



Town of Orangeville

Town Clerk/Tax Collector

2023M-80 | September 2023

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Report Highlights

Town of Orangeville

Audit Objective

Determine whether the Town of Orangeville (Town) Town Clerk/Tax Collector (Clerk) properly recorded, deposited, remitted and reported collections.

Key Findings

The Clerk did not properly record, deposit, remit or report collections. The Clerk did not:

- Maintain complete and accurate accounting records, provide accurate monthly reports to the Supervisor or provide an annual accounting to the Board as required.
- Accurately record, remit and report detailed Clerk fees for 21 of the 24 months reviewed.
- Deposit Clerk fees and real property tax collections within required timeframes or in a timely manner.
- Remit real property tax collections totaling \$2 million to the Town Supervisor (Supervisor) or the County Treasurer (Treasurer) within the required timeframes.
- Accurately record and report real property tax collections.

In addition, the Clerk was unable to provide the 2019 accounting records for real property taxes. Therefore, we were unable to determine whether transactions were recorded accurately and timely in 2019.

Key Recommendations

- Maintain detailed and accurate accounting records.
- Deposit all collections and remit all real property tax collections, including interest and penalties, to the Supervisor and Treasurer within the required timeframes.
- Complete an annual audit of the Clerk's accounts and records.

Town officials agreed with our recommendations and have indicated they plan to initiate corrective action.

Background

The Town is located in Wyoming County (County) and is governed by an elected five-member Board including the Supervisor. The Board is responsible for the general oversight and management of operations, including oversight of the elected Clerk.

The Clerk collects fees for a variety of purposes, including dog licenses, permits issued and vital records. Generally, all fees received by the Clerk are the property of the Town, County or State, and must be promptly remitted to the appropriate entities.

The Clerk, who serves as the tax collector, is also responsible for collecting real property taxes and remitting collections to the Supervisor and Treasurer.

Quick Facts

Clerk Tenure	14 years
2019 Clerk Fees Deposited	\$8,604
2020 Clerk Fees Deposited	\$8,138
2019 Real Property Tax Collections	\$1 million
2020 Real Property Tax Collections	\$1 million
Population	1,301

Audit Period

January 1, 2019 – December 31, 2020, with certain limitations due to the unavailability of records and the incomplete manner in which records were maintained.

Town Clerk/Tax Collector

How Should a Clerk Properly Record, Deposit, Remit and Report Collections?

A clerk must properly account for all transactions by promptly and accurately recording the daily amounts collected in a cash receipts journal, depositing collections intact (in the same amount and form – cash or check – as received), remitting money to the appropriate parties and reporting amounts collected to the board.

A clerk should issue and retain a receipt for each collection made, including tax collections. These receipts should be in duplicate format, prenumbered and include adequate information to identify who made the payment, who collected it, the form of payment (cash or check) and the date payment was received. For tax collection, tax bills can serve as receipts because they are prenumbered, come in two parts (the collector's portion, commonly referred to as the receiver's stub, and the customer portion) and adequately satisfy the requirements for issuing a receipt if they are completed and properly retained.

A clerk is required to deposit all fees collected within three business days after total collections exceed \$250 and to remit such money to the town supervisor (supervisor) and other agencies by the 15th day of the following month. While these required deadlines are the latest point in time at which a deposit may be made, from an internal control perspective, the best approach is to deposit funds as soon as possible. The longer money remains undeposited, the greater the risk that loss or theft can occur. Town funds should be kept at the town and in town custody or be deposited directly into the bank. A clerk should also provide a detailed statement of collections to the board monthly to support the funds being remitted.

A clerk, as tax collector, is required to deposit all real property taxes collected within 24 hours of receipt and remit amounts collected, including any interest and penalties, to the supervisor at least once a week. Once the town's tax levy has been collected in full, tax collections must be remitted to the county treasurer (treasurer) no later than the 15th day of the ensuing month. At the end of the tax collection period, the clerk is required to settle with the treasurer and account for all taxes collected, amounts remitted to the supervisor and treasurer, any adjustments to the tax roll and the taxes that remain unpaid.

