Town of Yates
Orleans County, New York

Town Supervisor: Jim Simon
jsimon@townofyates.org

(585) 765-9716

TownOfYates.org

Unit Name: Town of Yates
Audit Report Title: Town of Yates: Town Supervisor's Records and Reports
Audit Report Number: 2018M-154

Please find below the corrective action for each recommendation included in the October 2018 NYS OSC Audit Report of Examination for the Town of Yates, NY.

- **Audit Recommendation:**
  The Supervisor should: #1 Ensure that financial records and reports are complete, accurate and up-to-date.
- **Implementation Plan of Action(s):**
  The Supervisor directed the bookkeeper to produce additional monthly reports to include the Revenue / Expense Control Report and the Balance Sheets (Assets, Liabilities, Reserves and Fund Balance) Report. These reports are reviewed by the Supervisor and provided to the Board and the Town Clerk for review so that any incompleteness or inaccuracies can be remedied in a timely manner.
- **Implementation Date:**
  Revenue / Expense Control Report - July 2018.
  Balance Sheets Report - October 2018.
- **Person Responsible for Implementation:**
  Supervisor

- **Audit Recommendation:**
  The Supervisor should: #2 Maintain one set of cash ledgers.
- **Implementation Plan of Action(s):**
  The Supervisor worked with the Bookkeeper to ensure that the accounting software would no longer require the bookkeeper to maintain two cash ledgers.
- **Implementation Date:**
  December 2018
- **Person Responsible for Implementation:**
  Supervisor

- **Audit Recommendation:**
  The Supervisor should: #3 Ensure bank reconciliations for all accounts are performed timely and properly.
- **Implementation Plan of Action(s):**
  The Supervisor directed the bookkeeper to provide summaries of the bank reconciliations for all accounts and will review for accuracy and to resolve any discrepancies.
- **Implementation Date:**
  January 31, 2019

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- **Person Responsible for Implementation:**
  Supervisor
- **Audit Recommendation:**
  The Supervisor should: #4 Ensure adjusting journal entries are recorded in a timely manner.
- **Implementation Plan of Action(s):**
  The Supervisor will have the Bookkeeper perform timely journal entry adjustments (for year-end budget adjustments; town auditor AUD adjustments; water, court and reserve account adjustments) and provide a report to the Supervisor after completing the adjustments.
- **Implementation Date:**
  December 2018.
- **Person Responsible for Implementation:**
  Supervisor & Bookkeeper

- **Audit Recommendation:**
  The Supervisor should: #5 Perform oversight of the bookkeeping service (i.e., accounting firm), and ensure the contract with the firm defines the services to be provided and the records to be maintained.
- **Implementation Plan of Action(s):**
  The Bookkeeper position was eliminated May 2018. The Bookkeeping contract with Millennium Roads, LLC, was signed by the Supervisor in May 2018, and amended to incorporate a complete Statement of Work in November 2018. The Town of Yates issued a Request for Qualifications on December 4, 2018, for Bookkeeping and Auditing services beginning in 2019.
- **Implementation Date:**
  Bookkeeping RFQ decision - January 2019.
  Auditor RFQ decision – February 2019.
- **Person Responsible for Implementation:**
  Supervisor

- **Audit Recommendation:**
  The Supervisor should: #6 Prepare monthly reports for the Board including detailed accounting of all money received and disbursed, cash balances and detailed year-to-date budget-to-actual comparisons of revenues and expenditures for each fund.
- **Implementation Plan of Action(s):**
  The Supervisor directed the Bookkeeper to produce an additional monthly report to include all money received and disbursed, cash balances and detailed year-to-date budget-to-actual comparisons of revenues and expenditures for each fund (The Revenue /

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Expense Control Report). This report is reviewed by the Supervisor, the Board and the Town Clerk on a monthly basis.

- **Implementation Date:**
  July 2018
- **Person Responsible for Implementation:**
  Supervisor

- **Audit Recommendation:**
  The Supervisor should: #7 Ensure fund balance projections for budgeting purposes use up-to-date financial information.
- **Implementation Plan of Action(s):**
  The Supervisor directed the Bookkeeper to produce an additional monthly Balance Sheets (Assets, Liabilities, Reserves and Fund Balance) Report. This report is reviewed by the Supervisor, the Board and the Town Clerk on a monthly basis. The Supervisor also plans to have the Town Auditor complete the AUD sooner in the subsequent fiscal year in order to ensure the fund balance actuals are available for subsequent fiscal year budget development planning purposes.
- **Implementation Date:**
  October 2018.
- **Person Responsible for Implementation:**
  Supervisor

- **Audit Recommendation:**
  The Board should: #8 Address the financial condition problems affecting the general town-wide fund when adopting the 2019 budget.
- **Implementation Plan of Action(s):**
  The Supervisor developed a fund balance policy in coordination with NYS OSC and the Board, and it was passed by resolution on December 13, 2018 (Resolution No. 114-12/18). The Supervisor made significant changes to the 2019 budget to ensure Fund A had the least amount of planned expenditures, the maximum amount of revenues, and the least amount of impact on the Fund DA Unreserved Fund Balance. The Board approved the 2019 Final Budget by resolution on November 8, 2018 (Resolution No. 104-11/18). Since the negative Fund A Unreserved Fund Balance was several years in the making, it is estimated that it will take three fiscal years to develop a positive Fund A Unreserved Fund Balance while maintaining services, staying under the tax cap, and not allowing Fund DA Unreserved Fund Balance to drop below the Fund Balance policy minimum of 15%.
- **Implementation Date:**
  Fund Balance Policy - December 2018.
  Fund A Unreserved Fund Balance return to positive balance – December 2021.

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- **Person Responsible for Implementation:**
  Supervisor and Board

This Corrective Action Plan was approved by Town of Yates Board Resolution No. 121-12/18 on December 27, 2018.

Signed:

James J. Simon
Supervisor, Town of Yates

12/27/18
Date