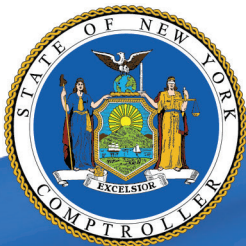


Town of Beekmantown

Procurement and Town Clerk Operations

FEBRUARY 2018



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Town of Beekmantown

Audit Objectives

Determine whether the Town procured goods and services in accordance with statutory requirements.

Determine whether the Town Clerk recorded, deposited, remitted and reported all collections received in a timely and accurate manner.

Key Findings

- The Town did not procure goods in accordance with the competitive bidding requirements and expended \$21,287 more than necessary for diesel fuel purchases.
- The Clerk did not record all collections received in a timely and accurate manner.
- Accountability analyses were not prepared by the Clerk and she had a \$1,100 unidentified balance in her Clerk bank account as of July 31, 2017.

Key Recommendations

- Procure goods and services in accordance with statutory requirements.
- Record receipts for all collections received in the Clerk software in a timely and accurate manner.
- Ensure accountability analyses are prepared monthly, whereby known liabilities are reconciled to available cash.

Town officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

Background

The Town of Beekmantown (Town) is located in Clinton County.

The Town is governed by an elected five-member Town Board (Board), which is composed of the Town Supervisor (Supervisor) and four Board members. The Board is responsible for the general oversight of the Town's operations and finances.

The Town's elected Town Clerk (Clerk) is responsible for collecting a variety of fees and reporting and remitting the corresponding collections to the Supervisor and other appropriate agencies.

Quick Facts

Population	5,545
2017 Budgeted Appropriations	\$2.6 million
Receipted Clerk Collections	\$28,230

Audit Period

January 1, 2016 – May 31, 2017.

We expanded our scope back to January 1, 2015 for our review of diesel fuel purchases and forward to August 1, 2017 for our review of accountability analyses.

Procurement

How Should Significant Goods and Services Be Procured?

New York State (NYS) General Municipal Law (GML) generally requires competitive bidding for purchase and public works contracts that exceed \$20,000 and \$35,000, respectively. In lieu of seeking competitive bids, the Town is authorized to make purchases using NYS contracts awarded by the Office of General Services or contracts bid by other governments (i.e., county contracts). In determining the necessity for competitive bidding, the aggregate amount to be expended for the same commodity or service within the 12-month period commencing on the date of the purchase must be considered. It is essential that applicable competitive bidding provisions be followed and NYS or county contract options investigated to help ensure the prudent and economical use of public money and to facilitate the acquisition of goods and services of required quality at the lowest cost.

Procurements Were Not Made In Accordance with the Competitive Bidding Requirements

We reviewed all six commodity and equipment purchases totaling \$619,081 that the Town made during our audit period that exceeded the competitive bidding thresholds¹ to determine whether they were procured in accordance with GML. We found that the Town did not procure two of these items totaling \$108,558 in accordance with GML. These purchases consisted of \$40,387 for a 2017 pickup truck and \$68,171 for diesel fuel during our audit period. We also expanded our review of diesel fuel purchases back to January 1, 2015 and found the Town did not procure diesel fuel totaling \$56,395 during the 2015 fiscal year in accordance with GML.

The Highway Superintendent told us the 2017 pickup truck was purchased under State contract. However, the vendor the Town purchased the truck from was not a State contract holder. In addition, the Highway Superintendent told us the Town did not competitively bid or use State contract options for the diesel fuel purchases because a local vendor the Town used stated they would match State contract pricing. However, because this vendor was not actually awarded a State contract, this was not a valid exception to the competitive bidding requirements.

We compared the price per gallon paid by the Town for all diesel fuel purchases during January 1, 2015 through May 31, 2017 to the applicable State contract price per gallon to determine whether the Town's purchase price was equal to State contract pricing. We found the Town's purchase price exceeded State

¹ The Town did not enter into any public works contracts during our audit period that exceeded the competitive bidding thresholds.

contract pricing by a total of \$19,866. In addition, Clinton County had a contract with a vendor the Town could have used to purchase diesel fuel at a price of \$.025 per gallon less than State contract pricing. The Town's purchase price exceeded Clinton County contract pricing by a total of \$21,287.

