

INTERNAL AUDIT REPORT

Lynn Scully, Internal Auditor
Town of Trumbull, CT

**PERFORMANCE AUDIT,
DEPARTMENT OF PUBLIC WORKS**

November 14, 2006

Town of Trumbull

CONNECTICUT



Letter of Transmittal

November 14, 2006

Mrs. Kathleen McGannon, Chairperson
Board of Finance
Town of Trumbull
5866 Main Street
Trumbull, CT 06611

Dear Mrs. McGannon,

I respectfully submit the enclosed Performance Audit of the Town's Department of Public Works.

The Department of Public Works for the Town of Trumbull is large and decentralized by nature of its variety of functional responsibilities. It represents approximately 11% of the Town's budget.

I would like to thank John Delvecchio, Director of Public Works and Lynn Heim, Finance Director for the cooperative nature of this engagement. While this audit was specifically designed to address opportunities to improve financial controls and efficiencies, I would like to compliment the Department on its overall professionalism and focus upon serving the Town to the best of its ability.

I would like to point out that Public Works will be revisited in the context of Revenues and Town Vehicles (also on the current Audit Plan) within the next several months.

Thank you for the opportunity to provide this information to the Board of Finance.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Lynn Scully", is written over a faint, larger version of the same signature.

Lynn Scully, Internal Auditor
Town of Trumbull

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A. Introduction

In November 2005, this Performance Audit of the Town of Trumbull’s Department of Public Works was commenced. Performance audits¹ provide information to improve program operations and facilitate decision making by parties with responsibility to oversee or initiate corrective action, and improve public accountability. Field work on this engagement was stopped due to unforeseen circumstances in January, 2006 and the engagement was resumed in earnest in September, 2006.

This engagement consisted of an overview of all key financial activities of the Town of Trumbull’s Department of Public Works, including (but not limited to):

- budgeting,
- procurement of goods and services,
- revenue processing,
- payroll,
- fixed asset management and
- financial reporting.

The purpose of this engagement was to identify opportunities to both strengthen internal controls within the organization and increase operational efficiencies.

A considerable number of Town employees assisted in this engagement, including:

• Thomas Baldwin , Highway Supervisor	• Joseph Mitri , Garage Supervisor
• Noa Benjamini , Comptroller, Public Works	• Dimitri Paris , Superintendent of Parks
• Robert Chimini , Purchasing Agent	• Maria Pires , Assistant Director of Finance
• John Delvecchio , Director of Public Works	• Joan Plouffe , Admin Asst. to First Selectman
• Lynn Heim , Director of Finance	• Dorothy Provenzano , Office Manager, Highway
• Ralph Iassogna , Superintendent of Schools	• Brian Smith , Assistant Town Engineer
• Mary Markham , Director of Recreation	• Joseph Solemene , Assistant Sewer Administrator
• Brenden McDonough , Tax Collector	• Robert Tranzillo , former Comptroller, Public Works

¹ as defined in Government Auditing Standards GAO-03-673G, 2.09

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There have been a number of changes to the Public Works organization during the course of this engagement. In November 2005, the General Foreman had recently moved up to the position of Acting Director of Public Works, the Deputy Director was out on sick leave and the Comptroller had announced his impending retirement.

At present, the Director of Public Works and Comptroller positions have been filled, but the Deputy Director and General Foreman positions remain vacant. According to information obtained from Civil Service, the updated job description for the Deputy Director position has been approved by the Civil Service board and the position will be advertised within the next few weeks. The General Foreman position was approved by the Civil Service Board as a promotional position. There are four applicants (application deadline has passed) and testing will commence in the near future.

The Town has recently invested in a web-based citizen request software module, *QAAlert*. Through the Town's website (www.trumbull-ct.gov), citizens will be able to report complaints and service requests directly to the departments responsible for the resolution. Training for the use of this software is underway in Public Works, so that departmental personnel will be able to track, manage, report and resolve all citizen requests through this system.

The rest of this report is organized as follows: Section B. is an overview of Public Works and the various departments/divisions, with certain relevant information such as number of employees, 2006-2007 budgets and brief narratives. Section C. includes findings and recommendations resulting from this engagement.

B. An Overview of Public Works

The Town's Director of Public Works oversees a diverse combination of Town departments, including Highway, Transfer Station, Parks, Engineering , Sewers and Tree Warden. There are currently 87.5 Town employees (a few are open positions) in Public Works, not including seasonal or contracted workers. The 2006-2007 Expenditure Budget for Public Works is roughly 11% of the Town's approved budget. This budget is broken down as follows:

Public Works Expenditure Budget Analysis 2006-2007

Acct #	Description			
01014000	Custodial Services	\$	279,647	2.03%
01015000	Recycling Commission		3,850	0.03%
01030000	Public Works Director		145,919	1.06%
01030023	Security-Bldg & Grounds		69,890	0.51%
01030025	Public Works - Streetlights		342,905	2.49%
01030100	Public Works - Highway		2,993,954	21.73%
01030101	HW-Snow Removal		459,000	3.33%
01030105	HW-Construction		340,000	2.47%
01030200	Public Works - Maint/Fleet		779,730	5.66%
01030400	Disposal Area		1,911,694	13.88%
01030500	Town Engineer		439,700	3.19%
01080600	Parks		1,413,815	10.26%
01080800	Tree Warden		83,600	0.61%
20100000	Sewers - WPCA		4,513,006	32.76%
		\$	13,776,710	100.00%
Total Approved Budget for TOT 2006 - 2007			127,259,015	
Public Works Percentage			11%	

These 14 budgetary divisions are presented below. It is important to note that certain of the divisions have various streams of miscellaneous revenue. I have noted the type and approximate annual amount of such revenue wherever possible.

