

Corrective Action Plan
for
The Village of Millbrook, NY

November 14, 2018

The format for the Corrective Action Plan follows the provided template and the information/explanation has been decided by a meeting of the Village Clerk, Village Trustees and Mayor held on November 13, 2018.

The Board should:

Audit Recommendation:

1). Obtain documentation for the restricted donations to ensure that they are used for designated purposes.

Implementation Plan of Action(s):

(a). create file for each donation that contains the letter of request, letter of approval from donating entity and spreadsheet that shows how that donation is disbursed. The spreadsheet will contain information to cross reference the GL system where vendor info and other pertinent info are currently stored and will provide a paper trail of disbursement that will go thru the audit process.

Implementation Date: January 2019 – after re-org meeting

Person Responsible for Implementation: Village Clerk/Treasurer and Deputy Clerk

Audit Recommendation:

2). Close bank accounts that are not used for Village purpose and consult with the Village Attorney as to the proper disposition of the funds in those accounts.

Implementation Plan of Action(s):

(a). Assign Village Attorney with finding the appropriate method or procedure to dispose of funds and work with the bank to locate any documentation that might enlighten the Mayor and Board on future use of said funds.

Implementation Date: Start February 2019

Person Responsible for Implementation: Trustee Rochfort and Trustee Herzog.

Audit Recommendation:

3). Create a comprehensive reserve policy and ensure all reserves are established in accordance with NYS GML and used for their intended purpose.

Implementation Plan of Action(s):

(a). Issue was recognized and remedied prior to audit. All reserves are properly established.

Implementation Date: Not Applicable

Person Responsible for Implementation: Not Applicable

Audit Recommendation:

4). Segregate incompatible duties or ensure there are mitigating controls in place.

Implementation Plan of Action(s):

(a). Given the size of office and number of office employees (2) segregation is in place and methods and procedures are constantly reviewed for betterment with regard to saving time and money and security. Improvements to crosschecking and review are of the utmost concern.

Implementation Date: On going

Person Responsible for Implementation: Mayor and trustees

Audit Recommendation:

5). Review bank reconciliations to ensure they are accurate, and any variances are identified and adjusted promptly.

Implementation Plan of Action(s):

(a). Alternate month review with alternating personnel – Village Clerk and Deputy Clerk.

(b). Until all variances are identified no progress is to be made – the Mayor is to be informed of all items that need to be adjusted and will take necessary steps to adjust promptly

(c). One of newly elected board member will be tasked with spot checking and validating that reconciliation is done to their satisfaction.

Implementation Date: January 2019

Person Responsible for Implementation: Mayor and Trustee Rochfort

Village officials should:

Audit Recommendation:

6). Establish miscellaneous funds for special revenues and ensure restricted donations are properly accounted for.

Implementation Plan of Action(s): See Audit Recommendation #1

Implementation Date:

Person Responsible for Implementation:

Audit Recommendation:

7). Ensure that signature stamps are secured and only used by or under control of the official whose signature is on the stamp.

Implementation Plan of Action(s):

(a). Signature stamps are locked in a safe in a locked office.

(b). Procedure in place: In the event the Mayor signature stamp is needed, the person requesting must send email to Mayor with reason for use of stamp. If use of the signature stamp is deemed necessary, the Mayor will respond affirmatively creating a paper trail. If the Clerk or Deputy Clerk is not making the request, they will get confirmation from the Mayor via an email.

Implementation Date: Currently in place as of 7/2018

Person Responsible for Implementation: Mayor, Clerk/Treasurer and Deputy Clerk

The Board should:

Audit Recommendation:

8). Amend the purchasing policy to require officials to obtain professional services through a competitive process or provide justification when seeking competition will not be in the best interest of the taxpayers.

Implementation Plan of Action(s):

(a). Since becoming Mayor 1/2017 the Village has sought professional services through a competitive process. The retention of RFPs or documentation of candidates who were not awarded was not done. The information of the professional who was awarded was retained.

(b). All RFPs, newspaper ads and any documentation with regard to a search for a professional service will be filed (hardcopy) and scanned to be stored on the server – regardless of designation, hired or not.

(c). Any service that is awarded that does not go thru the competitive process – an emergency – will be done via a board meeting once designated as an emergency and retained in the minutes as well as filing a hardcopy and noting throughout the voucher/audit system. All efforts will be made to get the best price but time in an emergency being of the essences will have to be taken into consideration.

Implementation Date: Currently implemented

Person Responsible for Implementation: Clerk/Treasurer and Deputy Clerk

Audit Recommendation:

9). Enter into written agreements with all professional services providers.