We found no comparable 2017 pickup trucks on State or county contracts at the time the Town made the purchase to determine whether a lower price was available for the same vehicle.

By not complying with GML requirements and pursuing the cost effectiveness of available State and county contract options, the Town expended \$21,287 more than necessary for diesel fuel purchases. In addition, the Board and Highway Superintendent have not assured residents that the pickup truck purchase was made in the most prudent and economical manner.

What Do We Recommend?

The Board and Highway Superintendent should:

1. Ensure purchase contracts exceeding the statutory competitive bidding thresholds are executed in compliance with GML.
2. Investigate the cost effectiveness of available State and county contract options and purchase through those contracts when appropriate.

Town Clerk Operations

The Clerk is responsible for directly collecting various Clerk fees, which include, but are not limited to, fees for dog licenses, NYS Department of Environmental Conservation (DEC) licenses, marriage licenses, death certificates, junkyard permits and photocopies. In addition, collections for building permits, rental fees and planning and zoning fees are collected by other Town employees and remitted to the Clerk for deposit. The Clerk records sequentially numbered receipts in the Clerk software for these collections and they are deposited into the Clerk bank account. Payments received by check and money order are processed through remote deposit capture,² and online³ or credit card payments are deposited directly into the Clerk bank account. As a result, the Clerk only deposits cash payments at the bank.

How Should the Clerk Record, Deposit, Remit and Report Collections Received?

NYS Town Law (Town Law) requires the Clerk to keep a suitable record of all money received and to deposit all money collected no later than the third business day after receiving an accumulated amount of \$250. In addition, when there is no other evidence of collection (i.e., a copy of a license or permit), a duplicate press-numbered receipt should be issued indicating the payer, date, purpose, amount and type of payment received (i.e., cash or check) with a copy retained to support the collection. The receipts and other supporting documentation help to ensure transactions entered in the accounting records are accurate and traceable from the point of collection to the monthly reports and bank deposits. Town Law also requires the Clerk to submit a monthly verified statement of all money received and remit such money to the Supervisor on or before the 15th of the month following receipt and must also report and remit collections to other appropriate agencies.⁴

Collections Were Not Recorded Timely and Accurately

The Clerk did not record all collections received in a timely and accurate manner. We found the Clerk did not record receipts in the Clerk software for 12 collections totaling \$354 received during our audit period, which consisted of two credit card payments totaling \$35, five cash payments totaling \$60 and five check payments

² Remote deposit capture allows entities to scan checks and money orders and transmit the scanned images electronically to their bank, causing their account to be credited.

³ Individuals were only able to make online payments for dog licenses.

⁴ Remittances to the NYS Department of Agriculture and Markets are due on or before the fifth day of each month (NYS Agriculture and Markets Law) and to the NYS Department of Health on or before the fifteenth day of each month (NYS Domestic Relations Law).

totaling \$259. For example, a \$125 check dated September 15, 2016 for a junkyard permit was deposited in August 2016.⁵ Because a corresponding receipt was not recorded in the Clerk software, the actual date it was received is unknown and therefore, we could not determine if the check was deposited timely.

We also found 38 of the 1,357 receipts totaling \$930 recorded in the Clerk software during our audit period were not accurately recorded for various reasons. These discrepancies included, but were not limited to, the following:

- For 13 collections totaling \$162 the corresponding receipts recorded in the Clerk software totaled \$251 or \$89 more than the collections received. This was largely due to residents paying for their dog licenses online after the deadline but only paying the \$10 fee and not the \$5 late fee. When the Clerk transferred these dog license fees into the Clerk software, the \$15 amount owed was recorded as a receipt. However, only \$10 was wired into her bank account for the corresponding credit card payment.
- For six collections totaling \$157 the corresponding receipts were not recorded in the Clerk software in a timely manner. For example, a \$10 marriage certificate fee paid for on June 28, 2016 was not recorded as a receipt in the Clerk software until 114 days later on October 20, 2016. The Clerk told us she recorded the fee when she realized she had forgotten to record it in June.
- For 15 collections totaling \$448 the corresponding receipts recorded in the Clerk software did not contain the correct type of payment received (i.e., cash or check).
- For three collections totaling \$57 the Clerk recorded duplicate receipts in the Clerk software. For example, the Clerk recorded a receipt for a \$37 conservation license sale in the Clerk software on October 13, 2016 and again in error on October 17, 2016. Because the Clerk generates the monthly report from the Clerk software, she records the conservation license sales in the software as well as the DEC software.

The Clerk's failure to record receipts in the Clerk software in a timely and accurate manner for all collections significantly increases the risk money collected could be lost or misappropriated.

⁵ Because the check was deposited in August 2016, it had to have been received in August or some time before August. The check was either accidentally misdated for September or purposely postdated for September.

Cash Deposits Were Not Supported

The Clerk did not attach any supporting documentation to her validated deposits slips to support the cash deposits made, such as receipt detail from the Clerk software. In addition, the Clerk told us she did not compare cash on hand to the corresponding receipts recorded in the Clerk software prior to making cash deposits. Instead, she would deposit the cash on hand less the \$100 she was assigned for making change for customers. As a result, we could not trace cash collections to a corresponding deposit to determine whether they were deposited in the amount received and in a timely manner. Consequently, we compared the total cash deposits made into the Clerk bank account to the recorded cash collections during our audit period to determine whether they were in agreement. We found that except for minor discrepancies, which we discussed with Town officials, collections and deposits agreed.

We also obtained bank compositions, consisting of copies of each check and money order deposited, from the Town's bank for the 96 deposits of checks and money orders totaling \$17,786 made into the Clerk's bank account for collections received during our audit period. We reviewed the bank compositions and collection documentation to determine whether any recorded collections were not deposited. In addition, we reviewed the bank compositions to determine whether they included any checks or money orders that did not appear to be for Clerk collections. We did not identify any discrepancies. Furthermore, except for minor discrepancies we discussed with Town officials, check and money order collections were deposited in a timely manner based on the receipt date recorded in the Clerk software.

Because cash deposited was not adequately supported, Town officials lack assurance all cash collections were deposited in the amount received and in a timely manner.

Monthly Reports and Remittances Were Not Timely and Accurate

The Clerk submitted a monthly report to the Supervisor for each month during our audit period. However, we found 11 of 17 monthly reports (65 percent) were submitted after the 15th day of the preceding month by one to 20 days with the reports being an average of approximately 12 days late. In addition, we reviewed three monthly reports during our audit period (March and August 2016 and May 2017) and found the total collections recorded on these reports were understated by \$54, \$100 and \$45, respectively. These discrepancies occurred for various reasons. However, the discrepancies were predominately the result of the Clerk not recording receipts in the Clerk software for collections received, which resulted in the Clerk reports being inaccurate.

We reviewed all 48 checks totaling \$26,711 issued by the Clerk for remittances of collections received during our audit period. We found 30 of these remittances (63 percent) totaling \$15,192 were made to the Supervisor and other appropriate agencies after the due date by three to 46 days with the remittances being an average of approximately 16 days late. In addition, we reviewed the 48 remittances to determine whether they were in agreement with the corresponding monthly reports submitted to the Supervisor. Except for one minor exception, which we discussed with Town officials, all of the remittances agreed with the reports. However, because the three monthly reports, previously mentioned, were inaccurate, the remittances were inaccurate to the same extent because no adjustments were made to correct errors in the monthly reports on which the remittances were based.

Due to the Clerk's sometimes inadequate recordkeeping, all collections received were not accurately recorded in the monthly Clerk reports and remitted to the Supervisor and other appropriate agencies in the appropriate amounts. In addition, because the Clerk did not remit collections in a timely manner, this deprived the Supervisor and other agencies of the use of money belonging to them and increased the risk collections could be used for inappropriate purposes.