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1. Custodial Services

01014000 - Custodial Services

# Employees:	4.5
2006-2007 Departmental Budget:	\$ 279,647
Percentage of PW Budget:	2.03%

Custodial services for the Town are in one department under the direction of the Director of Public Works. This function of the Town has been partially outsourced (booked as ancillary services) since 1994.

Custodial Services

01014000	501101	FT Salaries (4 FT Employees)	155,201.00	55%
	501102	PT Salaries (1 PT Employee –New)	14,196.00	5%
	501105	OT	2,500.00	1%
	501106	Longevity	850.00	0%
	501888	Uniform Allow	400.00	0%
	522203	Svcs-Ancillary	106,500.00	38%
			279,647.00	100%

2. Recycling

01015000 – Recycling

# Employees:	0
2006-2007 Departmental Budget:	\$ 3,850
Percentage of PW Budget:	0.03%

The Recycling budget is focused on the alternative disposal methods for items that used to be trash. Trumbull has recycled nearly 40% of its trash for several years now. Currently, this account pays for programs, administration and materials designed to maximize Trumbull's recycling and for testing.

It should be noted that a portion of the recycling expenditures are reimbursable from the Towns of Monroe and Easton.

Recycling

1015000	522205	Program Exp	2,350.00	61%
	534402	Mtls - Prog	1,500.00	39%
			3,850.00	100%

It is also important to note that the Director of Public Works has begun selling composted leaf material on behalf of the Town. To date, this endeavor has grossed \$77,770. Most recently, the department has begun to charge \$30/load for leaves from commercial landscapers. The sale of these special dump tickets has grossed \$1,830 in the first 3 days of operation.

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3. Public Works Director

01030000 - Public Works Director

# Employees:	2
2006-2007 Departmental Budget:	\$ 145,919
Percentage of PW Budget:	1.06%

The Public Works Director provides technical advice to the Town and all Boards, Commissions, Committees, and officers thereof concerning the engineering matters of the Town and the design and construction of its physical plant. The Director and Office Manager share office space with the Engineering and Sewer departments at Town Hall.

Public Works Director

01030000	501101	FT Salaries (2 FT Employees)	141,254.00	97%
	501106	Longevity	625.00	0%
	501888	Uniform Allow	100.00	0%
	556601	Prf Dev - Sem	2,300.00	2%
	556602	Prf Dev - Prf	140.00	0%
	567704	Exp Acct	500.00	0%
	590014	Telephone	1,000.00	1%
			145,919.00	100%

4. Security – Buildings and Grounds

01030023 - Security – Buildings & Grounds

# Employees:	<i>0</i>
2006-2007 Departmental Budget:	<i>\$ 69,890</i>
Percentage of PW Budget:	<i>0.51%</i>

This account is used for security related expenses such as Alarm Monitoring Services for municipal buildings and properties.

Security - Buildings & Grounds

1030023	522204	Svs - Contract	4,590.00	7%
	578802	Mntc - Equip	1,300.00	2%
	581888	Capital Outlay	-	0%
	590012	Util-Elec	4,000.00	6%
	590017	Sewer Fee	60,000.00	86%
			69,890.00	100%

5. Public Works – Street Lights

01030025 - Public Works – Street Lights

# Employees:	<i>0</i>
2006-2007 Departmental Budget:	<i>\$ 342,905</i>
Percentage of PW Budget:	<i>2.49%</i>

This account is used solely for the installation, maintenance, and monthly electrical billing of all streetlights in the Town of Trumbull.

PW - Street Lights

1030025	590015	Street Lights	342,905.00
			342,905.00

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6. Public Works - Highway

01030100 - Public Works – Highway

# Employees:	46
2006-2007 Departmental Budget:	\$ 2,993,954
Percentage of PW Budget:	21.73%
2005-2006 Revenues (unaudited)	\$ 59,074

The Highway Division of the Department of Public Works is led by the Director of Public Works. The division is responsible for the construction, reconstruction, maintenance, paving, repairing, cleaning and snow clearance for all Town streets. The department also repairs signs, highway guide posts, fences, dams, storm sewers and makes other public improvements. It is also responsible for bulky waste pick-up and the annual leaf collection program.