A clerk should prepare monthly, accurate bank reconciliations and accountability analyses, which compares the amount of cash on hand and on deposit in the bank to detailed lists of amounts due to the supervisor and other agencies. These are critical procedures that serve to document the status of money held by the clerk. They enable the clerk to verify the accuracy of financial records and ensure that assets are sufficient to meet liabilities.

A clerk must also submit an annual accounting to the board, on or before January 20, for all money received and disbursed during the preceding year. The annual accounting helps the board fulfill its overall fiscal oversight responsibilities by providing the board with an opportunity to conduct an audit to assess the reliability of the books, records and supporting documents. The annual accounting also serves to identify conditions that need improvement and provides useful information to help the board oversee the town's financial operations.

The Clerk Did Not Properly Record, Deposit, Remit and Report Clerk Fees

Transactions totaling \$16,742 were deposited into the Clerk's bank account from January 1, 2019 through December 31, 2020. We reviewed the Clerk's records and files for 2019 and 2020 and determined that generally, the Clerk did not record, deposit, remit or report Clerk fees completely, accurately or timely.

Records – The Clerk maintained handwritten accounting records that were incomplete and inaccurate. The Clerk recorded collections of \$8,198 in 2019 and \$7,851 in 2020; however, the Clerk provided documentation that included support for \$1,529 in additional fees collected that were not in her accounting records.

The Clerk did not issue receipts for all transactions; while the Clerk's accounting records included 518 collections for which receipts should have been issued, only 30 prenumbered receipts were written over a two-year period (29 receipts in 2019 and one in 2020) and did not always include the type of payment (i.e., cash or check) received. In many instances, the Clerk's records lacked dates, descriptions of transactions and types of payments received.

In addition, we identified two months where the Clerk recorded transactions totaling \$658 in her accounting records and no payments were deposited into the bank. In February 2020, the Clerk recorded collections of \$189 but no funds were deposited in February. Similarly, in June 2020, the Clerk recorded collections of \$469 but no deposits were made in June. While we confirmed that checks collected in these months were deposited the following month, we could not confirm whether cash collections totaling \$169 were deposited due to the Clerk's poor records. Due to the Clerk's incomplete and inaccurate recordkeeping, we determined that all payments collected were not accounted for in the Clerk's accounting records and question whether all supporting documentation for transactions was maintained and provided to us during our audit.

The Clerk told us she thought her records were accurate and had sufficient detail to support all transactions and that she issued receipts if an individual requested one and did not believe there were any issues with how she recorded cash receipts. While the Clerk said that the COVID-19 pandemic contributed to her poor recordkeeping, we determined that there were deficiencies with her

Due to the Clerk's incomplete and inaccurate recordkeeping, we determined that all payments collected were not accounted for in the Clerk's accounting records. ...

recordkeeping prior to the pandemic. She did not provide any further explanation for her poor recordkeeping, or the discrepancies identified. By not issuing receipts and properly accounting for all collections, the potential for missing funds and the misuse of funds increased significantly.

Deposits – Due to the incomplete and unreliable nature of the Clerk’s records, we could not determine whether all fees collected were deposited, deposited intact or timely. However, for receipts with dates, we determined that the Clerk deposited the funds an average of 11 days after they were recorded as received. In addition, we identified support for collections totaling \$650, including fees for dog licenses, zoning permits and land separations that were not deposited. In addition, the Clerk remitted a \$400 check to the Supervisor but did not record it in her records. There was no documentation to support the purpose of the payment and correlating deposit in the bank. The Clerk said the \$400 may have been for hunting license fees, but she could not confirm whether this was the case by providing additional supporting documentation.

We conducted a cash count on December 3, 2020 to determine whether the Clerk had any collections on hand that had not been deposited. At the time of the cash count, the Clerk told us all Town funds collected were deposited and that the cash we counted was her own personal funds that she used to make change. However, the Clerk should not be commingling her personal funds with Town funds. Furthermore, the Clerk deposited cash totaling \$130 in the bank on December 4, 2020 indicating that she had to replace missing Town collections with her own personal funds. In addition, we identified two check payments totaling \$27 recorded in the November accounting records that were deposited on December 31, 2020. We were unable to confirm when the checks were received due to the Clerk’s poor recordkeeping. Because these transactions were recorded in the November accounting records, it appears these checks were in the Clerk’s custody prior to the cash count and were not provided to us.

