



Town of Trumbull

# Annual Internal Audit Plan

July 2022 – June 2023

May 12, 2022

Rebeca Lopez

Financial/Accounting Controls Analyst



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May 12, 2022

Ms. Lainie McHugh, Chairwoman  
Town of Trumbull Board of Finance  
5866 Main Street  
Trumbull, CT 06611

Dear Ms. McHugh,

The Office of Internal Audit herein presents the 2023 Annual Internal Audit Plan for the consideration and approval of the Town of Trumbull Board of Finance. This plan is for the period July 1, 2022 through June 30, 2023.

The Office of Internal Audit follows the Institute of Internal Auditors' (IIA) standards. The IIA's Standard 2010 of the "International Standards for the Professional Practice of Internal Auditing," states the audit plan is a risk-based plan. The Audits selected in this plan are the result of information obtained from informal interviews with senior management, feedback from the members of the Board of Finance, and the external auditor's, Clifton Larson Allen LLP, recommendations on their fiscal year end 2020 Audit report dated March 29, 2021. The scheduled audits address high-risk areas, critical issues, and programs that are of interest to the Town of Trumbull and its residents.

The Institute of Internal Auditors (IIA) defines the role of the Internal Auditor as follows:

*Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*

The internal audit activity provides assurance that internal controls in place are adequate to mitigate the risks, governance processes are effective and efficient, and organizational goals and objectives are met. In accordance with the IIA's standards, auditors may participate on committees or task forces in a purely advisory capacity to advise management on issues related to the knowledge and skills of the auditors without impairing their independence. However, auditors should not make management decisions or perform management functions. Auditors can provide routine advice to management to assist in activities such as establishing internal controls or implementing audit recommendations and can answer technical questions and/or provide training. The decision to follow the auditor's advice remains with management.

The Office of Internal Audit may carry out additional work at the request of the Board of Finance and/or Management (including investigations), provided such work does not compromise the objectivity of the

audit service or achievement of the audit plan. Circumstances that arise during the course of the audit year that may alter this set of priorities will be communicated to the Board of Finance in as timely a manner as possible.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

Rebeca Lopez  
Financial/Accounting Controls Analyst

The following is a list of the audit activities proposed for the fiscal year ending June 30, 2023. The priority has not been determined. Situations may occur that force changes within a plan of audit activities, including suspected instances of fraud, waste, or abuse.

### Proposed Audit Plan

1. Cash Management: Planning and Zoning Department
  - Policies and Procedures – compliance
  - Cash Receipts, Credits & Deposit – record keeping, segregation of duties – completeness, accuracy, timeliness
2. Cash Management: Library
  - Policies and Procedures – compliance
  - Cash Receipts, Credits & Deposit – record keeping, segregation of duties – completeness, accuracy, timeliness
3. Cash Management: Parks & Rec January 2020 Report Follow up
  - Policies and Procedures – compliance
  - Accounts Receivable, Cash Receipts, Credits & Deposit – record keeping, segregation of duties and turn around – completeness, accuracy, timeliness
  - Allowance for Doubtful Accounts
4. Petty Cash –Public Works; Library; Police Department; EMS
  - Policy and Procedures –compliance
  - Allowable expenditures – completeness, accuracy
  - Authorizations – evident & Supporting docs –receipts
5. Revenue Billing/Collection: EMS
  - Policies and Procedures – compliance
  - Accounts Receivable, Cash Receipts, Credits & Deposit – record keeping, segregation of duties and turn around – completeness, accuracy, timeliness
  - Allowance for Doubtful Accounts
6. Follow up – CLA Report FYE June 2020 – **BOE Payroll Processing**
  - Segregation of duties – Payroll Register
  - Authorizations are evident – Manual Check Process-Controls in place
  - Cross training – vacation coverage – turnover
7. Agency Fund – Follow up January 2021 Audit Report-Individual Department
  - Policy & Procedures - compliance
  - Closed – unused
8. Follow up – Internal Audit Report January 2020 - **Parks & Recreation**
  - Policies and Procedure – documented and implemented
  - Revenue collection and cash management
  - Reconciliation of revenue accounts – complete, accurate, timely