Public Works - Highway

1030100	501101	FT Salaries	2,232,341.00	74.56%
	501103	Seasonal	20,280.00	0.68%
	501105	OT	22,000.00	0.73%
	501106	Longevity	3,500.00	0.12%
	501888	Uniform Allow	9,600.00	0.32%
	522203	Ancillary	44,000.00	1.47%
	534401	Office Supplies	1,500.00	0.05%
	534402	Program Supplies	150,000.00	5.01%
	534403	Cleaning Supplies	400.00	0.01%
	545503	Public Relations	7,000.00	0.23%
	556601	Prf Dev - Sem	800.00	0.03%
	556602	Prf Dev - Prf	30.00	0.00%
	578801	Service Co	3,640.00	0.12%
	578802	Equipment - Repairs	21,000.00	0.70%

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578803	Program - RE	21,000.00	0.70%
581888	Capital Outlay	6,300.00	0.21%
589901	Annual Rentals	320,013.00	10.69%
589902	Occasional	25,000.00	0.84%
590011	Heat	48,350.00	1.61%
590012	Electric	35,700.00	1.19%
590013	Water	6,500.00	0.22%
590014	Telephone	15,000.00	0.50%
		2,993,954.00	100.00%

7. Highway - Snow

01030101 - Highway – Snow

# Employees:	0
2006-2007 Departmental Budget:	\$ 459,000
Percentage of PW Budget:	3.33%

Overtime specifically associated with snow removal along with materials such as sand and salt are accounted for within these accounts.

Highway - Snow

1030101	501105	Sal - OT	159,000.00	35%
	534402	Program Supplies	300,000.00	65%
			459,000.00	100%

8. Highway - Construction

01030105 - Highway – Construction

# Employees:	<i>0</i>
2006-2007 Departmental Budget:	<i>\$ 340,000</i>
Percentage of PW Budget:	<i>2.47%</i>

These funds are used for drainage and construction projects. It should be noted that only the costs of materials associated with such projects are accounted for within this line item. The corresponding labor costs remain in the Highway accounts.

The Town has also applied for and receives LoCIP (Local Capital Improvement Program) reimbursements from the State, which are to be used specifically for capital improvements. For this fiscal year, the LoCIP funds granted to the Town are approximately \$243,000.

Highway - Construction

1030105 522205 Program Expense 340,000.00

9. Public Works – Maintenance/Fleet

01030200 - Public Works – Maintenance/Fleet

# Employees:	4
2006-2007 Departmental Budget:	\$ 779,730
Percentage of PW Budget:	5.66%

The Maintenance Division is responsible for the ongoing maintenance of all municipal buildings, except those occupied by Trumbull Public Schools (TPS). There are three tradesmen who are responsible for repairs and assisting in construction projects. Also included in this budget are the materials associated with Fleet Maintenance such as gas, oil, grease and repairs for most Town vehicles (with the exception of TPS vehicles). Labor costs for Fleet Maintenance are accounted for within the Highway budget.

Public Works - Maintenance/Fleet

1030200	501101	FT Salaries	207,669.00	27%
	501105	OT	2,100.00	0%
	501888	Uniform Allowance	800.00	0%
	522203	Svs - Ancillary	4,000.00	1%
	534402	Program Supplies	7,000.00	1%
	567701	Gas, Oil	323,465.00	41%
	567702	Vehicle Repair	211,000.00	27%
	589901	Rentals - A/LS	23,196.00	3%
	589902	Occasional	500.00	0%
			779,730.00	100%

10. Disposal Area

0103400 - Disposal Area

# Employees:	2
2006-2007 Departmental Budget:	\$ 1,911,694
Percentage of PW Budget:	13.88%
2005-2006 Revenues (unaudited)	\$ 223,010

Dump tickets for the Transfer Station are sold in the Highway Department, along with blue recycling bins and Garbage Hauler licenses. All Trumbull residents, with proper identification, are permitted to bring trash directly to the Transfer Station free of charge, with the exception of demolition materials and certain hazardous items. Professional haulers from Trumbull, Monroe and Easton (and residents with demolition materials) are required to purchase dump tickets.

The Towns of Easton and Monroe utilize Trumbull's Transfer Station and are billed for a portion of the Transfer Station salaries and Trumbull Easton and Monroe (recycling program "TEAM") expenses by the Comptroller. The Comptroller calculates Easton and Monroe's share of the monthly charges from the Connecticut Resources Recovery Authority (CRRA) and CRRA bills those Towns directly.

Disposal Area

1030400	501101	FT Salaries	96,929.00	5%
	501105	OT	25,390.00	1%
	501106	Longevity	325.00	0%
	501888	Uniform Allowance	400.00	0%
	522204	Contractual	1,718,350.00	90%
	522207	Spec Contr	23,220.00	1%
	534402	Program Supplies	2,390.00	0%
	581886	Hazardous	13,475.00	1%
	589901	Rentals A/Ls	31,215.00	2%
			1,911,694.00	100%

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11. Town Engineer

01030500 - Town Engineer

# Employees:	7.5
2006-2007 Departmental Budget:	\$ 439,700
Percentage of PW Budget:	3.19%
2005-2006 Revenues (unaudited)	\$ 58,919

The Engineering Division provides engineering and technical assistance to residents and Town agencies in accordance with the laws, regulations and policies of the Town of Trumbull.

