

SECTION 4. PROCEDURES & QUESTIONS:

- Every question must be marked as either "Yes", "No," or "N/A" if appropriate.
- For any "No" responses, describe how the weakness will be corrected in the comments / corrective action column. Please attach any additional information as needed to detail the corrective action.

Entity Name: Town of RockvilleFor Fiscal Period Ending: June 30, 2021

Procedures & Questions	Yes	No	N/A	Comments / Corrective Action
GENERAL				
Procedure: Obtain copies of, or access to, the entity's written financial policies and procedures.				
1. Do the policies and procedures address the following:				
a. Receiving, recording, and timely deposit of funds?	✓			
b. Purchasing?	✓			
c. Approval of disbursements?	✓			
d. Records requests (GRAMA) – adoption of a uniform fee schedule if fees are being charged?	✓			
e. Record retention?	✓			
Procedure: Ask financial staff questions about the policies above to determine their knowledge of the policies.				
2. Per your discussion, are staff knowledgeable of the policies?	✓			
Procedure: Ask the financial staff how they keep up to date on new State, accounting, and compliance requirements and about any training they have received during the past year. Review any certificates or other training materials if available.				
3. If financial expertise is lacking, has help been sought from peers, auditors, or outside consultants?	✓			
BUDGET				
Procedure: Obtain copies of (1) the original budget, any amended budgets, and the final budget presented at budget hearings; (2) the related budget hearing meeting minutes and (3) the newspaper notices for those meetings (or information of the meeting notices from the Utah Public Notice Website (utah.gov/pmn/)).				
4. Was the required 7-day notice given to the public for all budget hearings (i.e., for original, amended, and final budget)? EXCEPTION: Notice is not required to <u>amend</u> an <u>enterprise</u> fund budget.	✓			
5. Was the original budget approved by the governing body before the start of the fiscal year?	✓			
6. Did the original budget include three columns of data – (1) actual revenues/expenses from the last completed fiscal year, (2) estimated total revenues/expenses for the current fiscal year (i.e. the year about to end at the time the budget was created), and (3) budget estimates for the upcoming fiscal year? (see example below)	✓			

Procedures & Questions	Yes	No	N/A	Comments / Corrective Action
EXAMPLE BUDGETS				
Budget for FYE 12/31/22 (prepared in Nov. 2021)				
	1	2	3	
Description	Actual Amts of Last Completed Fiscal Year	Estimated Current Fiscal Year Amts	Budget Estimates for Upcoming Fiscal Year	
Property Taxes	\$56,852	\$55,450	\$56,000	
Building Permits	\$42,139	\$39,271	\$43,000	
	This is the entity's final, end-of-year amount from FYE 12/31/20	This is what was estimated would be the final, end-of-year amount for FYE 12/31/21	This is the entity's estimate for FYE 12/31/22	
Budget for FYE 6/30/22 (prepared in May 2021)				
	1	2	3	
Description	Actual Amts of Last Completed Fiscal Year	Estimated Current Fiscal Year Amts	Budget Estimates for Upcoming Fiscal Year	
Property Taxes	\$56,852	\$55,450	\$56,000	
Building Permits	\$42,139	\$39,271	\$43,000	
	This is the entity's final, end-of-year amount from FYE 6/30/20	This is what was estimated would be the final, end-of-year amount for FYE 6/30/21	This is the entity's estimate for FYE 6/30/22	
7. If any amendments were necessary, was the budget amended BEFORE payments were made that exceeded the budget and not just at the end of the year?	✓			
YEAR-END FINANCIAL REPORT/STATEMENTS or OSA FINANCIAL SURVEY				
Procedure: Obtain a copy of 1) the final budget and 2) the year-end financial report/statements or OSA Financial Survey				
8. Did the entity's expenses stay within the amount appropriated in the final budget?	✓			
9. Municipalities only: Was the entity's unrestricted general fund balance (calculated as assets less liabilities less restricted funds such as funds set aside for B&C roads) less than 35% for cities or 100% for towns of the total revenue of the general fund for the year?	✓			

