



Town of Livingston

Tax Collector

Report of Examination

Period Covered:

January 1, 2010 — December 31, 2011

2012M-160



Thomas P. DiNapoli

Table of Contents

	Page
AUTHORITY LETTER	2
INTRODUCTION	3
Background	3
Objective	3
Scope and Methodology	3
Comments of Local Officials and Corrective Action	3
TAX COLLECTOR	5
Recommendations	8
APPENDIX A Response From Local Officials	9
APPENDIX B OSC Comments on the Local Officials' Response	16
APPENDIX C Audit Methodology and Standards	17
APPENDIX D How to Obtain Additional Copies of the Report	19
APPENDIX E Local Regional Office Listing	20

State of New York Office of the State Comptroller

Division of Local Government and School Accountability

December 2012

Dear Town Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Town Board governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Town of Livingston, entitled Tax Collector. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

The Town of Livingston (Town) is located in Columbia County (County), has a population of approximately 3,300, and encompasses 38 square miles. The Town is governed by a Town Board (Board) which comprises four elected Board members and an elected Town Supervisor. The Board has the power to impose taxes on real property located in the Town and is responsible for the general management and control of Town finances, including the oversight of the collection of real property taxes.

The Town Tax Collector (Collector) also is the Town Clerk and is responsible for collecting, accurately recording, and timely depositing and remitting paid taxes, imposing penalties on late payments, and recording interest earned on the deposit of these moneys. The Collector is responsible for collecting over \$3 million annually in Town and County taxes on more than 1,950 parcels. The Town's budgeted appropriations for the 2011 fiscal year were approximately \$1.5 million, funded primarily with real property taxes, sales tax, fines and forfeitures, departmental income (e.g., building permits, Clerk fees, etc.), and State aid.

Objective

The objective of our audit was to determine if the Collector performed her duties as prescribed by law. Our audit addressed the following related question:

- Are the Collector's receipts recorded, supported, deposited, disbursed, and reported timely and accurately?

Scope and Methodology

We examined the Collector's records and reports for the period January 1, 2010 to December 31, 2011.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix C of this report.

Comments of Local Officials and Corrective Action

The results of our audit and recommendations have been discussed with Town officials and their comments, which appear in Appendix A, have been considered in preparing this report. Except as indicated in Appendix A, Town officials generally agreed with our findings and recommendations and indicated they plan to initiate corrective action. Appendix B includes our comments on the issues raised in the Town's response letters.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Town Clerk's office.

Tax Collector

The Collector is authorized and directed by the tax warrant to collect the taxes on the tax roll from the property owners listed.¹ The Collector is required by Real Property Tax Law to receive payments during January without penalty, and payments during February and March with the late payment penalty stated on the tax bill. The Collector is responsible for maintaining accurate and complete records of every tax payment received, including interest and penalties. To ensure accurate records, the Collector should document all payments received² and maintain a detailed record of each transaction on a daily basis. The Collector also should perform a monthly accountability analysis³ to help detect errors or irregularities in a timely manner. The Collector is required by Town Law to deposit all moneys collected within 24 hours of receipt, to remit all deposits to the Supervisor at least once each week until the Town's portion of the tax levy is satisfied, and to remit all residual collections to the County Treasurer by the 15th of each month following their receipt. At the end of the collection period, the Collector is required by Real Property Tax Law to settle with the County Treasurer.

The Board is responsible for ensuring that the Collector's receipts are recorded, supported, deposited, disbursed, and reported timely and accurately. Therefore, it is important that the Board develop detailed policies and procedures, and provide the proper oversight to ensure that the Collector properly performs all required duties. Town Law also requires the Board to provide for an independent audit of the Collector's books and records at least once a year.

We found significant weaknesses with the timeliness and accuracy of how the Collector recorded, supported, deposited, disbursed, and reported tax payments. We reviewed and compared all disbursements totaling approximately \$6.1 million, the warrants obtained from the County, County settlement statements, transaction journals, and bank statements during the audit period. Based on the Collector's records, we identified a shortage potentially totaling \$2,567 of penalties and interest owed to the Town. This amount is solely based on the Collector's records; due to the Collector's poor recordkeeping practices, Town officials should conduct a full reconciliation of

¹ Town Law allows for the Collector to appoint a Deputy to assist with his/her tax collection duties. The Collector had an individual working as her Deputy during the audit period.

² Interest earned on tax moneys should be recorded separately from tax payments.

³ Cash on hand and on deposit in the bank should be compared monthly to detailed listings (liabilities) of amounts due to the Supervisor and the County.

payments received, deposited, and remitted to determine the exact shortage amount.

The Collector could not provide a definitive explanation for this shortage. Instead, the Collector asserted that the money she collects is what she remits to the Town and County (she does not keep any money in either of her bank accounts) and that her practice has been to turn over a check to the Supervisor for the amount on deposit in her bank accounts at the end of the fiscal year, without any reconciliation of the amounts due/paid to the Supervisor. Thus, any discrepancies would not be discovered.

