

Audit of Supervisor's 2024 Records

Name of Municipality: Town of Constantia
Months Reviewed: January 2024 through December 2024

Review Performed By: Laird Petrie, Municipal Consultant
Ron Chpman, Town Board member
Tom Moran, Deputy Supervisor

Date: August 20, 2025

Describe accounting records and identify town officials who are involved:

Supervisor's accounting records are maintained by his bookkeeper Nancy Butler using Quickbooks. Each month she prepares a Board packet that includes a listing of checks disbursed and deposits made during the month in reports labeled "Reconciliation Detail" which serves as a cash receipt and disbursement journal for each bank account associated with the town's funds.

<u>Cash Receipts</u>	<u>YES</u>	<u>NO</u>
Is the cash receipts journal up-to-date?	√	
Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose and the amount either individually or totals referenced to subsidiary receipt records?	√	
Are un-deposited cash receipts safeguarded?	√	
Are duplicate deposit slips kept?	√	
Do deposit amounts agree with cash receipt amounts?	√	
Select a sample period to test and trace from deposits shown on bank statements to the cash receipt records.		
Period selected: June of 2024 – Traced from deposits shown on bank statements to deposits shown in cash receipts records – no exceptions noted		

<u>Cash Disbursements</u>	<u>YES</u>	<u>NO</u>
Is the cash disbursements journal up-to-date?	√	

Is the cash disbursements journal maintained in a manner to identify amounts disbursed either individually or totals referenced to abstracts or payrolls?	✓	
Are pre-numbered checks used for all disbursements (other than petty cash)?	✓	
Are all checks signed by the chief fiscal officer and co-signed if required?	✓	
If checks are signed electronically, is the signature stamp or software in the custody and control of the chief fiscal officer?		NA
Are canceled checks or check images returned with bank statements and maintained on file?	✓	
Are all unused checks properly controlled (blank check stock)?	✓	
Are payments supported by appropriate documentation? Select a sample period and trace from bank statements to abstracts, payrolls and other documents, Period Tested: June of 2024. Traced from disbursement shown on bank statement (checks, transfers, achs, etc.) to cash disbursement records shown on abstracts and payroll reports	✓	

<u>Cash Reconciliations</u>	<u>YES</u>	<u>NO</u>
Are bank accounts reconciled? Bookkeeper reconciles the bank accounts using the reconciliation feature in Quickbooks and prints out a report which she includes in the Town Board packet for monthly meetings. Prior to the meeting, the Deputy Supervisor comes in and reviews these reconciliations and checks them for accuracy, however, there is no evidence of this review shown on the report.	✓	
Who Reviews/Verifies Them?		
Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash? Bookkeeper performs the reconciliation		✓
Is the bank reconciliation performed timely after the bank statement is received?	✓	
Are reconciliations documented and available for review?	✓	
Does the reconciled bank balance agree with the cash balance recorded in the accounting records? Per review of the June 30, 2024 reconciliation of the General Fund checking account	✓	

<u>Receivables</u>	<u>YES</u>	<u>NO</u>
Are receivable control accounts maintained?		NA

No receivables recorded		
Is there indication that the receivable control accounts are reconciled to the detail subsidiary records?		NA

<u>Investment Records</u>	<u>YES</u>	<u>NO</u>
Is an investment record maintained? - No investments		NA
Is the record complete and up-to-date?		NA

<u>Deposit Protection</u>	<u>YES</u>	<u>NO</u>
Has the bank pledged adequate, eligible securities to protect deposits and investments (under the custody of the chief fiscal officer) that exceed FDIC insurance protection? Per review of the securities pledged to Pathfinder Bank by M&T Bank for the Town's deposits at 12/31/24 and recorded in the 2024 AUD	✓	

<u>Indebtedness Records</u> (This record is maintained by the clerk in certain local governments)	<u>YES</u>	<u>NO</u>
Is an indebtedness register maintained?		✓
Is the register complete and up-to-date?		✓
The bookkeeper stated that she does not maintain an indebtedness register but instead keeps all records for each indebtedness in separate folders in a filing cabinet.		