Procedures & Questions	Yes	No	N/A	Comments / Corrective Action
10. Local and Special Service (Including Conservation) Districts which operate a general fund (fees for services e.g. utilities, water assessments, etc. are generally accounted for in an enterprise fund. If the district <u>only</u> operates an enterprise fund this question does not apply: Was the entity's unrestricted general fund balance (amount in all bank accounts at the end of the year) less than or equal to: the most recently adopted budget, <i>plus</i> 100% of the current fiscal year's property tax revenue?			✓	
REPORTING				
Procedure: Look through the accounting records worksheet (e.g. the check book register; the ledger; or the transactions maintained in a spreadsheet, QuickBooks, or other electronic software). Then look over the supporting documentation maintained by the financial staff.				
11. Does it appear that financial records (documentation) are maintained to support transactions, balances, adjustments, etc., and the preparation of the financial reports?	✓			
Procedure: Obtain copies of all financial reports presented to the board/council during the year.				
12. Were financial reports prepared and presented to the governing body monthly (municipalities) or quarterly (districts)?	✓			
13. Did the reports include a comparison of actual expenses/revenues to budgeted amounts?	✓			
Procedure: Select at least two financial reports presented to the board/council during the year. From each report, select at least 5 line items from the report and compare those lines to the check book register or ledger, bank statement, and approved budget.				
14. Do the financial records match the reports presented to the board/council?	✓			
BANK STATEMENTS				
Procedure: Obtain copies of bank statements and bank reconciliations for all accounts for the entire year. Ensure that the bank statements include copies of cancelled checks.				
15. Are reconciliations (i.e., a comparison between the bank statement and the entity's books) being performed monthly for all bank and investment accounts?	✓			
16. If the person performing the bank reconciliation can also write checks and make deposits, does someone else also perform a detailed review of the monthly bank/investment reconciliations?	✓			

Procedures & Questions	Yes	No	N/A	Comments / Corrective Action
Procedure: Obtain the cash receipt logs or receipt books for the year. Select at least 10% or 5 (whichever is less, but at least 5) of receipts issued during the year.				
17. For each individual receipt selected, review the corresponding bank statement and determine that the receipt was deposited into the bank. (Note: individual receipts may have been batched together into a deposit, so also obtain the corresponding deposit listing, if applicable).	☒	☐	☐	
Procedure: From the monthly bank statements, select at least 10% or 25 (whichever is less, but at least 5) of the payments made during the year. Be sure to include checks, debit card purchases, and other withdrawal transactions in your selection. For each selection:				
18. Review the cancelled checks (if applicable).	☒	☐	☐	
a. Were they signed by only those who are authorized?	☒	☐	☐	
b. Were they signed by persons other than the person to whom the check is made payable?	☒	☐	☐	
19. Were the payments supported by invoices and other documentation detailing the items/services purchased or funds transferred?	☒	☐	☐	
20. Were the transactions consistent with the entity's purpose?	☒	☐	☐	
Procedure: Obtain copies of all credit card or purchasing card statements for the year. Look through the supporting receipts and other applicable documentation.				
21. Are purchasing/credit card transactions reviewed by someone other than the card holder for appropriateness and for supporting documents, such as receipts?	☒	☐	☐	
22. Does it appear that purchase card holders are required to submit receipts for all purchases made?	☒	☐	☐	
OPEN AND PUBLIC MEETINGS ACT				
Procedure: Obtain the schedule of meetings for the board/council for the year. Select at least two of the meetings and obtain copies of the meeting minutes, including the agenda. Find the notice of each meeting on the Utah Public Notice Website (utah.gov/pmn/).				
23. Did the entity give proper notice of the meeting at least 24 hours before each meeting by posting the notice on the Utah Public Notice Website?	☒	☐	☐	
24. Did the governing body take final actions <i>only</i> on those topics listed as agenda items?	☒	☐	☐	
25. Within three days of the meeting minutes being approved, were the minutes posted to the Utah Public Notice Website?	☒	☐	☐	
26. If a portion of the meeting was closed to the public, answer the following questions:				
a. <i>Before the meeting was closed</i> , was the reason for holding the closed meeting documented in the meeting minutes and a roll call vote taken?			☒	

