

To the Board of Finance  
Town of Ashford, Connecticut

In planning and performing our audit of the financial statements of the Town of Ashford, Connecticut (the "Town") as of and for the year ended June 30, 2019, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

## **CAPITAL ASSETS**

### **Condition:**

Currently, capital asset listings are kept on a computer in the First Selectman's office. The listing is not being reviewed and adjusted yearly for items that should be capitalized and items that may have been sold/disposed of.

### **Recommendation:**

We recommend that the listing be reviewed, at least annually, to ensure that all capital asset purchases and disposals/sales during the year be reflected on the listing.

### **Management Response:**

The Town finance office will be implementing new accounting software in January, 2021, which will track the capital assets in real time. For the year ending June 30, 2020, the Town Treasurer will review the listing that is maintained in the First Selectman's office and ensure that any necessary adjustments are made.

## **EVIDENCE OF APPROVAL ON INVOICES**

### **Condition:**

During our audit, we tested a sample of disbursements from the BOE General Fund, Cafeteria Fund, Grants Funds, and Student Activities Funds. Although there were approved purchase orders, a number of the disbursements selected for testing were accompanied by supporting documentation that did not show evidence of approval on the face of the invoice by management prior to payment.

**Recommendation:**

We recommend that all disbursements be supported by approved signed off documentation.

**Management Response:**

In the future, the disbursements will have supporting documentation stamped then dated and initialed by the responsible department/administrator.

**PAYROLL – BOE TIMESHEET APPROVAL****Condition:**

Timesheets for hourly employees are not consistently signed off on by the employee and then signed off on by the supervisor prior to payroll being processed.

**Recommendation:**

We recommend that timesheets are signed by the employee submitting them, and then reviewed and signed off on by a supervisor prior to payment being made.

**Management Response:**

Building administrators will approve all hourly employee timesheets prior to payment either by logging into the timeclock system, or through email with the BOE Business Manager. All manual timecards for substitutes are signed by the employee and school office.

**CAFETERIA – SEPARATION OF DUTIES****Condition:**

Currently, the Cafeteria Manager is responsible for maintaining the QuickBooks file, writing checks and being one of the two signers, making deposits, and ordering and receiving goods.

**Recommendation:**

We recommend that the BOE Business Manager be involved in these processes to ensure there is a separation of duties.

**Management Response:**

The process will be reviewed and a separation of duties plan will be implemented as practicable. Effective January 1, 2021, new accounting software will be utilized which will allow the procedures for the cafeteria to be incorporated into the software allowing for multiple electronic approvals, and checks to be issued by the Business Office.

## **STUDENT ACTIVITIES FUNDS – OVERSPENT ACTIVITY BALANCES**

### **Condition:**

There was little monitoring over the Student Activities Funds QuickBooks file, which needed multiple adjustments, and has led to some of the activities overspending their funds. These negative balances in the Student Activities Funds will need to be replenished through fundraising, appropriation from the BOE General Fund, or approved expenditure from grants funds.

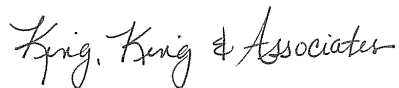
### **Recommendation:**

We recommend that proper monitoring be in place to ensure that this does not occur in the future.

### **Management Response:**

The BOE will investigate and replenish the negative balances through either fundraising, BOE General Fund, or approved expense from grants funds.

Sincerely,



King, King & Associates, CPAs  
Winsted, CT  
March 31, 2020