Why Should the Clerk Prepare a Monthly Bank Reconciliation and Accountability Analyses?

The Clerk is responsible and accountable for all money received by her office. It is important for the Clerk to periodically verify the accuracy of the financial records and establish adequate control over cash by reconciling the Clerk bank account monthly. In addition, on a monthly basis, the amount of cash on hand and on deposit in the bank should be compared to detailed lists of amounts due to the Supervisor and other appropriate agencies. This comparison is referred to as an accountability analysis. Preparing bank reconciliations and accountability analyses are critical procedures that serve to document the status of money held by the Clerk and provide a means of demonstrating the Clerk is properly addressing her custodial responsibilities.

Accountability Analyses Were Not Prepared

The Clerk had one bank account that was used for all financial activity related to Clerk fees during our audit period, and she prepared monthly bank reconciliations for this account. We reviewed the reconciliations for three months during our audit period (February and September 2016 and April 2017). We found, except for minor discrepancies we discussed with Town officials, the three bank reconciliations agreed with the Clerk's checkbook register. However, accountability analyses were never prepared by the Clerk comparing cash on hand and in the bank with known liabilities.

We prepared accountability analyses at month-end for the months of January 2016 and July 2017 and found the Clerk’s assets exceeded her known liabilities for each month, resulting in a cash overage each month. Specifically, as of January 31, 2016, the overage totaled \$1,164 and decreased by \$64 to an overage of \$1,100 as of July 31, 2017 (Figure 1).

Figure 1: Accountability Analyses

	January 31, 2016	July 31, 2017
Assets	Amount	Amount
Adjusted Bank Account Balance	\$25,032	\$5,437
Due from Tax Collector ^a	\$0	\$315
Total Assets	\$25,032	\$5,752
Known Liabilities		
Due to Supervisor	\$2,307	\$4,067
Due to NYS Office of the State Comptroller	\$0	\$248
Due to NYS Department of Environmental Conservation	\$28	\$97
Due to NYS Department of Agriculture & Markets	\$124	\$195
Due to NYS Department of Health	\$23	\$45
Due to Tax Collector ^b	\$21,386	\$0
Total Known Liabilities	\$23,868	\$4,652
Cash Overage	\$1,164	\$1,100

a The Clerk incorrectly deposited \$315 in collections for Clerk fees into her Tax Collector bank account on July 19, 2017 and July 31, 2017.

b The Clerk incorrectly deposited \$21,386 in collections for real property taxes into her Clerk bank account on January 4, 2016.

The Clerk explained that the \$1,164 overage in her Clerk bank account, as of January 31, 2016, may have resulted because of her depositing collections into her Clerk account prior to our audit period but not recording corresponding receipts in the Clerk software. When this occurs, it results in the corresponding collections not being remitted to the Supervisor and other appropriate agencies, but instead their accumulation in the Clerk bank account. We did not determine the cause of the overage decreasing by \$64 from January 31, 2016 to July 31, 2017.

The lack of accountability analyses being prepared contributed to the discrepancies identified in the Clerk’s records and resulted in a significant unidentified cash overage in the Clerk bank account.

How Should the Board Provide Oversight of the Clerk's Financial Activities?

Town Law requires the Board to conduct or obtain an annual audit of the records and reports of any Town officer or employee who received or disbursed money on the Town's behalf in the preceding year. This annual audit is to provide assurance that public money is handled properly (i.e., deposited in a timely manner, accurately recorded and accounted for), identify conditions needing improvement and provide oversight of the Town's financial operations. A thorough annual audit also provides the Board an added measure of assurance that financial records and reports contain reliable information on which to base management decisions.

