



Hadley-Luzerne Joint Youth Commission

Governance and Cash Receipts

Report of Examination

Period Covered:

January 1, 2015 – March 31, 2016

2016M-262



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

December 2016

Dear Commission Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Board governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Hadley-Luzerne Joint Youth Commission, entitled Governance and Cash Receipts. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for Commission officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

The Hadley-Luzerne Joint Youth Commission (Commission) is a joint activity which provides recreation and youth service to approximately 190 children residing in the Towns of Hadley and Day in Saratoga County and the Town of Lake Luzerne in Warren County. The Commission is governed by a seven-member Board of Commissioners (Board) appointed by the towns (three from the Town of Hadley, three from the Town of Lake Luzerne and one from the Town of Day). The Commission's appropriations for 2015 were \$74,852, which were funded with revenues received from the three towns and the New York State Division for Youth through the Saratoga and Warren County Youth Bureaus.

Scope and Objectives

The objectives of our audit were to review Board oversight of Commission operations and the cash receipts process for the period January 1, 2015 through March 31, 2016. We extended our scope back to January 1, 2014 to review cash receipt collections. Our audit addressed the following related questions:

- Did the towns enter into an intermunicipal agreement (agreement) to govern the Commission and did the Board provide adequate oversight of the Commission's operations?
- Were cash receipts adequately documented and deposited intact and in a timely manner?

Audit Results

The three towns did not enter into an agreement to govern the Commission and the Board did not establish policies and procedures to help ensure it provided adequate oversight of the Commission's financial operations. Further, the towns' governing boards did not establish policies or procedures over the Commission's operations outlining the Board's and the towns' roles and responsibilities.

Payroll expenditures for 2015 totaled \$61,667 and represented 82 percent of the Commission's annual budget. However, the Board did not adopt the annual budget or set and approve salaries, wages and wage increases. As a result, Board members did not have a clear understanding of the effect that payroll expenditures had on the Commission's finances and were unable to effectively govern Commission operations.

Although the Town of Lake Luzerne's Board audits Commission claims before payment, the Board did not approve any of the Commission's purchases or claims. As a result, payments could be made for goods and services that the Board would not have authorized.

The Director did not always maintain cash receipt records and the records that were maintained did not always contain accurate or sufficient information. According to the records available, we found that between \$1,087 and \$1,487 of collections were not remitted to the bookkeeper for deposit. In 2014, deposits for summer field trips totaled \$4,979. However, according to the field trip records maintained by the Director and the claims paid to the field trip vendor, the Director should have collected and remitted from \$5,464 to as much as \$5,529, resulting in a shortage ranging from \$485 to \$550. Additionally, in 2014 deposits for a winter field trip totaled \$1,697, and the Director should have collected and remitted from \$1,980 to as much as \$2,047, resulting in shortage ranging from \$283 to \$350.

Similarly in 2015, \$4,594 was deposited for field trips. However, field trip records indicated that from \$4,913 to as much as \$5,181 was collected, resulting in a shortage ranging from \$319 to \$587.

As a result, the Board was unable to determine if all receipts collected were remitted to the bookkeeper, accurately recorded and deposited intact and in a timely manner, or whether the Commission collected all the money it should have for these trips. Furthermore, because the Commission did not collect and deposit sufficient funds to pay for field trip expenditures, other operating funds, which the towns contributed, were necessary to pay the remaining expenditures.¹

Comments of Commission Officials

The results of our audit and recommendations have been discussed with Commission officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Commission officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

¹ The Commission intended that field trip expenditures be paid for by those individuals who attended, with the exception of attendance costs for the Director, Assistant, counselors, counselors-in-training and bus drivers.

Introduction

Background

The Hadley-Luzerne Joint Youth Commission (Commission) is a joint activity which provides recreation and youth service to approximately 190 children residing in the Towns of Hadley and Day in Saratoga County and the Town of Lake Luzerne in Warren County. The Commission also provides lifeguard services at the three beaches located in the Town of Lake Luzerne. The Commission was established in 1977 by the Towns of Hadley and Lake Luzerne. These two towns accepted the Town of Day as Commission participant in 1987.

The Commission is governed by a seven-member Board of Commissioners (Board) that is appointed by each of the three town boards (three members from the Town of Hadley, three from the Town of Lake Luzerne and one from the Town of Day). The Board is responsible for managing and overseeing the Commission's financial operations.