Town Engineer

1030500	501101	FT Salaries	388,334.00	88%
	501102	PT Salaries	26,894.00	6%
	501103	Seasonal	-	0%
	501105	OT	6,847.00	2%
	501106	Longevity	2,125.00	0%
	501888	Uniform Allowance	750.00	0%
	522202	Professional	5,000.00	1%
	522203	Svs - Ancillary	400.00	0%
	522204	Svs - Contractual	1,000.00	0%
	534401	Office Supplies	3,600.00	1%
	534402	Program Supplies	3,500.00	1%
	545501	Legal Notices	250.00	0%
	578802	Equipment/Repair	1,000.00	0%
	581888	Capital Outlay	-	0%
			439,700.00	100%

12. Parks

01080600 - Parks

# Employees:	16.5
2006-2007 Departmental Budget:	\$ 1,413,815
Percentage of PW Budget:	10.26%
2005-2006 Revenues (unaudited)	\$ 9,760

This division oversees over 1,400 acres of Trumbull's parks and grounds. The Superintendent of Parks reports to the Director of Public Works administratively and functionally to the Parks Commission. The Parks Commission consists of 8 appointed members and is responsible for the care, management and control of all parks and grounds used for park and recreational purposes, with the exception of the public golf courses.

The Superintendent of Parks along with divisional staff occupies warehouse facilities alongside the Highway division.

Revenues for this division include fees for use of certain park facilities (park permit fees determined by the Parks Commission), reimbursements for field lights and Park Ranger duty for special events. Park permit fees are paid in advance through the Recreation Office. Billing for field lights is also done by the Director of Recreation on behalf of the Parks division. (See Section C. Findings and Recommendations, 3.b. for information regarding billing for Park Ranger time)

The Town has recently been awarded a \$400,000 Small Town Economic Assistance Program (STEAP) grant from the state. Improvements are planned for Robert G. Beach Memorial Park, Greenbest Tennis Courts, Indian Ledge Park, Gunther Memorial Park (formerly Pondview Park) and Island Brook Park.

Parks

1080600	501101	FT Salaries	723,715.00	51%
	501102	PT Salaries	26,969.00	2%
	501103	Seasonal	62,487.00	4%
	501105	OT	37,000.00	3%
	501106	Longevity	1,625.00	0%
	501120	AED Stipend		0%

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		800.00	
501888	Uniform Allowance	4,300.00	0%
522203	Svc - Ancillary	178,000.00	13%
534401	Mtls - Office	400.00	0%
534402	Program Supplies	67,500.00	5%
534403	Mtls - Cleaning	5,200.00	0%
545502	Com - Pub RP	200.00	0%
545503	Public Relations	2,800.00	0%
556601	Prf Dev - Sem	1,099.00	0%
578801	Service Co	6,613.00	0%
578802	Equipment//Building Maintenance	19,000.00	1%
578803	Program - RE	45,000.00	3%
581888	Capital Outlay	-	0%
589901	Annual Rentals	102,157.00	7%
589902	Occasional	7,000.00	0%
590011	Heat	2,950.00	0%
590012	Electricity	68,000.00	5%
590013	Water	39,000.00	3%
590014	Telephone	12,000.00	1%
		1,413,815.00	100%

13. Tree Warden

01080800 - Tree Warden

# Employees:	.5
2006-2007 Departmental Budget:	\$ 83,600
Percentage of PW Budget:	0.61%

The Town's Tree Warden works part time (20 hours) and receives benefits. According to the Town Charter, ***the Tree Warden, under the direction and control of the Director of Public Works, shall have charge of the planting, preservation, care and removal of trees within highways or public places on Town property, and such duties are imposed by law. The Tree Warden shall be licensed as a tree expert, as defined by the General Statutes.***

Most of the funds allocated to this division are used for outside contractual tree services (see Section C., Findings and Recommendations # 7.a. and b.).

Tree Warden

1080800	501101	FT Salaries	18,600.00	22%
	522205	Program Exp	50,000.00	60%
	578806	Emergency Services	15,000.00	18%
			83,600.00	100%

14. Sewers - Enterprise

20100000 - Sewers – Enterprise

# Employees:	4.5
2006-2007 Departmental Budget:	\$ 4,513,006
Percentage of PW Budget:	32.76%

This division of Public Works is set up as an enterprise fund, where operations are financed from special assessments and direct charges to the users of the service. It is governed by the Water Pollution Control Authority (WPCA), an appointed commission of 5 members. This commission has the power by statute to acquire, construct and operate a sewerage system for the Town, make rules and regulations for the operation of the system, and enter into contracts for the system.

The division is responsible for the maintenance of 12 Pump Stations in Town, including:

- Beardsley Pump Station
- Hawley Lane Pump Station
- Pinewood Lake Pump Station
- Madison Avenue Pump Station
- Merritt Pump Station
- Old Town Pump Station
- Park Avenue Pump Station
- Reservoir Pump Station
- Scenic Hill Road Pump Station
- Trefoil Pump Station
- Whitney Pump Station
- Wildwood Pump Station

The Assistant Sewer Administrator, who works in the Engineering Division of Public Works, reports directly to the Director of Public Works. He is responsible for preparing a formula for assessing taxes and user fees. This is reviewed by the WPCA and a public hearing is held in May. The WPCA then modifies and approves the rates. Individual assessments are determined by square footage (frontage) and user fees are determined by a combination of estimated and actual water consumption information. Once this information is calculated within the department, it is forwarded to the Tax Collector for billing.