<u>Property Records</u>	<u>YES</u>	<u>NO</u>
Are property records maintained? Bookkeeper stated that she was not aware of property records being maintained or periodic inventories being conducted. She said that once per year they review the insurance coverage on Town equipment, land etc.		✓
Are the records up-to-date?		NA
Are all fixed assets included in the records? Maintained by the bookkeeper on a spreadsheet outside of the accounting records and included in the town's AUD each year.		NA
Are physical inventories taken and compared to the records?		✓

<u>Financial Reporting</u>	<u>YES</u>	<u>NO</u>
Are interim reports (budget/actual; trial balances; etc.) prepared?	✓	

Are the reports distributed to the governing board and department heads? Per review of the June 2024 reports generated by the bookkeeper	✓	
Does total year-end recorded cash agree with that reported in the annual financial report? Per review of the December 2024 report and 2024 AUD <u>Note:</u> It was noted that the cash reconciliation section of the 2024 AUD does not include a record of all bank accounts that belong to the Town as required.	✓	

<u>Payrolls</u>	<u>YES</u>	<u>NO</u>
Are payrolls certified/approved by the appropriate official? Per review of the payroll certifications on file in the bookkeeper's office, it appears payrolls are certified by the Supervisor each payroll and then sent to Oswego County as required.	✓	
Are pay rates in accordance with collective bargaining agreements and other lawful employment contracts, or board resolutions? Period Tested : June of 2024 <u>Note:</u> It appears ADP has access to the Town's bank account for payroll processing purposes and after submitting a bill for their services, they transfer money from that account to pay the bill for their services. ADP should be submitting a bill for their services and the town board should audit and approve this bill prior to it being paid like other vendors. ADP should not have that type of access and transfer rights to the Town's bank account.	✓	
Is leave time accounted for? Per the bookkeeper, she uses the leave accrual records included in the ADP software to track leave time after each payroll is generated.	✓	

Comments and Conclusions.

The bookkeeper's records are well maintained and all relative/required reports to the Supervisor and the Board are generated and distributed as required.

Recommendations:

1. The Deputy Supervisor should indicate the date that he reviewed bank reconciliations prepared by the bookkeeper and initial or sign the reconciliation sheet to document his review.
2. The Town should contact ADP and prevent them from having access to the Town's bank account and have their bills go through the same voucher approving process as other vendors.
3. The town board should consider creating property records for their fixed assets and arrange for unannounced, physical inventories to be conducted to safeguard these assets.
4. The town should create a debt register that shows all outstanding debt (Bonds, BANs, Installment purchase contracts, etc.) which can be reference quickly by the Board when the need arises (i.e., budget time).
5. The bookkeeper should record all bank accounts on the bank reconciliation section of the AUD filed with OSC.

Audit of Town Clerk's 2024 Records

Name of Municipality: Town of Constantia
Months Reviewed: January 2024 through December 2024

Review Performed By: Laird Petrie, Municipal Consultant
Ron Chpman, Town Board member
Tom Moran, Deputy Supervisor

Date: August 20, 2025

CASH RECEIPT TESTING	
<i>Audit Step</i>	<i>Results / Observations</i>
Are pre-numbered receipt forms issued for all collections? <ul style="list-style-type: none">Are receipts manual (duplicate receipt pads) or computer generated?If manual, who in charge of ordering new pads?	Cash receipts are generated by computer (Edmonston Program) with sequential numbers assigned by the software but the user has the ability to override and assign a number.
Are duplicate receipts kept for Clerk records?	Yes, per review of daily cash receipts maintained by the Clerk which are included monthly records maintained by the Clerk.
Are receipts recorded up-to-date? <ul style="list-style-type: none">Check last issued receipt and trace it to the clerk cash receipts records.	Last Issued Receipt: Receipt #: 24851 Amount: \$7.00 Date: 12/29/24 - dog neutering
Is the cash receipt book maintained in a manner to identify date received, payer and the purpose for collection?	Yes – Daily cash report generated by system supported with individual cash receipt forms stapled each deposit
Are duplicate deposit slips kept for clerk records?	Yes
Do deposit amounts agree with cash book receipt amounts? <ul style="list-style-type: none">For a sample month trace from deposits shown in bank statement to entries in the clerk's cash receipts book/ledger.	Month Tested: April 2025 11 deposits made in April tested and 2 credit card deposit – no exceptions noted.

