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**Town of Ashburnham**

**Community Compact Cabinet Grant**

**Project 1: Risk Assessment**

**June 19, 2018**

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# Project Description

The Town of Ashburnham has received numerous annual audits outlining the need for the Town to formally conduct a risk assessment of the Town’s financial and businesses operations and create a risk assessment policy for future analysis. In recent history, our former Library Director was indicted for embezzlement for $50 plus thousand dollars.

Through the Community Compact Cabinet Grant, the Town sought an outside consultant to conduct a risk assessment of the Town’s operations including, but not limited to, our financial practices. The analysis included the entire operations of the Town including our Water & Sewer Enterprise operations.

This project involved a risk audit conducted by Community Paradigm Associates. The consultant: conducted interviews with Department Heads, Elected Officials, Appointed Officials, and Volunteers; collected data from the Town’s financial reports; and reviewed Town policies.

# Project Completion

The Final report for this project was submitted by the Consultants on November 8, 2017. The completed Risk Assessment project included: a completed Risk Assessment analysis and recommendation; a template Fraud Risk Assessment Policy for re-evaluation; and a template Whistleblower Policy; and a template Fraud Risk Policy.

# Benefits to Town & Project Outcomes

This study meets the stated need by the Annual Audit of having a Risk Assessment. This project allows for a direction on policies, a method on how to regularly replicate this analysis, and key deficits where the Town can seek improvement.

The major themes that have arisen from this study, which target most of our departments are:

1. **Numerated Receipts** – receipts should be prenumbered and given to each customer. *The Town is working on obtaining pre-made receipt books with perforated sides to tear off for each customer;*
2. **Departmental Policies & Procedures**—each department should have an operational manual for continuation of operations for that department’s responsibilities. *Town is working on having Departments build such manuals over the next few years.*
3. **Periodic Internal Audits** – internal audits should be randomly conducted by Town Accountant’s office on each of the departments relative to Turnovers. *Policy to be developed and followed.*
4. **Treasurer/Collector Office to be separated and secured**—T/C office should be an independent office that is secured from the remainder of Town Employees, other departments, and the general public. *Offices have been swapped with the Assessor’s Office to allow independence and secured location of the office.*
5. **FY16 Tax Takings**—Town needs to begin FY16 Tax Takings. *With a transition in the entire financial staff in the last year, the Town will work to make progress in these takings in the next few months.*
6. **Evidence Room** –Town should have security cameras and an outside audit periodically conducted. *Town has now installed updated security cameras, including in the evidence room with funds provided at the Special Town Meeting in November 2017.*
7. **Fraud Policy distribution**—Fraud Policy should be disseminated to all employees and contractors for the Town of Ashburnham. *The Town has formally adopted Fraud Policy in June of 2018 and will disseminate to all employees and contractors.*
8. **Passwords to be reset**—Passwords should be changed on a monthly basis. *The IT contractor will work on establishing a policy and implementing safeguards for passwords to be changed.*
9. **Disaster Recovery Plan for IT**—The Town should have a disaster recovery plan for IT. *The Town will work with the IT contractor to develop a related policy.*

# Project Deliverables

The project deliverables were the following:

1. 63-Page Risk Assessment;
2. Fraud Risk Policy (Draft);
3. Whistleblower Policy; and
4. Risk-Assessment Policy Re-evaluation.

# Town’s Next Steps

Department heads have been reviewing each of their departments assessments and adding comments on how they will proceed. The Town Administrator’s has worked with the Board of Selectmen to adopt the template policies and will continue to work to keeping the policies up to date. The following are updates on each of the recommendations:

1. **Numerated Receipts** – In Progress. Having difficulty finding more detailed numerated receipts.
2. **Departmental Policies & Procedures**—This will be a project over a few years, requiring time and experienced personnel where we have many new employees currently.
3. **Periodic Internal Audits** –Policy needs to be written working with our Accountant Firm.
4. **Treasurer/Collector Office to be separated and secured**—***Complete 12/2017.***
5. **FY16 Tax Takings**—This process is underway and should be complete by the fall of 2018.
6. **Evidence Room** – ***Complete 02/2018.***
7. **Fraud Policy distribution**—Policy drafted and ready for adopted and then policy will be distributed.
8. **Passwords to be reset**—IT vendor currently working on the needed policy.
9. **Disaster Recovery Plan for IT**—IT vendor currently working with the Town to develop the plan.