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Sewers - Enterprise

20100000	501101	FT Salaries	173,553.00	3.85%
	501102	PT Salaries	29,681.00	0.66%
	501103	Seasonal	4,542.00	0.10%
	501105	OT	6,500.00	0.14%
	501106	Longevity	1,050.00	0.02%
	501888	Uniform Allowance	750.00	0.02%
	522201	Svs - Clerical	1,032.00	0.02%
	522204	Svs - Contractual	3,522,518.00	78.05%
	522210	Reimb - GF	393,460.00	8.72%
	534402	Mtls - Prog	21,000.00	0.47%
	545501	Com- Legal	8,000.00	0.18%
	567701	Trnsp- Gas	5,700.00	0.13%
	567702	Trnsp - Veh	8,000.00	0.18%
	578801	Mntnce - SV	40,000.00	0.89%
	578803	Mntnce - Prg	25,000.00	0.55%
	578805	Xtra Item	25,000.00	0.55%
	581888	Capital Outlay	125,000.00	2.77%
	589901	Rntls-A/Ls	3,600.00	0.08%
	590011	Heat	8,120.00	0.18%
	590012	Electric	98,000.00	2.17%
	590013	Water	2,000.00	0.04%
	590014	Telephone	10,500.00	0.23%
			4,513,006.00	100.00%

C. Findings & Recommendations

1.	Budgeting
a.	<p><u>Finding:</u> Vehicle purchased despite budget cut</p> <p>Despite the fact that funding for a replacement vehicle requested by the WPCA had been cut by the Town Council, a truck was purchased on August 31, 2006. In looking into the circumstances of this transaction, it appears that the Assistant Sewer Administrator was unaware that this item had specifically been cut from the WPCA's budget. Because this purchase was necessary due to safety issues with the vehicle being replaced, the Assistant Sewer Administrator has decided to postpone another capital expenditure in order to stay within budget.</p>
	<p><u>Recommendation(s):</u></p> <p>It is imperative that administrators with budgetary responsibilities monitor their requests throughout the entire budget approval process. Further, administrators should review the status of each budgetary line item frequently (monthly, at minimum), so that any errors are detected and addressed in a timely manner.</p> <p>It is the opinion of this auditor that all capital expenditures should be subject to the approval of the Town's Director of Finance as Purchasing Authority.</p>
2.	Procurement
a.	<p><u>Finding:</u> Purchase Orders dated after invoice dates</p> <p>In the beginning of the current fiscal year, the Director of Finance communicated to all Department Heads that there were to be no more Emergency Purchase Orders issued by the Purchasing Department. The intent of this change in procedures was to a) put a halt to Town personnel having advanced authorization to directly purchase goods or services and b) address the recurring observation of the external auditors regarding Confirming Purchase Orders (invoices dated prior to the issuance of purchase orders).</p> <p>In an attempt to determine whether this change in procedure had reduced the number of confirming purchase orders, a number of Public Works transactions were selected and tested. The results of this testing were that 76% of the payment packages contained confirming purchase orders.</p>

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	<p><i>These results indicate that the majority of goods and services continue to be procured from vendors directly by various representatives of the Public Works department without prior approval by the Purchasing Department.</i></p> <p>There has been an effort to utilize the online/electronic requisitioning function of MUNIS (the capability exists in both the old and new versions), which would streamline the procurement process considerably. However, due to technical issues, the Office Manager in the Highway Department who initiates the majority of the requisitions for Public Works has not been able to effectively use this option. These issues are in the process of being addressed by the Town's Technology Department.</p> <p>It should also be noted that a draft Purchasing Policies and Procedures manual is still in the development stage.</p>
	<p><u>Recommendation(s):</u></p> <p>An effective purchase order system follows specific steps from requisitioning the good or service to approval of the claim for payment. By following the process, certain internal controls are inherent to ensure:</p> <ul style="list-style-type: none"> • the best value is obtained; • proper authority exists before commitments are made; • there are sufficient funds for the purchases; and • competitive bidding requirements are met. <p>As the Town is presently in the process of upgrading to a newer, more user-friendly version of MUNIS which will be accessible to all departments of the Town, this is an opportune time to develop and communicate effective purchasing policies and procedures. Such policies and procedures should <i>clearly prohibit Town personnel from directly conducting transactions with vendors without proper approval.</i></p>
3.	Revenues
a.	<p><u>Finding – Revenue detail not accounted for in MUNIS</u></p> <p>With the exception of Police Special Detail and certain special revenue funds, detail for most miscellaneous revenue is not accounted for within MUNIS. Presently, miscellaneous revenue throughout Public Works is billed and accounted for manually and/or in spreadsheets and collected in the various division offices (and it is likely that this is a Town-wide practice). Bank deposit slips along with a summary sheet outlining how to record the associated revenues are provided to the Town's Revenue</p>