The Clerk could not provide explanations for the amounts we determined were not deposited and told us that she thought she had excess funds in the bank account. The Clerk also could not identify what transactions the \$130 in cash was for and stated she forgot the funds were in her purse. The Clerk told us she deposited checks as soon as they were received using the check-reader in her office, but at times, the check-reader was offline. The Clerk also told us that when she could not get to the bank to make a deposit, she took the funds home and kept them in her purse or in a locked drawer until she could get to the bank. By not depositing funds timely, using personal funds for Town business and not maintaining funds in a secure location on Town premises, the risk of funds being lost or stolen increased significantly.

Remittances and Reports – Although the Clerk remitted payments by the 15th of each month, the Clerk did not accurately remit and report collections. For

By not depositing funds timely ... and not maintaining funds in a secure location on Town premises, the risk of funds being lost or stolen increased significantly.

21 of the 24 months reviewed, the amount of money the Clerk remitted to the Supervisor did not agree with what was recorded in the Clerk's accounting records and supporting documentation. For example, the supporting documentation indicated that the Clerk collected five land separation fees (one in 2019 and four in 2020) totaling \$500 (\$100 each); however, these fees were not reported or remitted to the Supervisor. In addition, for 17 months reviewed, the amount of funds remitted to the County and the New York State (NYS) Agriculture and Markets did not agree with the Clerk's accounting records and supporting documentation. For example, in October 2019, the Clerk remitted payments associated with 25 spayed or neutered dog licenses and 23 unspayed or unneutered dog licenses, and reported the same to the Board. However, the Clerk's supporting documentation indicated there were a total of 30 spayed or neutered dog licenses and 22 unspayed or unneutered dog licenses issued in October.

In addition, for 21 of 24 months, the Clerk reported amounts to the Board that did not agree with the Clerk's accounting records and supporting documentation. The Clerk told us she was not aware there were discrepancies with remittances or the amounts reported, and she believed her records were accurate and complete.

Overall, the Clerk's records were inadequate, incomplete and inaccurate. The Clerk did not perform accountability analyses or bank reconciliations. These are critical procedures that serve to document the status of money held by the Clerk, verify the accuracy of financial records and ensure that assets are sufficient to meet liabilities. The Clerk told us that the Internet connection at Town Hall was unreliable and she could not access the Town's online bank accounts to obtain bank statements necessary to perform bank reconciliations or accountability analyses. However, the Clerk could have requested or obtained hard copies of the bank statements from the bank but did not.

The Clerk Did Not Properly Record, Deposit or Remit Real Property Tax Collections

The Clerk did not record the details related to each collection, deposit collections within 24 hours or remit tax collections to the Supervisor and Treasurer within the required timeframes.

The Clerk was unable to provide the 2019 accounting records for real property taxes. Therefore, we were unable to determine whether transactions were recorded accurately and timely in 2019. However, we reviewed the 2020 accounting records for real property tax collections and determined that, in some instances, the records were incomplete and did not contain sufficient detail, including the properties that payments were associated with. The Clerk did not enter the payment type, such as cash or check, for 199 of 847 recorded transactions.

In addition, for 21 of 24 months, the Clerk reported amounts to the Board that did not agree with the Clerk's accounting records and supporting documentation.

We determined that the Clerk deposited funds an average of 25 days after receipt and not within 24 hours of receipt, as required. In addition, the Clerk only remitted tax collections to the Supervisor once in 2019 and twice in 2020, rather than weekly, as required. The Clerk also remitted interest and penalties to the Supervisor in May 2019 and July 2020, rather than weekly, as required. Similarly, the Clerk remitted separate payments for County real property taxes to the Treasurer once each year – on April 12, 2019 and April 29, 2020¹ – rather than by the 15th of the ensuing month after the Town’s tax levy has been collected in full, as required. The Clerk disregarded her responsibility to remit funds to the appropriate parties within required timeframes and improperly and unnecessarily maintained possession of a significant amount of funds (Figure 1).

