

Chief Fiscal Officer's Records Audit – March 8, 2016

Present: Ed Glasser, Deputy Supervisor; Carol Hall, Council person; Jennifer Whitney, Clerk, part-time; Wendy Flagg, Town Clerk.

Audit Guide used: Fiscal Oversight Responsibilities of the Governing Board – Appendix C – Office of the New York State Comptroller.

Summary

Based on the NYS Comptroller's audit checklist, the Chief Fiscal Officers records met the requirements of recordkeeping. Records were checked in the following areas – Cash Receipts, Cash Disbursements, Cash Reconciliation's, Receivables, Investment Records, Deposit Protection, Indebtedness Records, Property Records, Financial Reporting & Payrolls. To perform the audit, members of the council picked records at random to review for each section with each member of the council either performing the review or agreeing that all items met the requirements unless otherwise noted. One of the key documents tying together these categories is the supervisor's report created monthly. Due to staffing for the Town, there are certain procedures that are not as separate as is ideal to help control for abuse, theft, misappropriations, etc. Having been through several audits before and having a firm grasp of the financial records and their presentation, both council members were comfortable walking through the guide with little guidance. It was suggested that all vouchers and supporting documents be marked paid going forward to help ensure duplicate payments weren't made. This procedure was implemented with the next abstract.

Cash Receipts

Cash receipts are tracked electronically with printouts created showing funds processed through the bookkeeping system. Cash receipts are also tracked manually through a deposit record book which lists each deposit, account codes, date, payer and purpose. Duplicates summaries are kept in the book. Deposit slips match amounts summarized both electronically and manually and totaled on supervisors report for the month which are reconciled with the bank statements, and are made within a couple of days. Council members verified that the total receipts listed in the cash receipts book as well as those shown on the supervisor report equaled the amounts deposited. Any cash receipts that are not able to be deposited within 24 hours are secured in the safe at the town barn.

Cash Disbursements

Cash disbursements are tracked through abstracts and payroll records. Abstracts and payrolls are listed, summarized and totaled on the monthly supervisors report. Prenumbered checks are used for all disbursements other than petty cash with all checks being manually signed by the 2015 town supervisor or Deputy Supervisor. Copies of check fronts are included with monthly bank statements. The Towns current bank provides discs monthly that includes images of both fronts and backs of all checks. The majority of unused checks are kept locked in the safe at the town hall. A small portion of checks are kept accessible to the bookkeeper for the next check run. To help ensure all blank checks are accounted

for, a sign out sheet is used listing checks issued, by whom and to whom. Random checks were performed by the audit members to verify all figures matched from vouchers through to abstracts through to the monthly supervisor's report, and the monthly bank reconciliation.

Cash Reconciliation

Bank reconciliations are done monthly by the bookkeeper with a confirming summary done through the monthly supervisor's report. It had been decided during the last audit that town council members would be invited to proof the reconciliation every other month throughout the year. It was agreed that this process should continue with the council member signing the bank statement for the month to verify the reconciliation was checked.

Receivables

There are no receivables tracked for the town.

Investment Records

Investments are tracked monthly through statements provided. Investments for the town are limited to interest earned on the Towns savings account.

Deposit Protection

The bank has pledged to collateralize funds over the FDIC insurance protection. Monthly summaries from the bank show this collateralization.

Indebtedness Record

Currently the only indebtedness the town has is loans used to create the two local water districts. A list showing both principle and interest due is available for the board.

Property Records

There are some property records. Recently during the insurance renewal process, some of those records were updated. It was agreed that research would be done to identify what records are actually in place and to update those and others as is appropriate to help the town identify better each year it's assets.

Financial Reporting

Interim reports are prepared including trial balances, account reconciliation reports, and budget variance reports. Reports are made available to all appropriate staff. Account reconciliation reports are tied to the monthly supervisor's report and are therefore also part of the bank reconciliation process performed every other month.

Payrolls

Payrolls are certified by the Highway Supervisor for the highway staff and by the Town Supervisor for all other staff. Pay rates are based on current collective bargaining agreements and meet the legal rates. Leave time is accounted for by supervisors of those staff that earn it. Payrolls are not yet certified by the county Civil Service commission until further paperwork is completed.

Conclusion

In general, all documents required to be reviewed were available and up-to-date for this audit. Monies received and disbursed are appropriately tracked and processed. Town board members thoroughly review abstracts each month. Cash reconciliations are done with the bank statement and the monthly supervisors report showing that all reports are in agreement. A portion of town funds are invested and any funds above FDIC insurance are collateralized insuring utmost protection for the towns funds. The Town owes for loans for both water districts with records of this indebtedness. Property records are available. Interim reports were prepared and available monthly for staff as necessary and payrolls were certified by supervisors. Two areas where better controls were discussed are property records and voucher processing. It was suggested that property records be updated. As mentioned, a second suggestion was that voucher's and supporting documents be marked paid to help reduce the possibility of duplicate payment. This procedure has already been implemented.