



March 23, 2021

Chuck Willard
Township Administrator
Plainfield Township
22525 W. Lockport Street
Plainfield, IL 60544

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated in Schedule A, which were agreed to by Plainfield Township, on portions of the Township's accounting operations for the period ended January 15, 2021. Plainfield Township's management is responsible for the Township's accounting operations for the period ended January 15, 2021. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated in Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are described in Schedule A.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on portions of the Township's accounting operations for the period ended January 15, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Plainfield Township and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Wermers, Rogers, Doran, + Ruzon, LLC

REPORT ON APPLYING AGREED-UPON PROCEDURES Plainfield Township - Schedule A

We performed the following procedures and report the following associated findings:

Internal Controls

Procedures:

- Obtain documentation of existing controls over the following areas:
 - Deposits.
 - Disbursements.
 - Bank reconciliations.
 - Vendor file maintenance.
 - Payments to employees (other than payroll), elected officials and appointed officials.
- Determine whether existing controls appear adequate and make recommendations for improvements, if needed.

Process:

WRDR requested written procedures as part of a request of materials email that was forwarded to the Township's Administrator.

WRDR was provided with electronic versions of procedures by the Administrator related to the following:

- Deposits.
- Disbursements.
- Bank reconciliations.

Generally, the written procedures contained details about the procedures needed to process transactions for each area.

The Township did not provide written procedures specific to vendor file maintenance or payments to employees (other than payroll), elected officials and appointed officials.

Findings:

Finding 1:

During our procedures performed, we noted the bank statements provided by First Midwest Bank did not include images of the canceled checks. Preparing an accurate bank reconciliation without documentation of the actual disbursement checks that cleared the bank could lead to significant errors, which will ultimately filter through to an organization's financial statements. We strongly recommend the organization request that First Midwest Bank provide the check images with the bank statements, which will help to identify any discrepancies and/or or detect fraud or theft. Without having this documentation, the ability to perform this critical step in the internal controls over cash will be significantly impaired.

Finding 2:

Accounting personnel perform the bank reconciliation function. However, there is currently no procedure in place to review the bank reconciliation after it is completed. This practice would greatly enforce the checks and balances necessary for strong controls over cash. We suggest that a member of management, such as the Township Administrator, review the bank reconciliations for any unusual items, investigate and fully resolve any such items, and document his or her approval by initialing the form.

REPORT ON APPLYING AGREED-UPON PROCEDURES Plainfield Township - Schedule A

Finding 3:

Our procedures revealed that the Township Supervisor has both online access to bank accounts as well as the Township's QuickBooks. Although we understand the need for such access and the convenience it offers, employees who have online access to bank accounts should not have access to the Township's general ledger.

Accuracy of Deposits

Procedures:

- Obtain a copy of the general ledger for the current fiscal year as well as the prior two fiscal years related to recording of deposits.
 - Obtain documentation to support deposits made for a sample of 60 deposits.
 - Document any findings.

Process:

We haphazardly selected 60 deposits for testing. Of the 60 deposits selected, 18 deposits were made prior to January 1, 2019 and 42 were made on January 1, 2019 or later.

Testing of deposits made prior to January 1, 2019 included 1) agreeing deposit to the deposit slip 2) agreeing deposit to supporting documentation 3) verifying the deposit was made timely 4) assessing the reasonableness of the general ledger account coding and 5) tracing the deposit to the applicable bank statement.

Testing of deposits made on January 1, 2019 or later included 1) agreeing deposit to the deposit slip 2) agreeing deposit to supporting documentation 3) verifying the deposit was made timely 4) assessing the reasonableness of the general ledger account coding 5) tracing the deposit to the applicable bank statement 6) verifying the deposit was signed by the preparer and 7) verifying the deposit was initialed by a second person.

Findings:

Finding 4:

We noted 2 deposits totaling \$5,114.36 did not have deposit slips attached.

Finding 5:

We noted 2 deposits totaling \$6,225.72 did not have sufficient supporting documentation attached.

Finding 6:

We noted 1 deposit totalling \$592.83 was not signed by the preparer.

Finding 7:

We noted 10 deposits totaling \$12,917.27 were not initialed by a second person.

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Finding 8:

We noted 1 deposit totaling \$4,690.70 did not agree to the deposit slip totaling \$4,163.35. The variance of \$527.35 was subsequently corrected by the financial institution. This deposit was also included in Finding 7.

Accuracy of Disbursements

Procedures:

- Obtain a copy of the general ledger for the current fiscal year as well as the prior two fiscal years related to recording of disbursements.
 - Obtain documentation to support disbursements made to vendors for a sample of 40 disbursements.
 - Obtain documentation to support disbursements made to employees (other than payroll), elected officials and appointed officials for a sample of 20 disbursements.
 - Document any findings.

Process:

We haphazardly selected 40 vendor disbursements and 20 disbursements made to employees (other than payroll), elected officials and appointed officials for testing.

