



Performance Audit of the Trumbull Senior Center

Internal Audit Follow-up Report

TOWN OF TRUMBULL, CT

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Foreword

The internal audit function is an important tool of management for maintaining the integrity, efficiency and the effectiveness of financial systems and other management controls that are in place. The conducting of an effective internal audit is necessary to promote high standards of corporate governance.

Performance audits are defined as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practice. A performance audit also provides objective analysis so that management and those charged with governance and oversight can use the information in this report to improve program performance and operations, reduce costs, facilitate decisions by those who are responsible to oversee or initiate corrective action and contribute to public accountability.

During the months of July and August of 2010 I conducted an internal audit review of the Trumbull Senior Center. That report documented eleven audit finding recommendations for implementation. This follow-up report is intended to be a reminder to the Senior Center Commission of those recommendations as well as an update to the Board of Finance on the progress of implementation of those recommendations as well as any new audit recommendations.

As part of the audit process I interviewed personnel at the Trumbull Senior Center and made various field observations. This follow-up review investigated the daily operations of the Senior Center and compared them to the standards of the National Institute of Senior Centers (NCOA).

The Senior Center Commission should only seek accreditation after making the recommended remedial changes to its culture and structure. Until the major recommendations of the prior audit report are implemented it would not be a worthwhile endeavor to seek accreditation at this time.

Respectfully submitted,



James Henderson
Financial/Accounting Controls Analyst

Executive Summary

This performance follow-up audit uses the National Institute of Senior Centers self –assessment guidelines as a basis to determine if the Trumbull Senior Center is meeting its mission in a nationally accepted professional manner. The basis utilized is compliance with nine standards of senior center operations.

Standard 1: Purpose

A senior center shall have a written statement of its mission consistent with the senior center philosophy. It shall also have a written statement of its goals and objectives based on its mission and on the needs and interests of older adults in its community or service area. A senior center shall have written action plans that describe how its program will achieve goals and objectives. These statements shall be used to guide the character and direction of the senior center's operation and program.

Standard 2: Community

A senior center shall participate in cooperative community planning, establish service delivery arrangements with other community agencies and organizations, and serve as a focal point in the community. A senior center shall be a source of public information, community education, advocacy, and opportunities for older adults.

Standard 3: Governance

A senior center shall be organized to create effective relationships among participants, staff, governing structure, and the community in order to achieve its mission and goals.

Standard 4: Administration and Human Resources

A senior center shall have clear administrative and human resources policies and procedures that contribute to the effective management of its operation. It shall be staffed by qualified personnel paid and volunteer capable of implementing its program.

Standard 5: Program Planning

A senior center shall provide a broad range of group and individual activities and services that respond to the needs and interests of older adults, families, and caregivers in its community or service area.

Standard 6: Evaluation

A senior center shall have appropriate and adequate arrangements to evaluate and report on its operation and program.

Standard 7: Fiscal Management

A senior center shall practice sound fiscal planning and management, financial record keeping, and reporting.

Standard 8: Records and Reports

A senior center shall keep complete records required to operate, plan and review its program. It shall regularly prepare and circulate reports to inform its governing structure, its participants, staff, funders, public officials, and the general public about all aspects of its operation and program.

Standard 9: Facility

A senior center shall make use of facilities that promote effective program operation and that provide for the health, safety, and comfort of participants, staff, and community.

Background

Generally accepted government auditing standards require me to follow-up on all significant findings and recommendations to determine whether the areas audited have taken timely and corrective actions. The continued attention to significant findings and recommendations is necessary to ensure that the organization realizes the full benefits of the audit process.

In order to effectively monitor progress on findings and recommendations, I am maintaining a database of all audit findings that have been included in my reports. I will notify the Senior Center by memo regarding outstanding findings and ask that they respond back to me about their progress towards resolving those findings. Once the Senior Center responds, I will schedule a site visit so that I can observe any changes they have implemented and test the effectiveness of those changes to the overall operation of the Center. Those findings that have been satisfactorily addressed will be marked as such in my database and will require no future audit review. Those findings that are not fully implemented will not be marked in the database and will continue to appear on my future follow-up reports to the Board of Finance. Partial implementations will be noted as such and referenced for future follow-up review and completion.

Purpose

The purpose of this audit is to determine the progress the Senior Center Commission has made in implementing the planned actions to address the audit findings of the performance review report issued on September 16, 2010.

Scope

The scope will be the review and testing of audit findings that relate to the established criteria of the “**Minimum Standards for Senior Centers**” as developed by the National Institute of Senior Centers in conjunction with the National Council on Aging (NCOA).

Methodology

As I have described in the background section above, a database will be utilized to track the status of all reported audit findings. Limited observation and test work will be performed to determine the effectiveness of any actions taken by management in response to the documented audit findings. I will review any on-going concerns with the Senior Center Commission, revise implementation plans and dates as required, and prepare a written report documenting those reviews.

I conducted this follow-up audit in accordance with **Generally Accepted Government Auditing Standards**. Those standards require that I plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for my findings and conclusions based on my audit objectives. I believe that the evidence obtained provides a reasonable basis for my findings and conclusions based on my audit objectives.

