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June 12, 2023

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 2024 Annual Internal Audit Plan for the consideration and approval of the Town of Trumbull's Board of Finance. This plan is for the period July 1, 2023 through June 30, 2024.

The Office of Internal Audit follows the Institute of Internal Auditors' (IIA) standards. The IIA's 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 interactions with senior management, feedback from the members of the Board of Finance, and Internal Audit's observations throughout. 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 risk, 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. 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.

Sincerely,

Rebeca Lopez
Financial/Accounting Controls Analyst

The following is a list of the audit activities proposed for the fiscal year ending June 30, 2024. 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: Library – **carryover from FY2023**
 - Policies and Procedures – compliance
 - Accounts Receivable, Cash Receipts, Credits & Deposit – record keeping, segregation of duties and turn around – completeness, accuracy, timeliness
 - Special Revenue accounts & reconciliation
2. Cash Receipts/Revenue: Recycling Center
 - Policies and Procedures – compliance
 - Cash Receipts – record keeping – completeness, accuracy,
 - Deposit – segregation of duties, timeliness
 - Reconciliation of revenue accounts
3. Cash Receipts/Revenue: Town Engineer
 - Policies and Procedures – compliance
 - Cash Receipts – record keeping – completeness, accuracy
 - Deposit – segregation of duties, timeliness
4. Revenue Receipts: Board of ED & Lunch Program
 - Policies and Procedures – compliance
 - Cash Receipts – record keeping – completeness, accuracy,
 - Deposit – segregation of duties, timeliness
 - Special Revenue accounts & reconciliation
5. Performance Review: Town & BOE Information Technology
 - System Security
 - Standards and Procedures
 - Performance Monitoring
 - System Development
6. Ongoing – **Unannounced** – Special Requests & Daily Deposits
 - Internal Examination as requested
 - Verification of departmental cash on hand -Compliance, Authorization, Completeness, Accuracy, & Timeliness