An Annual Audit of the Clerk's Records and Reports Was Not Performed

The Board did not audit or obtain an audit of the Clerk's records and reports for the 2016 fiscal year. The Board's failure to conduct an audit of the Clerk's records allowed the Clerk to maintain inaccurate records and for discrepancies to occur and remain undetected and uncorrected. Had the Board conducted the annual audit of the Clerk's records, the deficiencies found during our audit could have been identified and addressed sooner.

What Do We Recommend?

The Clerk should:

3. Record receipts for all collections received in the Clerk software in a timely and accurate manner.
4. Attach supporting documentation to the validated deposit slips to support the cash deposits made.
5. Submit a monthly report to the Supervisor containing all collections received for the month and in a timely manner in compliance with Town Law.
6. Remit all collections to the Supervisor and other appropriate agencies in the appropriate amounts and in a timely manner in compliance with statutory requirements.
7. Ensure accountability analyses are prepared monthly, whereby known liabilities are reconciled to available cash, and promptly investigate and resolve any discrepancies.

-
8. Attempt to identify the source of the unidentified balance in the Clerk bank account. If the Clerk cannot identify the source of the balance, a check should be issued to the Supervisor in the same amount.

The Board should:

9. Annually audit, or cause to be audited, the Clerk's financial records and reports.

Appendix A: Response From Town Officials

TOWN OF BEEKMANTOWN

571 Spellman Road
West Chazy, N.Y. 12992
(518) 563-4650
FAX (518) 563-0554
TDD#711



Samuel R. Dyer
Supervisor

Rufus "Joey" Deyo Jr.
Sharron L. Garden
Terry Sears
Cheryl Turner
Town Council

Kelly M. LaFountain
Town Clerk/Tax Collector



Susan Proctor
Secretary to Supervisor

Allan Corron
Code Enforcement Officer

Maria Visco
Account/Payroll Clerk

Roger Perry
Highway Superintendent

February 1, 2018

Office of the State Comptroller
Division of Local Government and School Accountability
PSU-CAP Submission
110 State Street, 12th Floor
Albany, NY 12236

Town of Beekmantown **Response and Corrective Action Plan** for
Procurement and Town Clerk Operations Audit #2017M-217

We will be following the response guidelines for separately elected officials and have attached responses from both the Highway Superintendent and the Town Clerk. 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.

Procurement-Highway Department

Audit Recommendation-(1) Ensure purchase contracts exceeding the statutory competitive bidding thresholds are executed in compliance with GML

Implementation Plan of Action(s)

For the purchasing of diesel fuel: The Highway Dept. changed vendors for diesel fuel thus engaging in the competitive bid pricing under the Clinton County Highway Dept. contract for diesel fuel.

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Implementation date: August 2017

Person responsible for implementation: Highway Superintendent Roger Perry and the Town of Beekmantown Town Board.

Audit Recommendation-(2) Investigate the cost effectiveness of available State and County contract options and purchase through those contracts when appropriate.

Implementation Plan of Action(s)

For the purchase of Ford pickup truck: This purchase was identified as an “Emergency Purchase” by the Highway Superintendent but was not resolved by the Town Board as such. All future purchases will implement procurement outlined in the GML utilizing Town Procurement policy including mini-bids, other competitive bidding processes, or utilizing NYS and Clinton County contracts.

Implementation date: Immediate

Person responsible for implementation: Highway Superintendent Roger Perry and the Town of Beekmantown Town Board.

Town Clerk Operations

Audit Recommendation-(3) Record receipts for all collections in the Clerk software in a timely and accurate manner.

Implementation Plan of Action(s): Credit card payments for Building permit fees will no longer be accepted as a paper trail for this function cannot be established at this time. The [REDACTED] system has corrected the timeline for late fees for Dog Licensing. The Town Clerk is issuing a monthly report to the Town Board detailing Town Clerk Operations and deposits. An internal audit of the Town Clerk financial activities will be performed by the Town Board on an annual basis to ensure receipts and collections remain timely and accurate.

Implementation date: started during audit process

Person Responsible for Implementation: Town of Beekmantown Town Clerk and the Town of Beekmantown Town Board.