The Board appoints a Youth Director (Director) and an Assistant to the Director (Assistant)² who are responsible for the Commission's day-to-day program administration. The Town of Lake Luzerne's bookkeeper is also the Commission's bookkeeper. The bookkeeper maintains the accounting records, makes deposits and processes disbursements, including payroll, for the Commission. Commission employees are considered to be Town of Lake Luzerne employees.

The Commission's appropriations for 2015 were \$74,852, which were funded with revenues received from the three towns (\$40,052 from the Town of Hadley, \$30,000 from the Town of Lake Luzerne and \$4,800 from the Town of Day). The Commission's annual budgets did not include appropriations for field trip expenditures.

Objectives

The objectives of our audit were to examine Board oversight of Commission operations and the cash receipts process. Our audit addressed the following related questions:

- Did the towns enter into an intermunicipal agreement (agreement) to govern the Commission and did the Board provide adequate oversight of the Commission's operations?
- Were cash receipts adequately documented and deposited intact and in a timely manner?

² The Director and Assistant are also Board members.

Scope and Methodology

We examined the oversight of the Commission's financial operations for the period January 1, 2015 through March 31, 2016. We extended our scope period back to January 1, 2014 to review cash collections.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report.

Comments of Commission Officials and Corrective Action

The results of our audit and recommendations have been discussed with Commission officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Commission officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the each of the participating town clerks' offices.

Governance

General Municipal Law authorizes local governments to enter into intermunicipal agreements with other local governments. It is the responsibility of the board of each local government participating in a joint service to enter into such an agreement with the other local governments and gain a full understanding of its authority and the applicable legal responsibilities and requirements. As a best practice, the governing bodies of the participating local governments should include provisions in the agreement, or establish supplemental procedures, to assign oversight responsibilities such as reviewing and approving budgets, reviewing periodic reports of revenues and expenditures and conducting annual audits of joint activity records.

Local governments entering into an agreement to provide a joint service may designate an individual or group of individuals (such as a commission) to be responsible for the joint service's day-to-day operations in the agreement. These designated individuals and any other individuals employed to provide the joint service are considered to be employees of one or more of the participating local governments. The agreement should identify which local government(s) these individuals are employed by and provide a mechanism for one or more of the local governments' governing bodies to approve employee salaries and wages.

The agreement may also provide for the fiscal officer of one participating local government to maintain custody of funds associated with the joint service and pay related joint service claims upon audit by the local government's auditing body. When these responsibilities are delegated to a local government, they must be retained by its governing body and may not be delegated to joint activity staff.

The three towns did not enter into an agreement to govern the Commission and the Board failed to establish policies and procedures to help ensure it provided adequate oversight of the Commission's financial operations. The towns' governing boards also did not establish policies or procedures for the Commission's operations or outline the Board's responsibilities. Further, while the Towns of Hadley's and Lake Luzerne's boards passed resolutions in 1977 to form the Commission, these boards did not enter into an agreement or formally outline each town's role and responsibilities.

When the Town of Day joined the Commission in 1987, its board entered into an agreement with the Commission. However, because the Commission is not a separate entity, the agreement should have been among the three participating towns (Towns of Lake Luzerne,

Hadley and Day). This agreement also failed to outline the town's roles and responsibilities relating to Commission operations.

The Towns of Hadley and Day adopted budgets with annual appropriations to contribute funds for Commission operations. To provide this funding, each town remitted a check to the Town of Lake Luzerne, which was deposited by the bookkeeper into the Commission's bank account.

The Town of Lake Luzerne also included an annual appropriation in its budget to contribute funds to the Commission and had additional Commission responsibilities. The Town of Lake Luzerne's bookkeeper maintained the Commission's accounting records, made related deposits, and processed Commission disbursements including payroll, and its board audited and approved Commission claims for payment. Additionally, Commission staff members are employees of the Town of Lake Luzerne. According to Town officials, although this arrangement was not outlined in an agreement, it was the manner in which the Commission operated since it was established.

Budgeting and Monitoring – The Director prepared the Commission's annual budgets, which were funded by annual appropriations from the three towns. However, neither the Board nor any of the towns' boards approved these budgets. Additionally, the Board did not require, and the Director did not provide the Board with, periodic reports including comparisons of actual revenues and expenditures with the amounts estimated in the budget (budget status reports). While the Board president told us that the Director discussed the budget and Commission operations with the Board, the Board's failure to approve the budget and review periodic budget status reports diminished the Board's ability to effectively govern and monitor Commission operations.

