

To the Town Council  
Town of Trumbull, Connecticut

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In planning and performing our audit of the financial statements of the Town of Trumbull, Connecticut, (the Town) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

We noted the following matters involving the internal control over financial reporting and its operation that we offer as constructive suggestions for your consideration as part of the ongoing process of modifying and improving accounting controls and administrative practices. These comments were included as recommendations in the prior year and updated below.

The Town's management responses to these matters have also been included below. We did not audit the management's responses and, accordingly, we express no opinion on them.

### **Prior Year Recommendations Updated**

#### **Board of Education Payroll Processing**

During the performance of our audit procedures, we experienced several delays in obtaining information relative to activities performed by the payroll and insurance manager position. In addition, no cross training within the Board of Education has been developed to assist with the duties of payroll processing.

We offer the following recommendations related to payroll functions within the Board of Education:

- The Board of Education should perform an efficiency assessment over the Finance Department, to ensure that they have the proper roles and personnel in place to fill department requirements.
- All payroll registers should be reviewed by someone other than preparer prior to payment.
- The Board of Education should review and enhance controls over manual processing of payroll transactions to gain efficiencies within the department.
- Cross training opportunities should be reviewed within the Finance Department to ensure workload is appropriate and work is completed accurately and on time when turnover or vacations occur.



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**Management Response** - The Board's Finance Department will analyze and address these recommendations for resolution.

### **General Ledger Maintenance**

One of the many responsibilities of management is to establish and maintain effective internal controls in order to ensure that the financial statements are fairly presented in accordance with generally accepted accounting principles. Developing strong controls and procedures regarding the information posted within the financial management system ensures the Town that the information is being accurately presented, allowing the governing body to make sound financial decisions on a timely basis.

We offer the following recommendations to strengthen those current controls and procedures over general ledger maintenance:

- A review of the capital project funds and agency funds should be completed to ensure that any unused or inactive funds are properly closed out in the general ledger.
- The enterprise funds should be analyzed and updated as part of the year-end close process to ensure that the funds are completely updated, and the balance sheet assets and liabilities are appropriately stated.
- The allowance for doubtful tax accounts and sewer operating accounts has remained at the same level for several years and should be reviewed on an annual basis for accuracy. Also, the Town should analyze all significant receivables for any additional allowances deemed necessary.
- The Board of Education and Town should work together and develop year end procedures to review and reconcile all activity between the Board of Education and Town.
- The Board of Education and Town should develop procedures to review all funds in the general ledger, and ensure that all necessary year end entries are recorded.
- A review of the closing procedures to speed up the closing process and ensure that all journal entries necessary to close the funds at year end are processed in a timely manner.

**Management Response** - The Town's Finance Department acknowledges the findings. Unfortunately, there was turnover in the Town's Finance Department and we were not able to address all comments prior to the closing process. We will continue to analyze and address these accounts and funds for resolution.

This letter should be read in conjunction with our report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 28, 2020.

This communication is intended solely for the information and use of management, Members of the Town Council, others within the organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

*Blum, Shapiro & Company, P.C.*