

TOWN OF WESTPORT
OFFICE OF THE INTERNAL AUDITOR



INTERNAL AUDIT PLAN

JULY 1, 2016 – JUNE 30, 2019

LETTER OF TRANSMITTAL

MAY 2, 2016

CHAIRMAN STERN AND MEMBERS OF THE TOWN OF WESTPORT BOARD OF FINANCE:

Attached is the Internal Audit Plan for the Town of Westport, which is intended to outline the current audit priorities which were selected by the Audit Manager and the Audit Subcommittee of the Board of Finance for the period July 1, 2016 to June 30, 2019.

It should be noted that this Internal Audit Plan is intended to be a working document which will likely undergo revision as audit priorities change. All such revisions will be determined by the Audit Subcommittee in conjunction with the Audit Manager and will be communicated to the full Board of Finance.

Please feel free to contact me at 203-341-1054 or via email lscully@westportct.gov if you have any questions regarding this plan or if you wish to provide any additional input.

Thank you for allowing me the opportunity to present this Internal Audit Plan.

Very Truly Yours,

Lynn Scully
Audit Manager/Senior Accountant, Town of Westport

CC: J. MARPE, FIRST SELECTMAN
A. KANER, SELECTMAN
H. GARTEN, SELECTMAN
G. CONRAD, FINANCE DIRECTOR
M. GORDON, CHAIRMAN, WESTPORT BOARD OF EDUCATION
E. LANDON, SUPERINTENDENT, WESTPORT PUBLIC SCHOOLS
E. LONGO, DIR OF SCHOOL BUSINESS OPERATIONS, WESTPORT PUBLIC SCHOOLS

INTERNAL AUDIT PLAN

JULY 1, 2016 TO JUNE 30, 2019

INTERNAL AUDIT MISSION STATEMENT

To provide independent internal audit activities designed to improve financial controls and enhance transparency, accountability, efficiency and effectiveness of town and educational operations for the citizens of Westport.

THE ROLE OF THE INTERNAL AUDITOR

The Internal Audit function is required by the Westport's **Charter, C12-7 Internal Audit:**

There shall be an internal audit which shall be responsible for monitoring and reporting on all Town expenditures, the cost of Town capital projects, other financial activities, and other items as designated by the Board of Finance, the Finance Director or the First Selectman. The Finance Director shall supervise the internal audit. The periodic internal audit reports shall be provided to the Finance Director, the Board of Finance and the Board of Selectmen. It shall be the responsibility of the First Selectman to have all the agencies that comprise the reporting entity of the Town reviewed with an internal audit at least once every four years.

The internal audit function is defined by the Institute of Internal Auditors 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.

In Westport, the Audit Manager reports functionally to the Town's Board of Finance (working closely with the Audit Subcommittee of the Board of Finance) and administratively to the Town's Director of Finance. Effective fiscal year ended June 30, 2016, the Town has begun to outsource the internal audit function (through a competitive bid process), with oversight responsibility belonging to the Audit Manager.

PLANNED AUDIT ACTIVITIES FOR JULY 1, 2016 TO JUNE 30, 2019

The following audit activities have been selected for the period ending June 30, 2017:

1. **Payroll Extra Help & Overtime** – A review of the Town and WPS policies & procedures related to extra help & overtime.
2. **Contracts** – A review of contracts with outside vendors to determine compliance with procurement policy and best practices.
3. **Permit processing-** A review of how various departments of the Town issue and process permits.

The following audit activities have been further selected for July 1, 2017 to June 30, 2019:

4. **Transfer Station.** A review of the financial activity of the Town's Transfer Station.
5. **Follow Up Tax Assessment, Billing and Collection** – A review of the implementation of the recommendations contained in the 2009 audit, along with a look at any new procedures or developments within the Assessment and Collection departments.
6. **Planning & Zoning** – A review of the financial activities of this department.
7. **Revenues: Miscellaneous Billing** - A review of certain miscellaneous receivables accounted for by Town/WPS departments for the purpose of identifying opportunities for improvement.
8. **Sewer Assessment/Billing** – A review of the policies and procedures related to sewer assessment and use billing.
9. **Human Services** – A review of how donations are received and accounted for by the department.
10. **Miscellaneous Billing** – A review of the billing and collection procedures for non-tax revenues.
11. **Cafeteria Fund** – A review of the financial activity associated with WPS Cafeteria Fund.
12. **Parks & Recreation** – A review of the activities associated with the Town's ice skating rink.

Notes:

These audit activities are not presented in a prioritized order and may be performed concurrently.

It is possible that other short-term review, analysis and/or investigatory projects may be undertaken (under the direction of the Audit Subcommittee) during the time covered by this plan. Since the nature and scope of such smaller assignments are difficult to predict, none have been included in this plan.

At the conclusion of each of these audits the Audit Manager will provide a written report documenting the scope, methodology and findings, which will be presented to the Town's Board of Finance, Town administrators and other appropriate departments and/or elected officials.

Revised 5/2/16