Salaries and Wages – Payroll expenditures for 2015 totaled \$61,667 and represented 82 percent of the Commission's annual budget. The Director annually set her own salary and the pay rates and increases for all other Commission staff, including the Assistant, counselors and lifeguards. She provided a 4 percent salary increase to herself in 2014 and a 1.4 percent salary increase in 2015.

The Director told us that the pay rates and increases she set were based on the past practice of providing a 10 cent per hour raise for returning employees and a 25 cent per hour raise for staff who recently received a water safety instructor certificate. Although the Board did not approve these salaries, pay rates or rate increases, the Board President told us she was aware of these practices.

Although it was not outlined in an agreement, because the Town of Lake Luzerne employs Commission staff, the Town of Lake Luzerne's

Board is responsible for approving their salaries and wages but did not do so. Further, because the Board also did not approve the salaries and wages, Board members did not have a clear understanding of the effect the payroll expenditures had on the Commission's finances and were unable to effectively govern Commission operations.

Purchasing – The Board did not adequately oversee the Commission's purchase and disbursement transactions. The Board did not approve purchases before the transactions took place and did not review or approve claims before they were submitted to the Town of Lake Luzerne's Board for review and approval.

The Director or Assistant generally made Commission purchases. The Director prepared the related claims and remitted them to the Town of Lake Luzerne's bookkeeper. The bookkeeper prepared a detailed list of claims and submitted it along with the claims to the Town of Lake Luzerne's Board for audit and approval.

A Town of Lake Luzerne Board member and the Town Supervisor both told us that Commission claims are audited and approved for payment using the same criteria as other Town claims. Although the Town of Lake Luzerne's Board performed a thorough audit of all Commission claims, the Board's failure to approve purchases and audit claims before payment could allow purchases of goods and services that it would not have authorized.

Recommendations

The participating towns' boards should:

1. Enter into a formal written agreement that outlines all the roles and responsibilities of the Commission and the participating towns.
2. Adopt policies and procedures for the Commission's operations and governance.
3. Approve the Commission's annual budgets.
4. Approve all Commission salaries, wages and pay rates.

The Board should:

5. Approve the Commission's annual budgets.
6. Approve all Commission salaries, wages and pay rates.
7. Review and approve all Commission claims before the Town of Lake Luzerne's Board performs its audit.

Cash Receipts

The Board is responsible for establishing written policies and procedures for cash receipts that address the duties, procedures, records and oversight required to safeguard Commission funds. Cash receipts should contain sufficient documentation of the payments received, including the dates paid, amounts, forms of payment and payees. Good business practices indicate that money should be deposited as soon as possible after collection to reduce the risk of loss or theft. Duplicate press-numbered receipts should be issued to all customers, indicating when and from whom a payment was received and the form (i.e., cash or check) in which it was received.

Commission staff arranged four summer field trips and one winter field trip in 2014 and four summer field trips in 2015 (trips to amusement/water parks, bowling alley, fair and farm). The Commission charged participants between \$12 and \$28 for the cost of the trips and paid the vendors for the associated admission costs. The Director and the Assistant collected payments for these field trips.

Parents completed enrollment forms to document field trip enrollment, which the Director used as supporting documentation for the payments received. These forms contained the date and cost of attending each field trip and the child's name, and indicated which field trip would be attended. Separate enrollment forms were generally completed for each child. However, in some cases one form was used for multiple children from the same household.

The forms also contained a section for parents to indicate how much was owed and paid for the trips. However, parents did not always complete this section and were not required to pay for field trips in full when remitting the forms to the Director or Assistant. In some cases, parents or relatives also attended field trips and were charged the same amount that was charged for the children to attend. However, the parent/relative attending and the amount owed and paid for them was not always clearly documented on enrollment forms.

The Director or Assistant also documented the amount owed and paid, date paid and form of payment on the enrollment forms. However, the Director or Assistant did not always document this information on each form. Further, the Director and Assistant did not issue duplicate press-numbered receipts for the payments received.

The Director and Assistant used the enrollment forms to prepare a field trip summary sheet for each field trip. The Director took

attendance for each trip but did not maintain these records. Additionally, the Director designated some children enrolled in the program as counselors-in-training (CIT). CITs, who must be at least 12 years old and are the primary job candidates for the subsequent year's counselor hiring process, were allowed to attend two free field trips during the program year. In some instances, the trips that CITs attended for free were documented on enrollment forms or summary sheets, but this was not always the case.

