meet to approve every payroll prior to submission. The hiring of additional staff, including a Payroll Manager, will further strengthen these processes and controls moving forward.

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
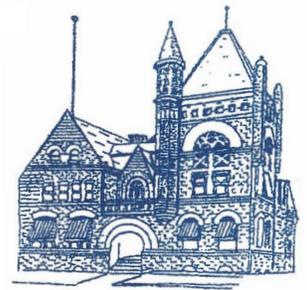
Dorinda Borer
Mayor

City Hall
1896-1968

Accountability

Insuring there is a framework in place for accountability is critical. Training of employees to educate them on the importance as government employees to be accountable to the public is imperative and what processes are in place.

The new Ethics Commission not only created a Code of Ethics and Conduct but created a Disclosure Form that is required of all employees. Mandatory training of ethics conducted by the State of CT Ethics Agency was held for all employees based on the City's new Code.

The Ethics Commission is a bipartisan, professional, confidential Commission that allows for submission of requests to review questionable employee or elected official actions.

Additionally, employees were provided with an employee handbook and required to sign off on receipt.

Network and online systems.

The city reviewed and updated access to Munis, ADP, banking, and overall network access and established a cadence for ongoing review. Schedules of current users and their access was reviewed and updated by the Personnel Director, IT Director, Procurement Director, and the Finance Director in consultation with Department Managers. A cadence of regular reviews has been established and a process to notify IT during the onboarding and offboarding process has been developed.

Payroll Manager

The city is currently reviewing applicants for Payroll Manager.

Procurement Process

The new procurement process includes the requirement that, in addition to documentation of existence such as a W-9, Federal ID, and other UEI (where required); vendors must provide the city with non-collusion and ethics forms. The Procurement Department maintains files of evidence including non-collusion and

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
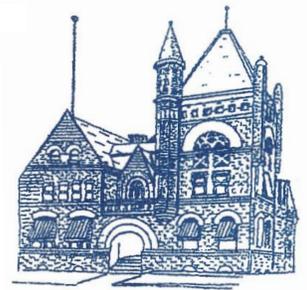
Dorinda Borer
Mayor

City Hall
1896-1968

ethics forms, RFPs, RFQs, bids received, quotes received, etc. to document procurement policies have been correctly applied to purchases and these requirements have been published to all departments. Reviews are conducted in the Finance Director and the Treasurer prior to check issuance to ensure procurement and payment standards and controls have been appropriately applied.

The Building Committee will include the City's facilities and buildings manager along with appropriate trades personnel.

Vendor management and approval

A detailed review of all vendors in Munis was initiated and the active vendor list was reduced from 30,000 to less than 500. Vendor approval is now isolated to the City Procurement Department via access controls in the Munis software. Controls were put in place to ensure that all vendor documentation required is kept on file and renewed periodically for all active vendors. (See Procurement Process, above.)

Purchase Orders

A no Purchase Order no Payment policy has been implemented and communicated to all vendors city departments. A procedure for procurement, and a policy for utilizing blanket orders has been established and distributed in outline form along with procurement requirements for competitive bidding and quotes. Access to the appropriate employees in the various departments to submit requisitions has been authorized. Training on the system and the procedure continues. In the meantime, the Procurement Department has been assisting with PO requisition creation. All POs are centrally approved and released by the Procurement Director or designee.

Internal Controls and Processes

Policy and Procedure

Development is discussed under "Inventory of Policies and Procedures", below.

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
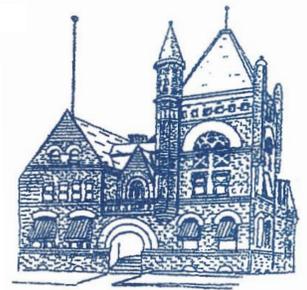
Dorinda Borer
Mayor

City Hall
1896-1968

Cash

The city has implemented a procedure whereby two check signers review and approve all wire and ACH transactions.

The city's bank reconciliations are running no more than one month behind. Monthly review of Bank reconciliations by the Assistant Finance Director is documented by signature effective Fiscal 2024.

Disbursement Vouchers

The Procurement to Pay procedure limits the use of disbursement vouchers in favor of a Purchase Order. There has been a significant reduction in the number of disbursement vouchers processed in AP since the roll out of the new processes.

Purchase Orders

The Procurement to Pay procedure outlines the steps required to procure goods and services on behalf of the city. This includes Purchase Orders to be issued prior to the goods and services being provided, documentation of receipt from an authorized individual, and proper segregation of duties between Procurement and Accounts Payable. (See above for further discussion.)

P-Cards

The city has reviewed the usage of the existing P-cards and determined which positions require P-cards. Unnecessary P-cards were eliminated, reducing the number of cards in circulation from 12 to 5. Purchase limits for each card were reviewed and adjusted to appropriate levels. Policies regarding the use of the P cards have been signed by all cardholders. Procedures and controls have been established whereby purchases made with the P card are reconciled to receipts provided by cardholders to the Finance Department on a timely basis. The city and the MARB assigned Financial Manager have recently completed efforts to codify these controls.

