

Corrective Measures

1. **At Issue: Unauthorized budget changes.** Unbeknownst to the majority of the Board, the Supervisor and one Board member secretly modified the revenue budget after the loss of their elected positions at the polls and reduced the budget tax revenue to create a 59.8% tax reduction instead of the 10.86.% tax reduction intended by the Board.
 - a. Corrective Action:
 - i. An investigation was conducted into the manner in which the unauthorized change was accomplished in order to reveal the weaknesses in the process of budget approval
 - ii. Policy, inclusive of procedures, has been presented for Town Board review and approval adoption which prevents future deception by a minority of the Board in the adoption and approval of the budget and annual tax levy. These procedures demand full disclosure, transparency ,and numerous sign-offs by the members of the Board.
 - b. Status: Anticipating Board approval May 14, 2020

2. **At Issue: Lack of oversight.** Due to a lack of oversight by the Town Supervisor and the absence of procedural controls demanded by the Town Board, an employee allegedly modified employment status and inappropriately changed their status to receive undeserved medical benefits unbeknown and unapproved by the Board.
 - a. Corrective Action:
 - i. Policies and procedures are in development to provide signed verification and Board oversight of:
 1. Each payroll compared to source documents that reflect the approved status of employee pay levels and benefits
 2. Each medical benefit and dental benefit payment
 - b. Status:
 - i. Anticipating Board approval May 14, 2020
 - ii. Some practices now in place

3. **At Issue: No Account Transfers.** Appropriations account transfers among various accounts were made at the end of the year instead of monthly as required.
 - a. Corrective Action:

- i. Appropriations account transfers were presented to the Board and upon approval implemented monthly
 - ii. A comprehensive budget document was constructed to mirror transfers recorded in the minutes to track each month's account transfers and to yield new account total
 - b. Status: In operation - See monthly transfer approvals

- 4. **At Issue: No Financial Statements.** Financial Statements were not created or distributed each month as required.
 - a. Corrective Action:
 - i. Financial Statements have begun to be created and distributed
 - ii. Training on the financial software has commenced in order to provide multiple uses the ability to produce financial reports
 - b. Status: In operation - Spring 2020, see Board minutes

- 5. **At Issue: No forecasts.** Budgetary forecasts, produced monthly, are intended to provide the Board and the public with estimates of the adequacy of appropriations and revenues and of the end-of-year budgetary balance.
 - a. Corrective Action:
 - i. Monthly forecasts have commenced of revenues and expenditures and are presented to the Town Board for receipt
 - b. Status: In operation - Spring 2020, see Board minutes

- 6. **At Issue: Inaccurate accounting.** Transfer Station finances were inappropriately split between the Current Fund "A" and the Garbage and Refuse Fund "CL" despite being repeatedly corrected in the Audit and AUD as belonging to the "CL" Fund. This misrepresented the accurate financial status of the significant operations of the Transfer Station and the Town's refuge and garbage operations.
 - a. Corrective Action:
 - i. The Town Board has accepted the recommendation to move all financial transactions to the "CL" Fund.
 - ii. Transition is commencement spring of 2020, retroactive to 1/1/2020 for the complete fiscal year.
 - b. Status: In operation -
 - i. Board adoption April 9, 2020
 - ii. Correction in process

7. **At Issue: Inaccurate Accounting.** County sales tax distribution to the Town has been inaccurately budgeted between two revenue accounts; “A 1120 - Non-Property Tax Distributions by County” and “A 3089 - State Aid ‘Other” - to be specified”. This division caused confusion and inaccuracy in the revenue realized by the Town and hampers income monitoring and forecasting.
 - a. Corrective Action:
 - i. The Town Board is receiving a resolution to correctly record all County sales tax revenue with the proper account “A 1120”
 - ii. Transition is commencement spring of 2020, retroactive to 1/1/2020 for the complete fiscal year.
 - b. Status: Anticipated Board adoption May 14, 2020

8. **At Issue: Lack of Financial Transparency.** The organization of budgetary accounts during the construction of the budget utilizes the State Accounting Codes (e.g. A 1010 1) whereas the financial reports produced on the Town’s software utilize a longer numeric coding (e.g. 00-01-1010-10). In addition, the language used to describe accounts and many of the existing subaccounts are inconsistent between the two systems. This causes a lack of clarity in understanding and transitioning from the original budget development document to the monthly financial reports.
 - a. Corrective Action:
 - i. The traditional budget development spreadsheet is being modified to provide easier reading and understanding.
 - ii. A transition to both budget development and financial reports is underway intended to increase transparency, understanding, and transition between budget development documents and financial reporting documents.
 - iii. The new budget development spreadsheet is being developed to accommodate both State and software account codes
 - b. Status: Ongoing