The Director remitted collections to the bookkeeper, who prepared duplicate receipts for collections, provided one copy to the Director and kept the second copy in a receipt book. The bookkeeper deposited these funds and recorded the transactions in the Town's accounting system. The Director prepared claims to pay vendors for field trips, which generally included the number of individuals who attended the field trip and the cost per individual. The bookkeeper then processed the field trip claims, which were reviewed and approved by the Town of Lake Luzerne's Board.

We compared the amounts the Director remitted to the bookkeeper, according to the duplicate receipts the bookkeeper issued, to the accounting records and bank deposits for all Commission deposits made in 2014 and 2015. We found that all collections remitted to the bookkeeper were appropriately recorded and deposited intact and in a timely manner.

We also compared all cash receipt records maintained by the Director for 2014 and 2015 field trips to amounts remitted to the bookkeeper to determine if field trip receipts were adequately documented and remitted intact and in a timely manner. However, the 2014 enrollment forms did not always contain adequate payment information, such as the date and amount paid, whether payment was made by cash or check and the payee's name. Therefore, we were unable to determine if the Director remitted the amounts collected for field trips to the bookkeeper intact and in a timely manner. Furthermore, the Assistant told us that she did not retain the 2015 enrollment forms. As a result of inadequate cash receipts records, we requested and reviewed bank compositions for all of the Commission's deposits made during 2014 and 2015.

2014 Summer Field Trips – We reviewed the 2014 summer enrollment forms and field trip summary sheets to determine the number of attendees enrolled and calculated the amount that should have been collected for these trips based upon the cost charged to attendees for the trip and the number of attendees. We compared the total amounts that should have been collected (from the forms and the summary sheets) to the amounts remitted to the bookkeeper and deposited. We also reviewed the field trip claims to determine how many admissions the Commission paid for each trip and the amount the Director should have collected for each trip.

We found that the number of attendees for these field trips, according to the enrollment forms, field trip summary sheets and claims, differed. Based on our review of the three sets of records, we found that the amounts the Director remitted to the bookkeeper and deposited were from \$485 to as much as \$550 less than the amounts that should have been collected (Figure 1).

2014 Winter Field Trip – For the 2014 winter trip, permission slips administered through the Hadley-Luzerne Central School District (District) were used instead of enrollment forms, and collections were made by the District’s school nurse, who then remitted all collections and records documenting whom payments were made for, the amounts and whether payments were made by cash or check, to the Assistant every Friday for the two weeks before the trip.³

The Director maintained a field trip summary sheet on which she documented the attendees, and the amounts paid, due and refunded. She also used this sheet to document additional attendees who made payment the day of the trip.

We reviewed the summary sheet and the claim for this trip to determine the number of attendees and calculate the amount the Director should have collected. We found that the number of attendees listed on the summary sheet and the claim differed and that the amount the Director remitted to the bookkeeper and deposited for this field trip was from \$283 to as much as \$350 less than the amount that should have collected (Figure 1).

Figure 1: 2014 Field Trip Deposits						
	Enrollment Forms		Summary Sheets		Vendor Claims	
	Attendees ^a	Amount ^b	Attendees	Amount	Attendees	Amount
Summer Trips						
Trip 1	70	\$1,960	71	\$1,988	75	\$1,838
Trip 2	72	\$864	73	\$876	71	\$852
Trip 3	75	\$975	71	\$884	105	\$1,365
Trip 4	78	\$1,716	78	\$1,716	67	\$1,474
Total		\$5,515		\$5,464		\$5,529
Amount Deposited		\$4,979		\$4,979		\$4,979
Shortage		(\$536)		(\$485)		(\$550)
Winter Trip						
Trip 5	N/A	N/A	99	\$1,980	101	\$2,047
Amount Deposited	N/A	N/A		\$1,697		\$1,697
Shortage	N/A	N/A		(\$283)		(\$350)
^a We excluded CITs from the number of attendees from our calculations when this information was documented on the enrollment form or summary sheets. ^b These amounts represent the amounts that should have been collected and deposited according to the various records reviewed.						

³ The original collection records that the nurse kept, documenting whom payments were made for, amounts and whether by cash or check, were turned over to the Assistant. Collections were turned over to the Assistant every Friday for two weeks. The Nurse’s records were used to create a new spreadsheet.

2015 Field Trips – According to the Assistant, she did not retain all of the 2015 enrollment forms. However, similar to 2014, the Director maintained field trip summary sheets for each field trip. We reviewed these sheets, excluded the CITs from the total number of children enrolled for each trip and calculated the amounts that should have been collected for these field trips based upon the number of attendees and the costs charged to participants attending the trips. However, due to the poor condition of the records maintained, we could not determine when the CITs received the free field trips or when the CITs should have paid for attending the field trips.