Figure 1: 2020 Real Property Taxes Collected and Remitted²

Month	Town and County Taxes Collected	Amount Remitted to Supervisor	Amount Remitted to Treasurer	Cumulative Unremitted Amount
January	\$408,866	\$0	\$0	\$408,866
February	327,397	88,325	0	647,938
March	260,848	0	0	908,786
April	34,873	0	942,592	1,067
May	0	0	120	947
June	0	0	0	947
July	0	947	0	0
Total	\$1,031,984	\$89,272	\$942,712	

The Clerk told us that she recorded transactions and made deposits as often as possible, but it was difficult to keep up during tax season. However, it seems unreasonable that more than three weeks passed before she was able to make certain deposits. The Clerk also told us she was not aware of the requirements for remitting payments to the Supervisor and the Treasurer because she did not request or receive much training when she became the tax collector. When deposits and payments are not made in a timely manner and transactions are not recorded promptly, there is an increased risk of mistakes being made or money being lost or misappropriated without detection.

Furthermore, the Clerk did not submit an annual accounting to the Board of all money received and disbursed for either fiscal year during our audit period. There was also no indication that the Board requested such information from the Clerk, and the Board did not hire a certified public accountant for the purpose of auditing

1 The Clerk also remitted \$120 to the Treasurer on May 19, 2020 that should have been remitted previously.

2 The chart excludes refunds to taxpayers for overpayments and payments in lieu of taxes.

the Clerk's records. While the Supervisor told us that she and the Board had audited the Clerk's records and reports in the past, there was no documentation to support that the Clerk's records were provided to, requested by or reviewed by anyone during our audit period. Had the Board reviewed the Clerk's records, it may have recognized the deficiencies in the Clerk's records and procedures and brought them to the Clerk's attention to encourage corrective action. The Board also may have identified the discrepancies between the Clerk's accounting records and the funds deposited into the bank. The Board's lack of oversight over the Clerk's handling of cash and recordkeeping contributed to the deficiencies identified during our audit.

What Do We Recommend?

The Clerk should:

1. Maintain detailed and up-to-date accounting records that accurately reflect all Clerk fees and real property tax transactions.
2. Issue prenumbered receipts for all Clerk fee collections and record cash collections at the time of receipt.
3. Secure undeposited cash and prepared deposits in a vault or safe (or other locked storage) at Town Hall until they are deposited in the bank.
4. Use only Town funds to make change for collections.
5. Ensure all collections received are deposited intact and in a timely manner.
6. Submit a report of collections and disbursements to the Board annually and accounting records to the Board for audit on or before January 20 each year.
7. Attach supporting documentation to the duplicate deposit slips to support deposits made.
8. Perform monthly bank reconciliations and accountability analyses, where known liabilities are reconciled to available cash, and promptly investigate and resolve any discrepancies.
9. Submit accurate monthly reports to the Supervisor containing all collections received for the month.
10. Remit all collections to the Supervisor and other appropriate agencies in the appropriate amounts.

-
11. Remit all real property tax collections to the Treasurer and all interest and penalties collected to the Supervisor within the required timeframes.
 12. Attend formal training for performing her duties. This can include local officials training provided by the Office of the State Comptroller.³

The Board should:

13. Take appropriate action to recover any money due from the Clerk.
14. Annually audit, or cause to be audited, the Clerk's financial records and reports and consider providing more frequent monitoring of the Clerk's activities.

³ <https://www.osc.state.ny.us/local-government/academy/webinars>

Appendix A: Response From Town Officials

TOWN OF ORANGEVILLE

3529 ROUTE 20A

585-786-2883 PHONE

WARSAW, NEW YORK 14569

585-786-3432 FACSIMILE

SUPERVISOR SUSAN MAY • COUNCIL MEMBERS: HANS BOXLER, JR. • ANDREW FLINT • JAMES HERMAN • JOSEPH AHL

September 19, 2023

Melissa A. Myers, Chief of Municipal Audits
Office of New York State Comptroller
Division of Local Government and
School Accountability
110 State Street
12th Floor
Albany, New York 12236

Sent via regular mail and email

**Re: Town of Orangeville
Audit Response Letter & Corrective Audit Plans**

**Unit Name: Division of Local Government and
School Accountability**

**Audit Report Title: Town of Orangeville Town Clerk/Tax Collector
Report of Examination**

Audit Report Number: 2023M-80

Dear Ms. Myers:

Please accept this letter as both the response to the draft audit and the corrective action plan of the Town of Orangeville. The contents of this letter have been reviewed by the Town Clerk and the Town Board and a resolution approving this response and corrective action plan was unanimously passed at the meeting of the Town Board on September 14, 2023.

