

Town of Berne

Corrective Action Plan

Unit Name: Town of Berne
Audit Report Number(s): 2021M-77; 2021M-77-F

The Town of Berne has reviewed the State Comptroller's recommendations outlined in the Audit Reports and the following is our corrective action(s) proposed or implemented. Explanations have been included for recommendations where corrective action has not been proposed or implemented.

Recommendation 1 – Financial Reporting to the Board

The Board should ensure it receives adequate and accurate financial reports including, but not limited to, budget status reports, reports of all money received and disbursed, cash balance reports, bank statements and bank reconciliations to monitor financial operations.

Plan of Action # 1: All Board members will be provided with abstracts, budget-to-actual reports, bank reconciliations (including bank statements, balance sheets and outstanding check reports) and a report of budget transfers (if applicable) at the monthly Board meetings. Board members will also receive cash balance reports or reports of all money received and disbursed.

Recommendation 2 – Board Oversight of Bank Reconciliations

The Board should provide adequate oversight by ensuring bank reconciliations are prepared accurately and timely and adequately reviewed.

Plan of Action # 2: Bank reconciliations will be prepared accurately and with sufficient time to allow for Board review. The Board will review the prepared bank reconciliation and provide adequate oversight.

Recommendation 3 – Board Audit of Claims

The Board should perform a deliberate and thorough audit of all claims and supporting documentation before approving payment.

Plan of Action # 3: The Board has implemented a claims audit process and will continue to review and audit each claim with its supporting documentation. Abstracts and claims packets will be timely prepared to allow for individual Board member review prior to the monthly meetings. Board members will audit the claims and sign / date the abstracts prior to the meetings. During the meetings, the Board will pass a motion to approve all claims for payment.

Recommendation 4 – Board’s Documentation of Approving Claims

The Board should properly document the audit and approval of claims by adopting resolutions that contain the total dollar amount and sequential numbers of all claims that have been approved for payment.

Plan of Action # 4: Motions to authorize payment of bills will include accurate abstract numbers, dollar amounts, and the claim numbers contained in the abstracts.

Recommendation 5 – Payment of Claims Prior to Audit

The Board should ensure the Supervisor pays only those claims before Board audit and approval that are allowed to be paid in advance and audit such claims at the next regular meeting.

Plan of Action # 5: Unless otherwise authorized by resolution, no claims shall be paid prior to Board audit and approval.

Recommendation 6 – Credit Cards Interest Charges and Fees

The Board should ensure credit card claims are audited and paid timely to avoid interest charges and fees.

Plan of Action # 6: Debit cards have been canceled and no longer used. The Town will obtain credit cards with extended billing cycle or adjust the billing cycle to the schedule of the Board meetings to allow for timely audit, approval and payment before the due date.

Recommendation 7 – Annual Board Audits

The Board should perform annual audits of the records of all officers who receive or disburse funds.

Plan of Action # 7: The Board will perform annual audits of all officers who receive or disburse funds, including Town Justices, the Clerk, Bookkeeper, and the Building and Zoning Department.

Recommendation 8 – Board Members Fiscal Oversight Role

The Board should improve its understanding of its fiscal oversight role.

Plan of Action # 8: In addition to any other required trainings, Board members will certify that they have reviewed the following publications- *Information for Town Officials; Improving the Effectiveness of Your Claims Auditing Process;* and *Fiscal Oversight Responsibilities of the Governing Board.* This requirement shall also apply to all new/incoming Board members.

Recommendation 9 – Providing Claims for Audit

The Supervisor should ensure all claims are provided to the Board for audit.

Plan of Action # 9: See Plan of Action # 3, # 4, # 5, and # 6.

Recommendation 10 – Payment of Claims

The Supervisor should pay claims only after the Board has audited and approved them, unless appropriately authorized for prepayment.

Plan of Action # 10: See Plan of Action # 3, # 4, # 5, and # 6.

Recommendation 11 – Supervisor’s Oversight of Bank Reconciliations

The Supervisor should ensure bank reconciliations are prepared each month and properly reviewed by an individual independent of recording cash and journal entries. Any unreconciled variances should be investigated and resolved in a timely manner.

Plan of Action # 11: Bank reconciliations will be prepared each month. Such reconciliations will be reviewed by an individual who is not responsible for the recording of cash and journal entries. The Supervisor will document his review of the bank reconciliations and investigate / resolve unreconciled variances in a timely manner.

Dated: January 10, 2023

TOWN SUPERVISOR

Dennis Palow