Audit Recommendation-(4) Attach supporting documentation to the validated deposit slips to support the cash deposits made.

Implementation Plan of Action(s): A daily cash total matching the daily cash deposit reflected in the Town Clerk daily report has been implemented. Checks and balances have been established for the tracking of 2 part postings for DEC and Marriage licenses. An annual internal audit will be conducted by the Town Board to ensure the documentation is being furnished as recommended.

Implementation date: started during audit process

Person Responsible for Implementation: Town of Beekmantown Town Clerk and the Town of Beekmantown Town Board.

Audit Recommendation-(5) Submit a monthly report to the Supervisor containing all collections received for the month and in a timely manner in compliance with Town Law.

Implementation Plan of Action(s): The Town Board will require a monthly report be submitted on or before the 15th of each month in accordance with Town Law. This report will be used as a guide to the maintenance and accuracy of Town Clerk fiscal operations on a

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monthly basis. In addition an annual audit will be performed by the Town Board in compliance with Town Law.

Implementation date: Immediate

Person Responsible for Implementation: The Town of Beekmantown Town Clerk and the Town of Beekmantown Town Board.

Audit Recommendation-(6) Remit all collections to the Supervisor and other appropriate agencies in the appropriate amounts and in a timely manner in compliance with statutory requirements.

Implementation Plan of Action(s): The Town Board will require a monthly detail report of accountability from the Town Clerk and will review this report in compliance with statutory requirements and their fiduciary responsibility in accordance with Town Law.

Implementation date: Immediate

Person Responsible for Implementation: The Town of Beekmantown Town Clerk and the Town of Beekmantown Town Board.

Audit Recommendation-(7) Ensure accountability analyses are prepared monthly, whereby known liabilities are reconciled to available cash, and promptly investigate and resolve any discrepancies.

Implementation Plan of Action(s): The Town Board will require a monthly report analysis from the Town Clerk and will investigate discrepancies promptly. An annual audit will be performed by the Town Board of Town Clerk financial activities in compliance with Town Law.

Implementation date: Immediate

Person Responsible for Implementation: The Town of Beekmantown Town Clerk and the Town of Beekmantown Town Board.

Audit Recommendation-(8) Attempt to identify the source of the unidentified balance in the Clerk bank account. If the Clerk cannot identify the source of the balance, a check should be issued to the Supervisor in the same amount.

Implementation Plan of Action(s): The source of the balance in the Clerk bank account has been partially attributed to [REDACTED] system timeline issues as well as the aforementioned credit card transactions for building permits and the occasional failure to post DEC licenses into the [REDACTED] system. The overage was issued in the form of a check to the Town Supervisor in December of 2017. Again, the Town Board will conduct an annual audit to ensure that funds the Town Clerk is receipting match funds deposited to Town accounts. The monthly reports that are provided the Board will aid in this process by ensuring that discrepancies are found and investigated while still relatively recent to their occurrence.

Town Board

Audit Recommendation-(9) Annually audit, or cause to be audited, the Clerk's financial records and reports.

Implementation Plan of Action(s): The audit process has been a learning experience for the Town of Beekmantown Town Board and Town staff and the guidance of the State Comptroller's Office, by way of the knowledge and expertise of the auditor, has been an invaluable tool for the Town Board, the Budget Officer, and the Town Clerk. Over the duration of the audit several adjustments were made in an effort to be more transparent and efficient with procedures pertaining to fiscal postings and investigation was done by the auditor into several issues that required attention from a software standpoint. Ultimately, however the fiscal responsibility lies with the governing body of the Town Board and it is the

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resolve of this Board to accomplish the task of the audit of the Town Clerk's records and reports on an annual basis. This is an integral process in the fiscal function of the Town as a whole and our duty as the elected officials of the Town. We appreciate the cooperation of all representatives of the NY State Comptroller's Office and we will seek guidance from your office whenever necessary.

Implementation date: Immediate

Person Responsible for Implementation: Town of Beekmantown Town Supervisor and Town of Beekmantown Town Board.