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed. For recommendations where corrective action has not been taken or proposed, we have included the following explanations:

Town Clerk-

- 1. Maintain detailed and up-to-date accounting records that accurately reflect all Clerk fees and real property tax transactions.***

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September 19, 2023

Melissa A. Myers, Chief of Municipal Audits
Office of New York State Comptroller
Division of Local Government and
School Accountability
110 State Street
12th Floor
Albany, New York 12236

Sent via regular mail and email

**Re: Town of Orangeville
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For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed. For recommendations where corrective action has not been taken or proposed, we have included the following explanations:

Town Clerk-

- 1. Maintain detailed and up-to-date accounting records that accurately reflect all Clerk fees and real property tax transactions.***

Town Board & Town Clerk Response:

The Town Board and Town Clerk agree. The Clerk will continue maintaining detailed and up-to-date accounting records that accurately reflect all Clerk fees and real property tax transactions. Please take into consideration that our review was done during the unprecedented times of Covid-19.

Town Board & Town Clerk Plan of Action:

Around the time this audit commenced, the Town purchased a Municipal Accounting Software from [REDACTED] at the cost of \$4,504.09, with yearly updates of \$795.00 and \$914.00. The Town has since utilized this software, and will continue to do so.

Implementation date: 07/2021 [REDACTED] Town Clerk Software was implemented with yearly updates for staff.

Person Responsible for Implementation: Town Clerk & Deputy Clerk

2. Issue prenumbered receipts for all Clerk fee collections and record cash collections at the time of receipt.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Clerk will issue pre-numbered receipts for any/all fee collections and record cash collections at the time of receipt.

Town Board & Town Clerk Plan of Action:

The Town has purchased a booklet of pre-numbered receipts for the Town Clerk's use. If the resident does not want the paper receipt, it will be stapled to the action taken.

Implementation date: 12/2020

Person Responsible for Implementation: Town Clerk & Deputy Clerk

3. Secure undeposited cash and prepared deposits in a vault or safe (or other locked storage) at the Town Hall until they are deposited in the bank.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. All undeposited cash and prepared deposits shall be stored in a safe at the Town Hall until they are deposited in the bank.

Town Board & Town Clerk Plan of Action:

The Town has a large safe and all undeposited cash and prepared deposits will be stored at the Town Hall for the purposes of safekeeping until they are deposited in the bank. The Town has also has purchased a fire proof cash box to replace the metal cast box for storage of said deposits.

Implementation date: 12/2020 all deposits were kept locked in the vault / safe until deposit. The Town has also purchased a fireproof cash box to replace the metal cash box.

Person Responsible for Implementation: Town Clerk & Deputy Clerk

4. Use only Town funds to make change for collections.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. Town funds are the only funds to be utilized to make change for collections.

Town Board & Town Clerk Plan of Action:

The Town Clerk agrees to only use Town funds to make change for collections. No personal funds shall be used to make change. This is understood and has been corrected.

Implementation date: 12/2020 The Town Board resolved a new petty cash policy, which has been followed from that date.

Person Responsible for Implementation: Town Clerk & Deputy Clerk

5. Ensure all collections received are deposited intact and in a timely manner.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. All collections received shall be deposited intact and in a timely manner.

Town Board & Town Clerk Plan of Action:

The Town Clerk will continue to ensure that all collections received be deposited intact and in a timely manner. Again, please take into consideration that some deposits took place during the unprecedented times of Covid-19.