Town of Trumbull
Office of the Financial/Accounting Controls Analyst

In applying these **Generally Accepted Government Auditing Standards**, I am responsible for using my professional judgment when I establish the scope and methodology for my work, determining the tests and procedures that should be performed, conducting the work, and reporting the results. I need to maintain integrity and objectivity when performing this work to make decisions that are consistent with the broader public interest in the program or activity that is under review. When reporting the results of my work, I am responsible for disclosing all material or significant facts that I know which if not disclosed could mislead knowledgeable users, misrepresent the results of my findings, or conceal improper or unlawful practices.

Recommendations Follow-up Review

1) The Senior Center does not have a formal Mission Statement

Senior Center Commission response was: *The Senior Center Director will compose a mission statement which will be reviewed and approved by the Trumbull Senior Center Commission.*

Follow-up: The Senior Center Commission has developed written statements that express its basic purpose and mission. The mission statement has been included in a pamphlet suitable for distribution to the public and Senior Center patrons. The Mission Statement document has been approved by the Senior Center Commission at its May 20, 2011 meeting.

Recommendation is implemented

2) Goals and objectives of the Senior Center should be detailed and measurable

Senior Center Commission response was: *Goals and objectives will be composed by the Director which will be reviewed by the Senior Commission.*

Follow-up: The Director in conjunction with the Senior Center Commission has developed goals and objectives that will be included in a pamphlet that will be made available to the public. Per the original audit report they will be reviewed annually and modified as needed by the Senior Center Commission to reflect changes in either the service area or in the program level of service. The Senior Center Commission has approved the goals and objectives that were formulated at its May 20, 2011 meeting.

Recommendation is implemented

3) Governing documents should be developed

Senior Center Commission response was: *Senior Center by-laws and charter does not exist other than for the Senior Commission itself. This item must be discussed with the First Selectman.*

Follow-up: The Senior Center Commission has developed a formal set of written by-laws that detail the organizational structure and the rules and responsibilities of its component groups. The Senior Center Commission has of this date not formally discussed the implementation of the by-laws with the First Selectman.

Recommendation is not implemented

4) Insufficient number of qualified personnel paid and unpaid

Senior Center Commission response was: *Staffing will be discussed by the Senior Center Commission and a decision to create a thirty-five (35) hour position will be at the discretion of the First Selectman.*

Follow-up: Budgetary constraints have prevented the hiring of a full-time thirty-five (35) hour per week employee. The number of unpaid volunteers to assist in the operations of the Senior Center has increased. This has enabled the Director to devote more time to the administrative and supervisory duties of her position at the Center.

Recommendation is partially implemented

5) Personnel policies and procedures should be incorporated into a manual

Senior Center Commission response was: *Many of these items are civil service matters and will be discussed with the Chief of Staff. We are looking for a booklet or employee manual. Senior Center staff is part-time except for the Director who is a union employee with a separate policy and grievance procedure.*

Follow-up: The personnel policies and procedures have been developed but, still need to be discussed with the Chief of Staff as well as the Civil Service Director before they can be implemented by the Senior Center Commission.

Recommendation is not implemented

6) Training of Senior Center Director, staff and volunteers

Senior Center Commission response was: *Training and skill improvement of the staff and volunteers need to be discussed with the Finance Department. We will need funding for such programs.*

Follow-up: The training of the Senior Center Director in aspects of financial management and the training of staff personnel in managing daily Center activities have not been acted upon at this time.

Recommendation is not implemented

7) Documentation of emergency procedures

Senior Center Commission response was: *The Director of the Senior Center and Senior Commission will meet with the Fire Department, EMS, Police Department, and Maintenance Supervisor for advice and information on testing of various pieces of safety equipment.*

Follow-up: Emergency procedures have been compiled and have been combined into a comprehensive manual for reference and use by the staff of the Senior Center as well as patrons of the Center.

Recommendation is implemented

8) Inadequate Financial records and procedures

Senior Center Commission response was: *The Senior Center will work with the Finance Director to establish accounting procedures and software.*

Follow-up: The Senior Center Director has developed formal procedures for the keeping of financial records and reporting financial results to the Senior Center Commission. Excel has been utilized to develop some very basic revenue and expense financial reports for the Senior Center Commission to review on a monthly basis.

Recommendation is partially implemented

9) Accountability and reporting to the Senior Commission and the public

Senior Center Commission response was: *The Senior Commission will establish a treasurer and manage the Senior Commission Special Agency Account. The Commissions fund raising account will be maintained with a deposit and requisition procedure for credits and debits. We will request advice and direction through the Finance Director. The Senior Center Commission has a monthly meeting which oversees the operation and function of the entire Senior Center and offers advice. At these meetings we discuss all aspects of the Centers functioning and have a financial report given. The Director only gives a monthly report of activities and upcoming events at the Center.*

Follow-up: Financial reports that would include at least a profit and loss statement have not been developed. Formal financial reports have not been received by the Commission for review on a monthly basis. The Senior Center Commission has been receiving basic reports of monthly revenues and expenses. The Director of the Senior Center needs to be able to report an accurate accounting of the Center's finances to the Commission and the public as well. The position of Treasurer has not been established by the Senior Center Commission.