Signed:

~~Samuel~~ R. Dyer-Town Supervisor

~~Sharon~~ Garden-Deputy Town Supervisor/Councilwoman

~~Cheryl~~ Turner-Town Councilwoman

~~Rufus~~ Joe Deyo II-Town Councilman

~~Terry~~ Sears-Town Councilman


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TOWN OF BEEKMANTOWN HIGHWAY DEPARTMENT

Highway Superintendant Roger Perry

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To: Town Council Members: Sam Dyer, Joey Deyo, Sharron Garden, Terry Sears, and Cheryl Turner
 From: Roger Perry, Highway Superintendent 
 Re: 2017M-217 Report of Examination by the NYS Office of the State Comptroller (OSC)
 Cc: [REDACTED] NYS OSC Glens Falls Regional Office
 Date: January 18, 2018

This memorandum is in response to the OSC audit referenced above, specifically to address the items cited regarding procurement processes in the Town of Beekmantown Highway Dept. Please contact me should you have any questions or concerns.

Procurement Process Cited	Implementation Plan of Action	Implementation/Date
1. Purchase not made in accordance with competitive bidding process for diesel fuel.	The Highway Dept. will utilize Clinton County or NYS Contracts for fuel to ensure compliance with the competitive bidding thresholds and to comply with the General Municipal Law (GML).	The Highway Dept. changed vendors for diesel fuel engaging in the competitive bidding pricing under the Clinton County Highway Dept. contract for diesel fuel. Action taken: August 2017.
2. Purchase not made in compliance with competitive bidding process for 2017 Ford Truck.	Although identified as an "Emergency Purchase" by the Highway Superintendent, the resolution to purchase the truck did not contain the correct language. Future "Emergency Purchases" will be clearly identified to the Board when authorization is requested. Purchases not deemed "Emergency" will be procured using NYS vendors and/or other competitive bidding procedures identified by the GML.	All other equipment purchases totaling \$619,081 were procured using GML regulations. These processes will continue for all future purchases by the Highway Dept. to remain in compliance. These include: mini-bids, other competitive bidding processes, or utilizing NYS State and Clinton County contracts. Action Taken: Immediately.

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TOWN OF BEEKMANTOWN

Kelly M. LaFountain
Town Clerk /Tax Collector

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TDD#711



02/02/2018

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street 12th Floor
Albany, NY 12236

This is a response from the Town Clerks Office to the Office of The State Comptroller in reference to the Audit done for the Town of Beekmantown.

<u>TOWN CLERK OPERATIONS</u>	<u>REPOSE</u>
1. Collections were not recorded timely and accurately	I was not aware that all collections had to be within three days. I thought that the total amount had to stay below the \$250.00 threshold. I now do separate deposits to reflect daily cash reports several times a week. I no longer will accept credit card payment for building permits. The software company [REDACTED] has fixed the timeline for late fees in my system to correspond properly. The town depends on a currier to do deposits. When there is an issue with getting a deposit in on time I will make notations in the future to justify the late deposit. I have made all corrections to date when State Comptroller was at the Town of Beekmantown.