Implementation date: 12/2020

Person Responsible for Implementation: Town Clerk & Deputy Clerk

6. *Submit a report of collections and disbursements to the Board annually and accounting records to the Board for audit on or before January 20 each year.*

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Town Clerk has always submitted **monthly** reports of collections and disbursements to the Town Board. The Town believes it to be beneficial to review monthly reports, rather than just annually. The Town wishes to continue utilizing monthly reports, and annual reports. Said annual reports shall be compiled of each of the monthly reports throughout each year. The [REDACTED] Municipal Accounting Software allows for the Clerk to easily print reports, capturing any timeframe specified.

Town Board & Town Clerk Plan of Action:

The Town shall continue using the Municipal Accounting Software by [REDACTED], and the Clerk will continue providing monthly reports reflecting all collections and disbursements to the Town Board. Additionally, the Town Clerk will issue annual reports to the Town Board on or before January 20th, each year.

Implementation date: 7/2021 [REDACTED] software implemented all reports are monthly to the Board with an annual report. On or before 1/20 each year.

Person Responsible for Implementation: Town Clerk & Deputy Clerk

7. *Attach supporting documentation to the duplicate deposit slips to support deposits made.*

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Town Clerk shall attach supporting documentation to the duplicate deposit slips to support deposits made.

Town Board & Town Clerk Plan of Action:

The Town Clerk shall attach the reports from the [REDACTED] Municipal Accounting Software to the duplicate deposit slips as supporting documentation to reflect deposits made for Tax Collection and the Clerk will continue to make a copy of each deposit and purchased duplicate deposit slips.

Implementation date: 12/2020

Person Responsible for Implementation: Town Clerk & Deputy Clerk

-
8. *Perform monthly bank reconciliations and accountability analyses, where known liabilities are reconciled to available cash, and promptly investigate and resolve any discrepancies.*

Town Board & Town Bookkeeper Response:

The Town Board and the Town Clerk agree. The Town Clerk as well as the Town Bookkeeper, shall perform quarterly bank reconciliations and accountability analyses, where known liabilities are reconciled to available cash, and promptly investigate and resolve any discrepancies.

Town Board & Town Bookkeeper Plan of Action:

The Town Bookkeeper shall complete bank reconciliations and accountability analyses quarterly. The Town has appointed a Deputy Clerk, who will be assisting with the bank reconciliations, accountability analyses, and investigation and resolution of any discrepancies. The Town believes it to be beneficial to have two sets of eyes (Bookkeeper and Deputy Clerk) viewing the financial reconciliations and analyses.

Implementation date: 7/2021

Person Responsible for Implementation: The Bookkeeper and the Deputy will view all of the financial reconciliations and analysis.

9. *Submit accurate monthly reports to the Supervisor containing all collections received for the month.*

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Town Clerk shall continue submitting accurate monthly reports to the Supervisor containing all collections received for the month.

Town Board & Town Clerk Plan of Action:

It is current practice for the Town Clerk to provide accurate monthly reports to the Town Supervisor, depicting all collections within each month. The Town Clerk will continue to do so.

Implementation date: 7/2021 [REDACTED] reports

Person Responsible for Implementation: Town Clerk & Deputy Clerk

10. Remit all collections to the Supervisor and other appropriate agencies in the appropriate amounts.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Town Clerk shall remit all collections to the Supervisor and other appropriate agencies in the appropriate amounts.

Town Board & Town Clerk Plan of Action:

As read, and understood in the Report of Examination relative to this audit, the Town Clerk is required to deposit all fees collected within three (3) business days after total collections exceed \$250.00 and to remit such money to the Town Supervisor and other agencies by the 15th day of the following month. The Town Clerk shall follow these listed regulations relative to all collections.

Implementation date: 7/2021 improved reporting with [REDACTED] software

Person Responsible for Implementation: Town Clerk & Deputy Clerk

11. Remit all real property tax collections to the Treasurer and all interest and penalties collected to the Supervisor within the required timeframes.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Town Clerk shall remit all real property tax collections to the Treasurer and all interest and penalties collected to the Supervisor within the required timeframes.

Town Board & Town Clerk Plan of Action:

As read, and understood in the Report of Examination relative to this audit, the Town Tax Collector (Town Clerk) is required to deposit all real property taxes collected within 24 hours of receipt and remit amounts collected (including any interest and penalties), to the Supervisor, at least once per week. The Town Clerk/Tax Collector shall follow these listed regulations relative to all real property tax collections.