We reviewed the claims paid for these field trips to determine the number of admissions the Commission paid for and calculated the amount the Director should have collected for each trip. The summary sheets and claim records did not agree for any of these trips. The amount the Director remitted to the bookkeeper for these field trips was from \$319 to as much as \$587 less than the amount that should have collected (Figure 2).

Figure 2: 2015 Field Trip Deposits				
	Summary Sheets		Vendor Claims	
	Attendees ^a	Amount ^b	Attendees	Amount
Trip 1	63	\$756	67	\$804
Trip 2	95	\$2,090	92	\$2,024
Trip 3	102	\$1,326	129	\$1,677
Trip 4	57	\$741	52	\$676
Total		\$4,913		\$5,181
Amounts Deposited		\$4,594		\$4,594
Shortage		(\$319)		(\$587)
^a We excluded CITs from the number of attendees from our calculations when this information was documented on the summary sheets. ^b These amounts represent the amounts that should have been collected and deposited according to the various records reviewed.				

When adequate collections records are not maintained and duplicate press-numbered receipts are not issued for all collections, there is an increased risk that fraud could occur and remain undetected. Because of the Director's poor recordkeeping, the Board has no way to determine if all collections were remitted to the bookkeeper and deposited intact and in a timely manner. Additionally, because the Board did not provide oversight of the cash receipts process, the Commission did not collect and deposit all the money it should have for the field trips and, as a result, the Commission needed to use other funds, which the towns contributed, to pay for field trip expenditures.

Recommendations

The Board should:

8. Adopt policies and procedures for the cash receipts process.

9. Provide oversight of the cash receipts process, including comparing cash receipts to supporting documents to determine whether all money reported as collected agrees to the amounts remitted for deposit.
10. Reconcile records of collections to the related deposits.
11. Ensure collections are remitted to be deposited intact in a timely manner.

The Director should:

12. Issue duplicate receipts for all collections.
13. Maintain all supporting documentation for cash receipt collections.
14. Prepare a summary for each field trip to document the participants, any unpaid participants such as CITs, and how many people were paid for at the destination.

APPENDIX A

RESPONSE FROM COMMISSION OFFICIALS

The Commission officials' response to this audit can be found on the following pages.

Hadley-Luzerne-Day Joint Youth Commission

539 Lake Avenue
Lake Luzerne, NY 12846

Unit Name: Hadley-Luzerne-Day Joint Youth Commission
Audit Report Title: NYS Comptroller's Office Report of Examination
Audit Report Number: Governance and Cash Receipts 2016M-262

The following is the Response from the Youth Commission Board regarding the NYS Comptroller's Office Report of Examination / Governance and Cash Receipts 2016M-262. We are combining this audit response to include our Corrective Action Plan.

The Youth Commission Board (YCB) has reviewed the audit findings. We agree and understand what was reported. The Youth Commission was established years ago with a hand shake and good faith. We understand and accept that we need to establish and adopt agreements, policies and procedures so that everyone involved knows their responsibilities. We will work together with the Town Supervisors, Town Boards, Youth Commission Director and Youth Commission Board to accomplish these goals. The workshops will start January 2017 and the goal for all policies, procedures and agreements to be completed is April 2017.

Recommendations from the NYS Comptroller's Office:

Governance

The participating town boards should:

1. Enter into a formal agreement that outlines all the roles and responsibilities of Commission and the participating towns.

Corrective Action Plan (CAP) – The three towns of Hadley, Luzerne and Day will enter into an Inter-municipal Agreement (IMA). The Town Attorney from one of the towns will draft a written agreement between the three towns that establishes policies, procedures clarifying the responsibilities of the Town Board and the Youth Board which will now be referred to as the Youth Commission Board (YCB) so that we can clearly define which board we are referring to.

2. Adopt policies and procedures for the Commission's operations and governance.

CAP – The three towns of Hadley, Luzerne and Day will adopt policies and procedures that clarify the roles and responsibilities of the town boards and for the YCB so that both boards know their responsibilities.

3. Approve the Commission's annual budgets.

CAP – The three towns will include in the IMA that all three town boards will receive a copy of the Youth Commission Budget (once approved and adopted by the YCB), for their review and approval. The Town of Lake Luzerne (because they are responsible for the financials including payroll and paying the bills) will perform an annual audit of the Youth Commissions books.