Implementation Plan of Action(s):

(a). Since becoming Mayor 1/2017 the Village has written agreements with all professional service providers – which will be continued.

(b). Current system – binders - to be modified. All written agreements to be retained both in a file in a file cabinet and scanned and retained on server in addition to the binders now in use.

Implementation Date: ASAP – making copies and file folders and scanning – should be finished by 12/2018

Person Responsible for Implementation: Deputy Clerk

Audit Recommendation:

10). Ensure procurements over competitive bidding thresholds are obtained in accordance with GML Section 103.

Implementation Plan of Action(s):

(a). Setting up a procedure to require all departments to comply with procurement policy by first making them aware of the current policy – done at every re-org meeting but reinforce it.

(b). Require retention of verbal as well as written quotes to be attached as supporting documentation on vouchers.

(c). During audit process trustees are not to approve voucher to be paid unless supporting documentation – verbal or written – of awarded bid is attached to voucher.

(d). Supporting documentation will be scanned and saved on server as well as filed in voucher cabinet.

(e). yearly classes on bidding procedures and guidelines for all that involved in the bidding process.

Items b thru d occur after the purchase but any indiscretions with supporting documentation will be addressed and further scrutiny might need to occur prior to purchase.

Implementation Date: January 2019 – re-org meeting

Person Responsible for Implementation: Mayor, Trustees, Dept heads

Audit Recommendation:

11). Ensure that receipts are retained for all credit card purchases, and that purchases are allowable per Village policy.

Implementation Plan of Action(s):

- (a). Receipts, in person or internet, will be copied and filed in credit card file
- (b). Receipts will be scanned and attached to voucher as supporting documentation.
- (c). Trustees to deny any voucher that does not have receipts attached during audit process.

Improved credit card policy is being worked on for 2019 re-org meeting

Implementation Date: Immediately

Person Responsible for Implementation: Clerk/Treasurer and Deputy Clerk

Audit Recommendation:

12). Seek repayment from the Mayor, as required by Village policy, for \$93 of personal credit card purchases.

Implementation Plan of Action(s):

- (a). **Mayor has never used the Village credit card for personal use.**
- (b). Proper receipts were provided – one receipt was for a restaurant in Albany (not a local restaurant) when Mayor attended a conference - **Mayor will no longer attend conferences.** The other receipt was for local deli providing lunch for office workers (3) during full day of training.
- (c). Credit card user will be required to document on receipt the reason for the use of card regardless of how obvious – each receipt should have written on it as much information as possible.

Implementation Date: Implemented

Person Responsible for Implementation: Mayor, Trustees and Clerk/Treasurer

Audit Recommendation:

13). Verify compliance with bidding and procurement policy requirements as part of the claims audit process.

Implementation Plan of Action(s):

- (a). Vouchers that fall within the necessary guidelines for procurement must have the proper supporting documentation attached prior to Trustee approval. Any vouchers that don't have supporting documentation – unless an emergency procurement – should be denied until proper documentation is obtained from the department head or clerical personnel.

Implementation Date: Immediately

Person Responsible for Implementation: Trustees

Village officials should:

Audit Recommendation:

14). Ensure all necessary quotes are obtained per Board policy and retain all necessary documentation.

Implementation Plan of Action(s):

(a). Maintain a bid sheet at office indicating – Firm, amount bid, contact info and file with other information regarding the project.

(b). File all bids regardless of status – awarded or not

(c). Require bidder to provide PDF copy of bid to be scanned and saved on server and retain all bids with regard to project.

(d). Keep original copies in office and provide others with copies – not original

Implementation Date: Immediately

Person Responsible for Implementation: Clerk/Treasurer and Deputy Clerk

The Mayor should:

Audit Recommendation:

15). Repay the Village \$93 for the personal purchases made with the Village credit card.

Implementation Plan of Action(s):

(a). Clear name by restating – **Mayor has never used Village credit card for personal purchases – it is beyond absurd.**

(b). Recognize a misunderstanding that meal allowances cannot be carried over – they are per day and credit card policy will be updated to reflect that at next re-org meeting.

(c). Not realizing the need for the receipts from my personally paying for meals on the prior day were going to be needed 2 years later they are no longer available. I therefore have paid the \$60 to put this to rest. The remaining \$33 was a legitimate meal purchase- local deli for lunch for office workers during training- and is recognized as such as per the Board.

Implementation Date: Done

Person Responsible for Implementation: Mayor and Trustees