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<p>2. Cash deposits were not supported</p>	<p>Although I did make regular deposits they did not match up with day to day reports. I now do a cash total for each day with a cash deposit to reflect the daily town clerk report. I have also implemented some checks and balances for marriage licensing and DEC licensing deposits because they are two part deposits. The marriage License is a \$30.00 fee and the Certificate is \$10.00 both fees are paid at the time of application but processed separately after the couple is married. I have made all corrections in my software to date.</p>
<p>3. Monthly reports and remittances were not timely and accurate</p>	<p>I didn't know this was a significant timeline. I will try to make a concerted effort to get them to the Supervisor by the 15th of each month. (It is most difficult during Tax Collection Season.) Running some additional reports for DEC and Building permits helps with the accuracy.</p>
<p>4. Why should the clerk prepare a monthly Bank Reconciliation and Accountability Analyses?</p>	<p>I have in the past and currently prepare monthly reconciliation and balancing. That is how I knew I had extra funds from previous years I just wasn't sure how to correct it. Moving forward I now know to cut a check to the Supervisor as recommended but the Comptroller in No. 8 of recommendations on page 11. I have looked for an Accountability Form for the Town Clerk on the Comptroller website but can't locate one at this point so I am currently working on a form for Accountability Analyses for Town Clerk Collections.</p>
<p>5. Accountability Analyses were not prepared</p>	<p>There isn't a template for Accountability Analyses on the State Comptrollers website but, I have done balancing of bank account and town clerk operational reports.</p>
<p>6. How should the Board provide oversight of the Clerks Financial Activities?</p> <p>7. An Annual Audit of the Clerk's records and reports was not performed</p>	<p>In the past I have provided workbooks to the Town Board for Internal Town Audits. I have again provided the current Town Board with financial guidelines and Internal Audit forms for all departments. On the recommendation of the State Comptroller Auditor I am giving a copy of Town clerk monthly reports, void reports and bank statements to have as an additional check and balance if the Board should still choose not to do internal audits.</p>

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(Bold references Town Board responsibility)

Conclusion: The Audit for the Town of Beekmantown was a learning experience; the staff was very professional and thorough. I now know that if I have questions in the future I can utilize the State Comptroller as a resource.

Kelly M. LaFountain

~~Town Clerk/Tax Collector~~

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

- We reviewed all commodity and equipment purchases the Town made during our audit period that exceeded the competitive bidding thresholds to determine whether they were procured in accordance with GML. We also expanded our review back to January 1, 2015 for diesel fuel purchases. For any purchases not made in accordance with GML, we attempted to compare the price paid by the Town to an applicable State or county contract price to determine whether the Town could have made the purchases for less.
- We interviewed the Clerk and Town officials and reviewed various financial records and reports to gain an understanding of the Town's procedures related to collecting, recording, depositing, remitting, reporting and reconciling Clerk fees and any associated effects of deficiencies in those procedures.
- We reviewed all recorded collections and corresponding deposits made into the Clerk bank account during our audit period to determine whether collections were accurately recorded in the Clerk software and deposited in the amount received and in a timely manner.
- We obtained and reviewed bank compositions for deposits made into the Clerk account during our audit period to determine whether they included any checks or money orders that did not appear to be for Clerk collections.
- We reviewed all monthly reports during our audit period to determine whether the Clerk prepared and submitted the report to the Supervisor for each month and if the reports were submitted in a timely manner.
- We reviewed a random sample of three monthly Clerk reports during our audit period (March and August 2016 and May 2017) to determine whether the collections recorded on the reports were accurate.
- We reviewed all checks issued by the Clerk for remittances of collections received during our audit period to determine whether the remittances were made to the Supervisor and other appropriate agencies in a timely manner and for the appropriate amounts.
- We selected a random sample of three months during our audit period (February and September 2016 and April 2017) to determine whether monthly bank reconciliations were prepared and if the bank reconciliations agreed with the Clerk's checkbook register.

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- We selected a judgmental sample of two months (January 2016 and July 2017) and prepared accountability analyses at month-end for the Clerk's bank account to determine whether the corresponding assets agreed with the known liabilities. We then investigated and documented any differences disclosed. Our sample consisted of the first and last month during the period January 1, 2016 through July 31, 2017.
 - We interviewed Town officials and reviewed the Board minutes to determine whether the Board had audited or obtained an audit of the Clerk's records and reports for the 2016 fiscal year.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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 should be prepared and provided to our office within 90 days, pursuant to Section 35 of GML. 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/localgov/regional_directory.pdf

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

www.osc.state.ny.us/localgov/costsavings/index.htm

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

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

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

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

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

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.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/localgov/finreporting/index.htm

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

www.osc.state.ny.us/localgov/researchpubs/index.htm

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

www.osc.state.ny.us/localgov/academy/index.htm

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.state.ny.us

www.osc.state.ny.us/localgov/index.htm

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

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