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	<p>Coordinator who records this information into a large spreadsheet file and eventually into MUNIS via journal entry.</p> <p>There are a number of internal control concerns regarding this practice:</p> <ul style="list-style-type: none"> • Segregation of duties – The person responsible for billing and recording the receivable is often also the individual handling the cash depositing and recording. • Inadequate reporting and oversight – There is presently no way for Finance personnel to easily determine that miscellaneous receivable data is complete and up-to-date or that cash receipts were handled properly.
	<p><u>Recommendation(s):</u></p> <p>As this is really a Town-wide issue (rather than specific to Public Works), it should be noted that Revenues is a topic on this year’s Audit Plan and will be addressed in greater detail at that time. In the interim, however, the following are some suggestions that are intended to assist in strengthening controls over miscellaneous revenues:</p> <ul style="list-style-type: none"> • Present policies regarding cash should be reviewed and updated to ensure that bank deposits are made weekly (at a minimum). • To coincide with the upcoming budgetary process, all department heads should be responsible for compiling a list of all revenue sources that are handled within their department or division for presentation to the First Selectman and Board of Finance. • Monthly revenue activity reports should be provided to the Town’s Director of Finance (copy to Internal Auditor). • The revenue capability of the upgraded MUNIS system should be evaluated to determine how the varied miscellaneous receivable can best be accommodated. • <i>Centralized cash receipts processing should be given serious consideration.</i>
<p>b.</p>	<p><u>Finding: Miscellaneous billings overlooked</u></p> <p>It appears that certain billable Park Ranger time to Trumbull Little League and other miscellaneous organizations has not been properly captured or billed. This involves the current fiscal year and also 2005-2006.</p>

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	<p><u>Recommendation(s):</u></p> <p>The Town’s Finance department will review timesheets in order to capture outstanding billable time and will bill these organizations accordingly.</p>
4.	<p>Payroll</p>
a.	<p><u>Finding: Cumbersome Time and Attendance process</u></p> <p>Weekly timecards/timesheets are used for the majority of Public Works personnel. This information is summarized on “yellow sheets” which are forwarded to the Payroll Coordinator at Town Hall for input into the payroll module of MUNIS and the original timecard/timesheets are forwarded to the Town’s Personnel Manager for entry into the leave accounting module of MUNIS. This is presently a cumbersome, manual process.</p>
	<p><u>Recommendation(s):</u></p> <p>Both the old and new versions of MUNIS have a Time and Attendance function within the Payroll module that would allow for remote entry of time and attendance information. If this function were utilized by the Comptroller, the roles of both the Personnel Manager and Payroll Coordinator would be to review this information for completeness and accuracy. It is my understanding that the Finance department is planning to make this change in procedures in the very near future for some of the Town’s larger departments.</p>
5.	<p>Fixed Assets</p>
a.	<p><u>Finding: Municipal Vehicle Reporting Requirements not met</u></p> <p>Several years ago, the Town was issued a block of municipal license plates for Town-owned motor vehicles. After discussion with representatives of the State’s Department of Motor Vehicles, it was determined that the Town has neglected to send a required annual motor vehicle inventory listing to the State (the last inventory report from Trumbull that they had on file was dated March 17, 2000).</p>
	<p><u>Recommendation(s):</u></p> <p>The Town’s Finance Department has been made aware of this deficiency and is promptly addressing this oversight.</p> <p>It should be noted that an audit of Town Vehicles is on the Audit plan for</p>

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	this fiscal year.
6.	Financial Reporting
a.	<p><u>Finding:</u> Inadequate Training for MUNIS system and reports</p> <p>Users and would-be users of the MUNIS financial system are inadequately trained and therefore rely heavily on the Assistant Director of Finance for pertinent financial information. This puts a considerable burden on the Assistant Director of Finance, whose time is better spent monitoring the system for completeness and accuracy.</p>
	<p><u>Recommendation(s):</u></p> <p>While initial basic training sessions were provided for all Department heads and other users of the financial system, a “refresher course” is highly recommended. Because funds for training are always severely limited, the Town might utilize a “train the trainer” program where a few willing and able Town employees would invest some time in learning the new version of MUNIS and its reporting capabilities so that they can train the rest of the users. The goal of this endeavor would be to empower the departments to routinely monitor the activity in the various accounts that they are responsible for, thereby “freeing up” the Assistant Director of Finance for higher-level accounting activities. Certain of these trainers might also be designated as “super-users,” voluntarily available for routine MUNIS troubleshooting throughout the Town.</p>