Implementation date: 01/01/2024

Person Responsible for Implementation: Town Clerk & Deputy Clerk

12. Attend formal training for performing her duties. This can include local officials training provided by the Office of the State Comptroller.

Town Board & Town Clerk Response:

The Town Board and the Town Clerk agree. The Town Clerk shall attend formal training for performing her duties. Trainings that were attended were:

<u>Date</u>	<u>Training</u>
Yearly	New York State Town Clerk Association
April 25 th 2022	Municipal Certified Town Clerk (Valid for 5 years)

Town Board & Town Clerk Plan of Action:

The Town Clerk has previously participated in various trainings relative to her duties as Town Clerk. The Town shall look into training opportunities with regard to the duties as Tax Collector.

Implementation date: Continuous education with the NYSTCA and available resources, and the County treasurer

Person Responsible for Implementation: Town Clerk

Town Board-

13. Take appropriate action to recover any money due from the Clerk.

Town Board Response:

The Town Board agrees. The Town Board shall take appropriate action to recover any money due from the Clerk.

Town Board Plan of Action:

If necessary, the Town Board will take appropriate action to recover any money due from the Clerk.

Implementation date: Current

Person Responsible for Implementation: Town Clerk & Deputy Clerk

14. Annually audit, or cause to be audited, the Clerk's financial records and reports and consider providing more frequent monitoring of the Clerk's activities.

Town Board Response:

The Town Board agrees. The Town Board shall consider receiving annual audits of the bookkeeper's financial records and reports, and providing more frequent monitoring of the bookkeeper's activities.

Town Board Plan of Action:

The Town Board shall continue reviewing quarterly financial reports, as provided by the bookkeeper. The Town Board shall also allow the newly appointed Deputy Clerk to assist the bookkeeper with financial record keeping and reporting. Furthermore, the Town will look into training opportunities available to the Town Clerk/Tax Collector.

Implementation date: Continuous & October 2023

Person Responsible for Implementation: Town Clerk & Deputy Clerk

Thank you for the opportunity to respond to the recommendations in the audit, and we hope you find our corrective action plan responsive, relevant, and acceptable.

Very truly yours,

Susan May, Supervisor
Town of Orangeville

PC to: David M. DiMatteo, Town Attorney

Appendix B: Audit Methodology and Standards

We conducted this audit 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. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed Town officials and reviewed the Town's website and Board meeting minutes to gain an understanding of internal controls over collecting, recording, depositing, remitting and reconciling Clerk collections and to determine whether adequate policies and procedures were in place for Clerk operations and the extent of any Board oversight.
- We compared the Clerk's accounting records and supporting documentation, including duplicate cash receipts, dog license reports, marriage certificates and NYS Department of Environmental Conservation reports, to deposit compositions (obtained directly from the bank), bank statements/bank access (obtained directly from bank) and monthly Supervisor reports to determine whether all transactions were accurately recorded, reported and remitted.
- We conducted a cash count on December 3, 2020 to determine whether the Clerk had any payments on hand that had not been deposited.
- We compared prenumbered receipt dates to deposit dates for those transactions with receipts to determine, on average, how long it took to deposit collected Clerk fees.
- Of tax collections totaling approximately \$1 million, we selected a sample of 24 collections totaling \$18,000 and compared the date reported on the accounting reports to the date of the deposit to determine, on average, how long it took to deposit funds. For our sample, we selected all collections with a difference of 30 days or more between the check date and deposit date, excluding checks received from banking institutions. We could not review 2019 accounting records because the Clerk could not locate or provide them.
- We reviewed duplicate receipt books to determine whether receipts were written in the order received and whether any receipts were missing or blank and not voided.
- We reviewed the Clerk's 2019 and 2020 real property tax bank statements, canceled check images and settlement reports to determine when tax collections were remitted to the Supervisor and Treasurer and whether amounts were accurate.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided 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 the CAP available for public review in the Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/local-government/academy

Contact

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Division of Local Government and School Accountability
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www.osc.state.ny.us/local-government

Local Government and School Accountability Help Line: (866) 321-8503

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