Recommendation is not implemented

10) Evaluation of Senior Center's progress

Senior Center Commission response was: *The Senior Center Commission will formulate an evaluation form for participants of all activities. These evaluations will be discussed and presented to the Director for discussion. Surveys will be conducted quarterly.*

Follow-up: The Senior Center Commission as the governing entity of the facility has not conducted an overall evaluation of the Center's progress. An evaluation report should be compiled using the referenced criteria stated in the initial audit report as its basis for gauging progress toward accreditation status. While participant surveys are important the Senior Center Commission itself has to do an evaluation of the overall operation of the Senior Center to gauge progress toward accreditation.

Recommendation is not implemented

11) Federal and State posting requirements for Senior Centers

Senior Center Commission response was: *Federal and State postings for the Senior Center will be downloaded from the internet and posted by the staff member's office mail boxes. The Civil Service Department will be consulted.*

Follow-up: A number of the required Federal and State postings have not been displayed by the Senior Center Commission. The following are items that still need to be posted by the Senior Center Management:

- (1) Participant Grievance Procedures;
- (2) Emergency Procedures;
- (3) Evacuation Routes;
- (4) Proof of Quarterly Fire Drill
- (5) Proof of Annual Fire/Building Inspection;
- (6) Proof of Annual Fire Extinguisher Inspection;
- (7) OSHA Safety & Health Poster;
- (8) Phone Numbers for Fire Department, Police, Ambulance, Hospital, and Local Emergency Management Office;
- (9) Location of First Aid Kits and Fire Extinguishers

Recommendation is partially implemented

New Findings and Recommendations

1) The Senior Center Commission does not follow the purchasing and procurement policy of the Town

The Senior Center Commission has failed to follow the purchasing policy of the Town in its procurement of a 70" large screen TV for the price of three thousand four hundred ninety nine dollars and ninety seven cents (\$3,499.97) without the official approval of the purchasing authority.

New Recommendation for the Senior Center Commission

The Senior Center Commission should follow the purchasing policy outlined in the Town charter which states under Section G. Purchasing Contracts and Expenditures:

Before any purchase is made or any contract for insurance, public work or services, other than professional services, involving an expenditure of more than one thousand dollars (\$1,000.00), is let, said purchasing authority shall procure quotes from at least three (3) sources, whenever practicable, and such quotes shall be open to any bidder who shall conform to the regulations which may be imposed by said purchasing authority when the quotes are requested.

The Senior Center should have written purchasing procedures that includes: A.) an approving system for all purchases, B.) the names of persons authorized to contract or purchase for the Center, C.) obtaining competitive price quotes or bids, D.) separation of staff responsibilities for ordering and receiving functions.

Response of Senior Center Management

The Vice Chairperson during a meeting of the Senior Commission on September 23rd, 2011 directed attention to the charter regarding Purchasing Policies and Procedures and specifically to the requirements to have three quotes available for review before making purchases of \$1,000 or more.

2) The Senior Center did not utilize its State Sales Tax Exemption

An item was purchased on which the Senior Center paid sales tax and failed to use the Town municipal sales tax exemption.

New Recommendation for the Senior Center Commission

When the Senior Center Commission purchases equipment or furniture the Commission should always utilize the state sales tax exemption for municipalities.

Response of Senior Center Management

The Senior Commission member who made the purchase failed to provide the tax exempt certificate at the time of sale.

3) Employee work hours at Senior Center

During my field work I observed one of the Senior Center bus driver's playing cards in the game room during hours he was on town work time.

New Recommendation for the Senior Commission

The Senior Commission should prohibit any employee of the Senior Center from participating in any Senior Center activities during their regular hours of work.

Response of Senior Center Management

Had a meeting with the staff at the Senior Center and under no circumstances are employees allowed to participate in Center activities on idle time, breaks or town time. Corrective action was taken and time was taken from his pay the following week.

4) Liability and legality issue regarding work performed

While performing a cursory walk-through of the facility I noticed that a large screen television in the snack room is connected to cable television via an in-house wiring setup with a splitter to redirect the television signal from the original point of entry into the building to another television.

New Recommendation for the Senior Commission

The Senior Commission should immediately remove any wiring from the premises that has not been installed by the local cable television provider Charter Communications. Mr. Gary Ratar who is a Senior Center Commission Board member performed the installation work of the wiring for the connection of the television. This leaves the Town of Trumbull open to possible liability issues if he were to be injured performing this work since he is not an employee of the Town and is not a licensed cable television installer. The Senior Center Director should contact Charter Communications and have the television connected professionally to receive cable. Legality issues with this type of connection could also arise if any damage were to occur to Charter Communications equipment as well as the Senior Center facility. Additional monthly payments may also be required for this connection.

Response of Senior Center Management

I called Commission member Gary Raytar to discuss how the television was connected. Mr. Raytar stated the cable is connected via a split and it is legal. Mr. Raytar is calling Charter Cable to discuss the legality of this matter and a report to follow.