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7.	Other Matters																					
	<p>a. <u>Finding: Tree Warden (Potential) Conflict of Interest</u></p> <p>Trumbull's long-time Tree Warden owns and operates a local tree service which has been a vendor to the Town for many years. His current salary is \$18,600 with full benefits. This is a First Selectman-appointed position that reports to the Director of Public Works.</p> <p>Long Hill Tree & Lawn Care Service, Inc. owned by the Tree Warden (and/or his son in his capacity as Vice President), is a significant vendor of the Town of Trumbull. Amounts received from the Town in recent years are as follows:</p> <table data-bbox="568 693 990 945"> <tr> <td>2006-2007 YTD</td> <td>\$</td> <td>20,935</td> </tr> <tr> <td>2005-2006</td> <td></td> <td>101,075</td> </tr> <tr> <td>2004-2005</td> <td></td> <td>78,860</td> </tr> <tr> <td>2003-2004</td> <td></td> <td>87,995</td> </tr> <tr> <td>2002-2003</td> <td></td> <td>113,255</td> </tr> <tr> <td>2001-2002</td> <td></td> <td>127,160</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 529,280</td> </tr> </table> <p>It should be noted that the majority of these payments were charged to the two accounts for which the Tree Warden has direct responsibility.</p> <p>The Town's Charter addresses the issue of Conflict of Interest in <i>Chapter VII, Section 28.A.</i> as follows:</p> <p style="padding-left: 40px;"><i>Conflict of Interest.</i> <i>Any elected or appointed officer or any employee of the Town who has a special financial interest, direct or indirect, in any contract, transaction or decision before a board or committee, or special committee of the Town shall disclose, prior to participation on that issue, that interest to the First Selectman or to the chairman of the body involved who shall cause such disclosure to be recorded upon the official minutes of the body.</i></p> <p>The Town's Code of Ethics (Section VI., B.1.(a,b)) clearly states that :</p> <p style="padding-left: 40px;"><i>A conflict of interest is declared to exist when the vote or other official act of any official or employee may result in personal advantage or financial gain, or otherwise affect the financial interest of:</i></p> <p style="padding-left: 40px;">(a) <i>that official or employee,</i></p> <p style="padding-left: 40px;">(b) <i>the following relatives of that official or employee or of the relatives of the spouse of that official or employee: spouse,</i></p>	2006-2007 YTD	\$	20,935	2005-2006		101,075	2004-2005		78,860	2003-2004		87,995	2002-2003		113,255	2001-2002		127,160			\$ 529,280
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	<p style="text-align: center;"><i>child, grandchild, parent, grandparent, sibling, aunt, uncle, niece, nephew, cousin...etc</i></p> <p>The Town's specifications within the latest Request For Proposal (RFP) for Town Wide Tree Maintenance, Removal and Pruning (Bid # 5589, November 18, 2004 - #18.) also include the following statement regarding Conflict of Interest:</p> <p style="text-align: center;"><i>Conflict of Interest – No purchase shall be made from nor shall services (other than services as an officer, agent, or employee of the Town) be secured from any officer or employee of the Town, or from any partnership or corporation in which such officer or employee is a partner or officer, or holds substantial interest, unless such relationship and the fact that such purchase is contemplated shall be made known in writing to the agency making such purchase, and notice thereof posted, for at least five (5) days before such purchase be made, in the office of the agency making such purchase and in a public place in the Trumbull Town Hall.</i></p> <p>While the Tree Warden does, in fact, follow the requirements as set forth in the bid specifications above (he posts a notice in the Purchasing office and the Town Clerk's office), it is the opinion of this auditor that every budgetary request from the Tree Warden constitutes a potential conflict of interest, in that the majority of his budgetary funds go to either his salary or to his company, which has been awarded the Town's contract for tree services for many years.</p>												
	<p><u>Recommendation(s)</u>: See Recommendations for a. & b. below</p>												
<p>b.</p>	<p><u>Finding: Questionable Bid Results for Tree Services</u></p> <p>After a review of the latest bid (Bid 5589, November 18, 2004) for tree services, the following information was determined:</p> <p>There were three (3) bid responses to Bid #5589</p> <table border="1" data-bbox="357 1533 1218 1848"> <thead> <tr> <th>Company Name</th> <th>Submitted By/Title</th> <th>Total Bid</th> </tr> </thead> <tbody> <tr> <td>Long Hill Tree Service</td> <td>Warren R. Jacques, Owner</td> <td>64,385</td> </tr> <tr> <td>Long Hill Tree & Lawn Care Service, Inc.</td> <td>Scott Jacques, Vice President</td> <td>64,285</td> </tr> <tr> <td>Shapiro Tree</td> <td>David Shapiro, President</td> <td>269,400</td> </tr> </tbody> </table>	Company Name	Submitted By/Title	Total Bid	Long Hill Tree Service	Warren R. Jacques, Owner	64,385	Long Hill Tree & Lawn Care Service, Inc.	Scott Jacques, Vice President	64,285	Shapiro Tree	David Shapiro, President	269,400
Company Name	Submitted By/Title	Total Bid											
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Shapiro Tree	David Shapiro, President	269,400											

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It should be noted that because the number of trees to be serviced cannot be predetermined from year to year, this RFQ was essentially a request for pricing. The pricing comparison for Bid #5589 is presented as Exhibit 1 below.