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<p>Are deposits made within 72 hours of collection?</p> <ul style="list-style-type: none"> For the month tested above, trace from cash receipts book/ledger to deposit slips and date of deposit shown on bank statement. 	Yes per review cash receipts and duplicate slips and bank statements deposit records.
<p>Are deposits recorded up-to-date?</p> <ul style="list-style-type: none"> Trace last recorded cash collection shown in clerk cash receipt book to deposit slip. 	<p>Last recorded cash collection: 12/29/24</p> <p>Collection Date: Amount: \$7.00</p> <p>Last Issued Receipt: 24851</p>
Is the cash receipt book totaled and summarized at the end of each month?	Yes – Town Clerk's attached to monthly report.
Are undeposited cash receipts safeguarded?	NA – computer generated

CASH DISBURSEMENT TESTING

<i>Audit Step</i>	<i>Results / Observations</i>
Are all checks signed by the Town Clerk?	Yes – Per review of copies of canceled checks attached to bank statements
<p>Are cancelled checks returned with bank statements and kept for clerk records?</p> <ul style="list-style-type: none"> If photo copies are provided with bank statements are retained rather than actual canceled checks, do copies show both front and back of the check? 	Yes – per review of bank statement, copies of canceled checks are attached showing both front and back of the check as required.
Is a cash disbursement book maintained?	Yes - Computer generated. However, it does not show cumulative balances at any given date
<p>Are checks recorded up-to-date?</p> <ul style="list-style-type: none"> Trace from the last check issued to the clerk's cash disbursement book. 	<p>Last Issued Check: 1850</p> <p>Amount: \$1,431.11</p> <p>Date Issued: 1/6/2025</p>

	Date Recorded: 1/23/25
Are unused checks properly controlled (blank check stock)?	Yes – kept in a locked file cabinet in Clerk's office
BANK RECONCILIATIONS AND ACCOUNTABILITY TESTING	
<i>Audit Step</i>	<i>Results / Observations</i>
<p>Are bank accounts reconciled promptly after bank statements are received?</p> <ul style="list-style-type: none"> Select a month and review bank reconciliation, if any performed, and determine the accuracy of the adjusted balance and date performed. 	<p>Month: <u>April 2024</u></p> <p>The Clerk performs an analysis of cash attached to her bank statement to determine if her account is "zeroing out". However, no evidence of an adjusted bank balance reconciling to a cumulative cash balance or a reconciliation of cash on hand to her known liabilities at the same date. There was no evidence that anyone else reviewed or approved her monthly analysis,</p>
<p>For the month selected in step above, determine if the clerk's accountability is identified.</p> <ul style="list-style-type: none"> Do accountability amounts agree with bank reconciliations and supporting information? 	<p>No cumulative balance maintained therefore no comparison could be made and no comparison of this balance to known liabilities was performed</p>
Are unused licenses and permits properly safeguarded?	Yes Licenses are either Computer generated and/or by DECALS for hunting & Fishing Licenses

<p>Has a petty cash established?</p> <ul style="list-style-type: none"> • If yes, how much was authorized? • Perform a cash count and determine if adequate support exists for amounts used. 	<p>Yes - \$100 but it is only used to make change and always maintains \$100</p>
<p>TOWN CLERK REPORTS AND SUBMISSION TO TOWN SUPERVISOR TESTING</p>	
<p><i>Audit Step</i></p>	<p><i>Results / Observations</i></p>
<p>Are monthly reports made timely to the Town Supervisor?</p> <ul style="list-style-type: none"> • For a sample month, determine if the report was filed by the 15th of the next month (and not prior to the first of the same month). • Do reported amounts agree with cash receipt and cash disbursement books? 	<p>Month Tested: August 2024</p> <p>Report was filed on 9/4/24</p> <p>Amount: \$2,058.02 Check #1835 – carbon copy of check from register attached to report</p>
<p>Are monthly reports to other agencies made timely?</p> <ul style="list-style-type: none"> • For the same month tested above determine if other reports are made timely? 	<p>Ag & Mks - \$49 on 9/4/24</p> <p>DEC - \$1,345 amount to be swept from account on 9/14/24</p> <p>Marriage – \$22. 50 on 9/4/24</p> <p>Other – septic permits, pavilion rentals, construction account, death certificated</p>
<p><u>Overall Evaluation:</u></p> <p>The Town Clerk's are very well maintained and organized. Duplicate deposit slips and computer-generated cash receipt forms are attached to daily cash records as recommended.</p>	
<p><u>Recommendations:</u></p> <ol style="list-style-type: none"> 1. The Clerk should maintain a cash ledger/register showing the cumulative cash balance after each cash transaction (deposits, checks, transfers, 	

etc.). This cumulative cash balance could then be compared to an adjusted bank balance derived from bank statement balance (after adding deposits in transit and subtracting outstanding checks). This adjusted bank balance should then be compared to her known liabilities. The reconciliation of her cash balances along with the comparison to known liabilities should be reviewed by someone else and followed up on any errors/differences detected.