Testing of disbursements included 1) assessing the reasonableness of the general ledger account coding 2) agreeing the vendor disbursement check to the invoice 3) verifying the disbursement was on an approved check run report 4) verifying the invoice was stamped "PAID" with the correct date 5) verifying the invoice was marked "ENTERED" and 6) verifying the disbursement was board approved.

We were unable to perform processes 3) and 6) above for 3 disbursements dated April 10, 2020 as check runs were not run due to the COVID-19 shutdown.

Findings:

Finding 9:

We noted 4 vendor disbursements totaling \$2,837.82 in which the invoice was not stamped "PAID".

Finding 10:

We noted 12 vendor disbursements totaling \$21,550.97 in which the invoice was not marked "ENTERED".

Finding 11:

We noted 2 employees (other than payroll), elected officials and appointed officials' disbursements totaling \$3,761.00 in which the support was not stamped "PAID".

Finding 12:

We noted 5 employees (other than payroll), elected officials and appointed officials' disbursements totaling \$2,492.09 in which the support was not marked "ENTERED".

Finding 13:

We noted 2 employees (other than payroll), elected officials' and appointed officials' disbursements totaling \$1,276.11 in which we did not note evidence of board approval.

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Finding 14:

We noted 1 employee (other than payroll), elected officials' and appointed officials' disbursement totaling \$1,093.11 did not agree to the support provided. The provided support equaled \$1,073.11 which is a \$20.00 difference from the actual disbursement. This disbursement was also included in Findings 12 and 13.

Bank Reconcillations

Procedures:

- Obtain bank reconcillations for a sample of 5 bank reconcillations.
 - Test reconciling items on each bank reconcillation.
 - Compare bank reconcillation to trial balance.
 - Document any findings.

Process:

We haphazardly selected 5 bank reconcillations for testing. The bank reconcillations selected for testing are listed below:

- Total Combined Disbursement Account (First Midwest Bank Account 8100111361)
 - April 30, 2019
 - January 31, 2020
 - March 31, 2020
 - December 31, 2020
- M/M 1st Midwest -Town (First Midwest Bank Account 0007221658)
 - June 30, 2020

Testing of each bank reconcillation included 1) agreeing the cleared balance (or statement ending balance) on the bank reconcillation to the ending balance on the applicable First Midwest Bank statement 2) tracing outstanding checks and deposits in transit on the bank reconcillation to the subsequent month's bank statement, if cleared, or bank reconcillation, if not cleared, and 3) agreeing the register balance on the bank reconcillation to the applicable general ledger account on the Township's trial balance in QuickBooks.

Additional testing including recalculation of each bank reconcillation for mathematical accuracy.

Findings:

Finding 15:

We noted the reconciled balance on the April 30, 2019 bank reconcillation for the Total Combined Disbursement Account (First Midwest Bank Account 8100111361) was \$53,818.13 while the balance listed on the April 30, 2019 trial balance was \$62,016.25. The variance between the two balances is \$8,198.12. Upon further investigation, it appeared a portion of the variance was due to voided Check Number 35586 to Income Works in the amount of \$8,705.00.

Finding 16:

We noted the reconciled balance on the January 31, 2020 bank reconcillation for the Total Combined Disbursement Account (First Midwest Bank Account 8100111361) was -\$21,216.96 while the balance listed on the January 31, 2020 trial balance was -\$21,107.02. The variance between the two balances is \$109.94.

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Finding 17:

We noted the reconciled balance on the March 31, 2020 bank reconciliation for the Total Combined Disbursement Account (First Midwest Bank Account 8100111361) was -\$19,413.48 while the balance listed on the March 31, 2020 trial balance was \$16,204.44. The variance between the two balances is \$35,617.92. Upon further investigation, it appeared the variance was due to the summation of Check Number 37153 to First Midwest Bank in the amount of \$4,721.55 and one transfer in the amount of \$30,896.37.

Finding 18:

We noted the reconciled balance on the December 31, 2020 bank reconciliation for the Total Combined Disbursement Account (First Midwest Bank Account 8100111361) was \$235,732.26 while the balance listed on the December 31, 2020 trial balance was \$241,666.08. The variance between the two balances is \$5,933.82. Upon further investigation, it appeared the variance was due to the summation of three transfers in the amounts of \$385.15, \$3,797.77, and \$1,750.90.

Vendor File Maintenance

Procedures:

- Obtain 10 vendor files including all new vendors for the current fiscal year as well as the prior two fiscal years.
 - Verify each vendor file includes Form W-9.
 - Verify each vendor has a website and physical address.
 - Document any findings.

Process:

We haphazardly selected 10 vendors for testing. We obtained Form W-9 for 9 of the 10 vendors selected. Form W-9 was not obtained by the Township for 1 vendor as the disbursement was for a scholarship. We determined if each Form W-9 was completed and signed.

Additional testing included verifying each vendor selected had a website as well as a physical address. We agreed the address listed on Form W-9 to the address listed on the vendor's invoice. We also visited 7 of the 10 vendors' websites. 2 vendors were individuals in which the Township paid rent and 1 vendor was an individual in which the Township awarded a scholarship. These 3 vendors did not have websites.

Findings:

None noted.