Exhibit 1 Bid #5589 November 18, 2004

	Long Hill Tree & Lawn Care, Inc.		Long Hill Tree Service		Shapiro Tree Service	
Tree Removal Work:	Price	Ext Price	Price	Ext Price	Price	Ext Price
Up to a 4" DBH* Tree (est qty 10 trees)	5.00	50.00	1.00	10.00	500.00	5,000.00
4.01"-10" (est qty 18 trees)	10.00	180.00	1.00	18.00	800.00	14,400.00
10.01"-14" (est qty 29 trees)	20.00	580.00	1.00	29.00	1,200.00	34,800.00
14.01"-18" (est qty 39 trees)	50.00	1,950.00	1.00	39.00	1,500.00	58,500.00
18.01"-22" (est qty 41 trees)	75.00	3,075.00	1.00	41.00	2,000.00	82,000.00
22.01"-24" (est qty 8 trees)	475.00	3,800.00	1.00	8.00	2,200.00	17,600.00
24.01"-30" (est qty 24 trees)	575.00	13,800.00	1.00	24.00	2,400.00	57,600.00
30.01"-36" (est qty 20 trees)	575.00	11,500.00	1.00	20.00	,500.00	50,000.00
36.01"-42" (est qty 20 trees)	575.00	11,500.00	1.00	20.00	2,600.00	52,000.00
42.01"-48" (est qty 2 trees)	975.00	1,950.00	25,712.00	51,424.00	3,000.00	6,000.00
48.01"-54" (est qty 1 tree)	1,575.00	1,575.00	1.00	1.00	3,200.00	3,200.00
54.01"-60" (est qty 1 tree)	1,575.00	1,575.00	1.00	1.00	3,400.00	3,400.00
Labor (est 170 hours)	75.00	12,750.00	75.00	12,750.00	300.00	51,000.00
TOTAL PROPOSAL PRICE (less pricing errors)		64,285.00		64,385.00		435,500.00 (166,100.00) 269,400.00
Additional Pricing Info:						
Crew Chief Climber	30.00		30.00		100.00	
Climber	25.00		25.00		125.00	
Groundsmen	20.00		20.00		75.00	
Chipper-14" log capacity (per day)	-		-		1,600.00	
Chipper-14" log capacity (per half day)	-		-		1,000.00	

* Diameter at breast height

A number of significant extension and computational errors existed in Shapiro's bid. If this bid had been computed properly, the total amount for comparative purposes would have been \$ 435,500. **The Long Hill Tree bids came in at 85% less than that price.**

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	<p>It is unclear why the Tree Warden submitted two (2) bids for tree services, from two (2) different companies. One bid, Long Hill Tree Service, was signed by the Tree Warden and the other, from Long Hill Tree and Lawn Service, Inc., was signed by his son as Vice President. It is my understanding that both companies are owned by the Tree Warden.</p> <p>It is also unclear as to why the bid from Long Hill Tree Service was priced as it was, with every tree priced at \$1 for removal, with the exception of a tree within 42.01"-48" priced at \$25,712.00. Even with this unusual pricing, the price came in exactly \$100 higher than the low bid.</p>
	<p><u>Recommendation(s) for a. & b.:</u></p> <p>Given the concerns regarding conflict of interest and questionable bidding practices, it is highly recommended that the Town's administration re-evaluate its current arrangements regarding the Tree Warden.</p>
<p>c.</p>	<p><u>Finding: No Inventory of Parts and Supplies</u></p> <p>The Town's Highway and Parks Divisions have a considerable inventory of tools and supplies such as batteries, tires, oil filters, etc. along with hardware and plumbing items. While security over these items appears to be very good, with access to these items limited to certain supervisory personnel and sign-out sheets utilized, it is my understanding that these items are not comprehensively or routinely inventoried. In the event of a catastrophic event resulting in a loss of inventory, it would be difficult to quantify the amount of such loss for insurance purposes.</p>
	<p><u>Recommendation(s):</u></p> <p>The Town's Technology and Finance Departments should review this situation with the Director of Public Works to determine whether it would be beneficial to automate an inventory system (the best scenario would be that this functionality is available through the upgraded MUNIS system).</p>
<p>d.</p>	<p><u>Finding: Vehicle Maintenance and Fuel not Charged Back to Departments</u></p> <p>While Public Works has commenced tracking vehicle related maintenance and fuel expenses by department, the associated costs are absorbed by the Maintenance Division of Public Works.</p>

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	<p><u>Recommendation(s):</u></p> <p>The Town should consider restructuring the accounts so that maintenance and fuel costs are accounted for by department. This will give a clearer picture of the costs associated with running a particular department and might also assist departments in justifying their capital expenditure requests.</p>
<p>e.</p>	<p><u>Finding: Checks to the Town of Trumbull (from the Town of Trumbull)</u></p> <p>Town-owned property is not exempt from Sewer Assessment and Sewer Use Charges. Presently, Sewer bills are generated by the Tax Collector for these properties and are forwarded to the Town’s Finance Office for processing. These bills are consolidated (they are printed and received per property) and a check is cut from the General Fund bank account, payable to the Town of Trumbull, Tax Collector. These payments are processed in the Tax Collector’s Office and are deposited back into the Town’s General Fund bank account. This is done presumably to facilitate the Tax Collector’s financial system (which is not integrated with MUNIS), so that the different accounts can be closed out properly and reconciled with cash collected.</p> <p>If payments to the Sewer accounts are mis-posted (an assessment payment erroneously posted to a user fee line item, for example), Sewer refunds are initiated to “zero out” one account and post to the correct one. These Sewer refunds also involve a check from the Finance Office to the Tax Collector’s Office.</p>
	<p><u>Recommendation(s):</u></p> <p>A more sensible way of handling such transactions is to use the “due to” and “due from” capabilities of the financial system. Since the two financial systems are not integrated, a memo regarding the amounts posted in MUNIS could be forwarded to the Tax Collector (in lieu of a check) for posting to his system and reconciling with cash on hand.</p> <p>The Tax Collector should address this issue of how to transfer funds between accounts with the support personnel of Quality Data (the Tax Assessment/Collection software vendor). Sewer refunds should not be used for this purpose.</p> <p>Finally, Quality Data should also be contacted to determine how to suppress the printing of bills to the Town of Trumbull so that this information could be communicated by interoffice memorandum.</p>