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
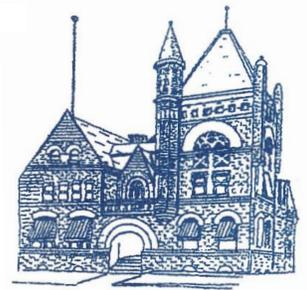
Dorinda Borer
Mayor

City Hall
1896-1968

Staffing

The city agrees with the assessment and will be addressing the internal audit function. Meanwhile, one of the contracted employees currently working in the finance department is conducting audits of requests for payment and documenting the review on the requests.

Vendor management and 1099 creation are centralized in Procurement. The Finance Director reviews and approves 1099s prior to submission. Backup for the accounts payable clerk has been established within the Finance Department.

Cash Management

The Assistant Finance Director maintains a spreadsheet whereby the city's needs are projected, provided for, and tracked to ensure funds are available when needed and future needs are planned. This process is informal and has proven effective over the short term. Through this process, the city continues to meet obligations and maximize earnings on investments. The new administration has enacted an enhanced approval process for transfers of funds between accounts.

Procurement

Finance and Procurement managers meet regularly to discuss progress on the PO roll out, identify future process improvements as well as identify individuals to receive training over the short-term.

As documented in our draft policies and procedures, the city follows state guidelines in maintaining all bid and other documents. Permission to destroy documents is received from the state prior to destruction.

All contracts are reviewed by the city attorney and are revised where needed prior to approval by the city attorney.

BOE Internal Controls and Processes

Policies and Procedures

Office of the Mayor

City of West Haven
355 Main Street
West Haven, Connecticut 06516
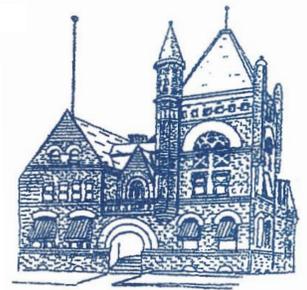
Dorinda Borer
Mayor

City Hall
1896-1968

The BOE has and will continue to follow policies and procedures adopted by the city with minor modifications where necessary. Such modifications will be to ensure adequate internal control where procedures may be slightly different due to the nature of the entity. All BOE cash disbursements are processed by the city Finance Department and reviewed as described above by the Finance Director and the Treasurer prior to disbursement.

Vendor Management and Approval

This function is centralized with the city Procurement Department. Please see further discussion of controls above.

Procurement

The BOE, working with city Corporate Counsel will adopt a standardized contract as mentioned above.

Human Resources

I'm in the process of recruiting a new Human Resources Director-'Personnel' per Charter language.   A qualified Personnel Director will lead in the evaluation of the needs of the department and make recommendations for changes. Meanwhile, I've hired a Generalist and the Chief of Staff and myself are on point for Personnel needs.

Steps taken under 'Accountability' with respect to Ethics, training and Disclosures fell within the Human Resources function and is monitored centrally here.

Inventory of Policies and Procedures

Focusing on high priority controls first, the city is working with Protiviti to document Policies and Procedures with effective Internal Controls following the steps outlined below.

Office of the Mayor

City of West Haven

355 Main Street
West Haven, Connecticut 06516
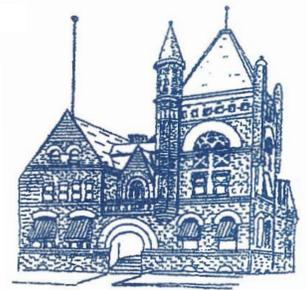
Dorinda Borer
Mayor

City Hall
1896-1968

Practice

Utilizing the matrix provided by Whittlesey and starting with the High priority considerations, procedures have been developed and put into practice as outlined above. The primary benefit of putting this step first is that it strengthens controls more immediately.

Formalize

As new procedures are put in practice, they are being documented in draft form for adoption. The P-Card process is in final Draft form. Procurement Process and Cash Disbursements processes are currently in draft form.

The city is working with the Protiviti Financial Management Team to formalize Policies and Procedures with version control, ownership, etc.

Maintenance

Times will be established for regular review of adopted policies to ensure that they are always current. Each policy will identify the department and position that is responsible for maintaining the control document and dissemination of copies to those who need them.

As demonstrated by the progress thus far, the city and the BOE take these findings seriously and will continue to bring best practices and continuous improvement to bear in its policies, procedures, and internal controls.

Sincerely,

Dorinda Borer, Mayor

CC:

David Taylor, Finance Director
Rick Spreyer, Chief of Staff
Jumaine Samuels, IT Director

Office of the Mayor

City of West Haven

355 Main Street
West Haven, Connecticut 06516

Dorinda Borer
Mayor

City Hall
1896-1968