4. Approve all Commission salaries, wages and pay rates.

CAP – The Town of Lake Luzerne will approve all salaries, wages and pay rates for the Youth Commission employees. The Youth Commission Director (YD) will submit a copy of the Budget after it has been approved and adopted by the YCB.

The Youth Commission Board (YCB) should:

5. Approve the Commission's annual budgets.

CAP – The YD will submit to the YCB a tentative Budget that includes all the previous year information and the current year request. The Budget should include all revenues and expenditures, including state aid, town's contributions, field trips, supplies, salaries and wages from the previous year and the current year request so that the YCB can compare and make an informed decision when deciding whether to approve or not approve the budget. The YCB will review the Budget, make changes if necessary, review with the YD and then ultimately approve and adopt the budget. Once the Budget is approved and adopted by the YCB, the YD will submit to the Town Boards for approval.

6. Approve all Commission salaries, wages and pay rates.

CAP – The YD will submit to the YCB a tentative Budget that includes the line items for the cost of salaries and wages. Once the budget is approved and adopted by the YCB, the salaries, wages and pay rates will be set for each employee and approved at the YCB Organizational Meeting. The Organizational Meeting will be held annually. All interviews and hiring of staff will need to be completed before the Organizational Meeting.

7. Review and approve all Commission claims before the Town of Lake Luzerne board performs its audit.

CAP – The YD will acquire 3 signatures of approval from members of the YCB on all vouchers before submitting to the Town of Lake Luzerne for payment. The YD will also submit to all members of the YCB, an accurate Financial Report from all Field Trips that include revenues, expenditures and deposits.

Cash Receipts

The Youth Commission Board (YCB) should:

1. Adopt policies and procedures for the cash receipts process.

CAP – The YCB will establish policies for the cash receipts process including a Purchasing Policy. The YCB will also include in the policy rules for the Petty Cash Account including that the YD must submit receipts from all monies spent in the Petty Cash Account in order to receive replenishment from the Lake Luzerne Bookkeeper.

2. Provide oversight of the cash receipts process, including comparing cash receipts to supporting documents to determine whether all money reported as collected agrees to the amounts remitted for deposit.

CAP – The YCB will establish a policy requiring that the YD submit to the YCB an accurate financial report from all field trips that include revenues, expenditures and deposits. The YD will be responsible for the Financial Report's accuracy and that the monies agree.

3. Reconcile records of collections to the related deposits.

CAP – The YCB will establish a policy requiring that the YD submit to the YCB an accurate financial report from all field trips that include revenues, expenditures and deposits including all receipts and paperwork for accurate reconciliation.

4. Ensure collections are remitted to be deposited intact in a timely manner.

CAP – The YCB will establish a policy requiring that all monies from field trips be deposited within 48 hours of the field trip.

The Youth Director should:

1. Issue duplicate receipts for all collections.

CAP – The YCB will include in the policy that the YD will use a triplicate receipt book for monies collected for field trips. One copy to Parent/Guardian, one copy to the Luzerne Bookkeeper and one copy to be kept for YD records. Field Trips will be numbered for easier record keeping.

2. Maintain all supporting documentation for cash receipt collections.

CAP – The YCB will include in the policy that when the YD turns monies into the Luzerne Bookkeeper, he/she must breakdown what specific Field Trip (using the above mentioned numbering system) it is for and attach one of the triplicate copies of the receipt. Also, the YD will provide Financial Report for each Field Trip including what was collected, what was paid out including Counselors, Bus Drivers, & mileage.

Thank you for your patience, guidance and support throughout the process. We will work diligently to address the recommendations and complete them by April 2017.

Respectfully submitted,

Signed: _____ ***Date:*** 12-2-16

***Colleen DeMarsh
Chairperson/
Youth Commission Board***

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objectives and obtain valid evidence, we performed the following procedures:

- We interviewed Board members and a Town of Lake Luzerne Board member to gain an understating of the roles and responsibilities of the Commission and the Town.
- We interviewed the Supervisors of the Towns of Lake Luzerne, Hadley and Day to gain an understating of the towns' involvement in the youth program and procedures relative to our audit objective.
- We interviewed the Director, Assistant and bookkeeper to gain an understanding of the cash receipts process.
- We reviewed bank compositions for all collections during our audit period and traced them to field trip collection records to identify any discrepancies.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C

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AND SCHOOL ACCOUNTABILITY

Andrew A. SanFilippo, Executive Deputy Comptroller
Gabriel F. Deyo, Deputy Comptroller
Tracey Hitchen Boyd, Assistant Comptroller

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