Procedures & Questions	Yes	No	N/A	Comments / Corrective Action
b. Was the reason for closing the meeting permitted under statute? Meetings may be closed for only the following: • Discussion of the character, professional competence or health of an individual. • Strategy sessions for: ○ Collective bargaining ○ Pending or imminent litigation ○ Purchase, exchange, lease or sale of real property including water rights and shares • Discussion of security personnel, devices or systems. • Investigations regarding allegations of criminal conduct.			✓	
c. Was an audio recording of the closed meeting made, -or- if the meeting was closed to discuss (a) the character, professional competence, or health of an individual or (b) the deployment of security personnel, devices, or systems, did the person presiding at the meeting sign a sworn statement affirming that the sole purpose for closing the meeting was to discuss those matters?			✓	
27. Per your knowledge or review of the board/council meeting minutes, did the presiding officer of the governing body ensure that members of the governing body were provided with annual training on the requirements of Open and Public Meetings Act? NOTE: This training may be completed via in-house training or training.auditor.utah.gov.	✓			
OTHER COMPLIANCE				
Procedure: Inquire of management and financial staff, or make observations, as to whether the following occurred:				
28. Is the entity compliant with State nepotism and hiring laws and the entity's own policies and procedures regarding nepotism? Generally, no public officer may employ, appoint, vote for, or recommend a relative for employment. Further, no public officer may directly supervise any appointee who is a relative. Relative means father, mother, grandfather, grandmother, stepchild, husband, wife, son, daughter, sister, brother, aunt, uncle, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.	✓			
29. Did the entity's designated records officer complete an online training course on the requirements of GRAMA (completed annually)? Obtain the copy of the training certificate to verify.	✓			

Procedures & Questions	Yes	No	N/A	Comments / Corrective Action
30. Local and Special Service Districts only: Did each member of the board of trustees, within one year of each appointment/election, complete Board Member Training (training.auditor.utah.gov)? Obtain the copy of the training certificate to verify.			✓	
31. Did the entity register on the Local Government and Limited Purpose Entity Registry (entityregistry.utah.gov)?	✓			
Procedure: Obtain copies of the Treasurer's fidelity bond or insurance documents. "Treasurer" is defined as the person who has the responsibility for the safekeeping of the entity's funds. This could be an elected or appointed treasurer, clerk, or financial secretary. A fidelity bond is a form of insurance protection that covers losses that may occur as a result of fraudulent acts by the Treasurer.				
32. Is the Treasurer properly bonded or insured in accordance with Utah Administrative Code <u>R628-4-4</u> for the Money Management Council which states that for an entity with a revenue budget between: • \$0 and \$10,000 no bond is required. • \$10,001 and \$100,000 the bond should equal 9% of total revenues or \$5,000, whichever is greater. • \$100,001 and \$500,000 the bond should equal 8% of total revenues or \$9,000, whichever is greater. The basis used should be <u>all</u> budgeted gross revenue for the previous fiscal year (final budget). Budgeted gross revenue is further defined by the Money Management Council as also including proceeds from the sale of assets, borrowing proceeds, revenues of fiduciary funds <u>and</u> any other revenues collected or handled by the treasurer. Bonds must be issued by a corporate surety licensed to do business in the State of Utah and rated XII or better by the latest issue of Best's Rating Guide. Bonds should be effective as of the date the treasurer is sworn in or assumes the duties of the office. Crime or theft insurance coverage are acceptable substitutes for a traditional surety bond.	✓			
Procedure: Obtain copy of the fee schedule, governing body minutes, consolidated utility bill (and other bills, if applicable), and management record used to track fee expenses. This procedure does not apply to impact fees.				
33. a. Does the entity have a schedule of fees assessed that has been adopted by the governing body?	✓			
b. Have all fees assessed been approved by the governing body?	✓			
c. If fee revenues exceed fee expenses, does the entity track excess revenues to assure they are expended only for the provision of the service for which the fee is assessed?	✓			

FRAUD, ILLEGAL ACTS, OR NONCOMPLIANCE ISSUES

Procedure: Ask the financial staff and management if they are aware of any fraud, illegal acts, or noncompliance issues occurring. Also review board/council meeting minutes for the same. Per your discussion, review, and personal knowledge, if you find that any fraud, illegal acts, or noncompliance occurred, inquire what the financial staff and management have done to correct the issues. Further, ask them what procedures they have put in place to prevent or detect the same from happening in the future.

34. Has the entity been free of acts of fraud, illegal acts, or noncompliance?

✓		
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35. If fraud, illegal acts, or noncompliance occurred, was sufficient action taken to minimize the risk of reoccurrence of fraud, illegal acts, or noncompliance?

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36. Was the Fraud Risk Assessment Questionnaire completed and presented to the governing body before the end of the fiscal year?

✓		
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CORRECTIVE ACTION PLAN

37. For any "No" responses, have corrective actions been detailed above or in attached documentation?

	✓	
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