We also reviewed tax collections for 186 tax bills totaling \$357,035,⁴ the corresponding tax assessment rolls, the corresponding tax collection software (software) entries, and related bank deposits. We found the following exceptions:

- Payments received for 184 tax bills (99 percent) were not recorded in the software daily. In fact, the payment dates in the software varied, often significantly, from the entry dates.⁵ For example, a tax bill totaling \$3,581 was posted in the software as paid on January 31, 2010; however, the actual entry date in the software was February 12, 2010.
- Payments received for 172 tax bills (92 percent) were not deposited within 24 hours of receipt. Specifically, 166 payments were deposited between two and 25 days late, four payments were deposited between 26 and 50 days late, and two payments were deposited 51 and 122 days late, respectively.
- Twenty-seven tax bills indicated a different individual receiving the payment than the individual who was recorded on the tax roll. For example, a payment totaling \$5,644 was received by the Collector per the tax bill; however, the Deputy Collector was the individual recorded on the tax roll as receiving the payment.
- Payment dates for 17 tax bills, totaling \$69,019, were backdated in the software. For example, a tax bill totaling \$5,988 was posted in the software as paid on January 31, 2010; however, the actual entry date in the software was March 10,

⁴ We reviewed 94 tax bills from 2010 totaling \$202,401 and 92 tax bills from 2011 totaling \$154,634. This dollar amount is based on the total taxes due by January 31. This dollar amount does not include any penalties or handling fees. See Appendix C, Audit Methodology and Standards, for details on our sample selection.

⁵ While users of the software can enter any date in the payment date (posted date) field, the field for the entry date is automatically generated (it defaults to the current date) by the software and it cannot be changed.

2010. Additionally, the taxpayer's canceled check was dated March 1, 2010. Collectively, the amount of related penalties not assessed on these payments totaled \$450.

- The total amount collected for 13 tax bills per the software varied from the total amount due per the tax bills. This resulted in an under-collection of \$273.

Some of these discrepancies occurred because entries in the accounting software could be, and were, made by both the Collector and her Deputy. Both would frequently work in the software under each other's account. Therefore, any accountability over transactions or system activity is diminished and cannot be traced back to a specific individual. The Collector also told us that she and the Deputy did not stamp the tax roll to indicate that payment was received at the time of payment. Instead, they stamped the tax roll whenever they had time. Also, the Collector told us that she did not perform an accountability analysis. Such an analysis would have helped to detect the discrepancies we found.

In addition, during 2010 the Collector did not consistently remit tax moneys weekly to the Supervisor or monthly to the County Treasurer. In 2010, the Collector remitted tax moneys to the Supervisor only twice, and remitted tax moneys only once to the County Treasurer prior to the final settlement. During 2011, weekly remittances to the Supervisor and County improved; however, there were still three weeks where taxes were collected but not remitted to the Supervisor, and one month where taxes were collected but not remitted to the County. Additionally, after the Collector settled with the County, we found checks totaling \$1,811 in 2010 and \$8,980 in 2011 that were made payable to the County. The Collector told us that she received these payments after she had settled with the County, so she thought she needed to remit these moneys to the County. However, after the Collector has settled with the County, there should be no further activity, and the Collector's bank account balance should be zero unless the bank, at the time of opening the account, required a minimum amount to be maintained. Therefore, instead of collecting these payments, the Collector should have told the payee to remit the moneys directly to the County. Collecting payments after settling with the County increases the risk that errors could be made and moneys could be lost or misappropriated.

We also found that, in 2010, total deposits in the bank were \$7,038 higher than total collections recorded in the software. These discrepancies occurred because several large amounts were deposited over and above what was posted in the software (i.e., payments were deposited in the bank, but not posted in the software). In 2011, total

deposits in the bank were \$208 higher than total collections recorded in the software. These discrepancies were the result of clerical errors.

These weaknesses occurred because the Board failed to establish policies and procedures for the collection and distribution of taxes, handling fees, and penalties. As such, the Collector did not have formal guidelines on how to perform her duties. In fact, the Collector told us that she did not perform her duties in accordance with Town Law because she was doing things how she was taught, and has been performing her tax collection duties in this manner since she assumed the Collector position.

Additionally, the Board hired an outside certified public accountant (CPA) firm in the fall of 2010 to review the Collector's 2008, 2009, and 2010 records. The Board did not provide for an annual audit of the Collector's 2011 records. Had the Board provided for an annual audit of the Collector's records, it could have detected the discrepancies in the records. As a result of these weaknesses, the risk that money could be lost, stolen, or used for inappropriate purposes is significantly increased.

Recommendations

1. The Supervisor should take appropriate action to recover any funds determined to be owed to the Town.
2. The Board should develop policies and procedures for the collection and distribution of taxes, handling fees, and penalties.
3. The Board should oversee the tax collection process, and perform an annual audit of the Collector's records.
4. The Collector should develop a system of recording tax payments (including handling fees and penalties) that ensures each payment received is promptly and accurately recorded on the tax bills, in the software, and on the tax rolls.
5. The Collector should assess penalties on all late payments in accordance with Real Property Tax Law.
6. The Collector should ensure that an accountability analysis is performed on a monthly basis. Any differences should be promptly investigated and, if necessary, corrective action taken.
7. The Collector should deposit all moneys collected within 24 hours of receipt.
8. The Collector should remit all moneys collected to the Supervisor and to the County Treasurer within the timeframes prescribed by Town Law.

APPENDIX A

RESPONSE FROM LOCAL OFFICIALS

The local officials' response to this audit can be found on the following pages.

The response letter contains references to accompanying documents Exhibit A and Exhibit B. Because the response letter sufficiently explains the relevance of these documents, they are not included here.



Supervisor
Kevin McDonald
Town Clerk
Cynthia Hapeman RMC
Highway Superintendent
David Lyons

PO Box 65
Livingston NY, 12541
518-851-9441

Councilpersons
James Guzzi
Joseph Leto
William Bender
William Yandik

www.livingstontown.com

November 21, 2012

Office of the New York State Comptroller
Attention: [REDACTED]
33 Airport Center Drive, Suite 103
New Windsor, New York 12553

Re: Town of Livingston, Columbia County
Audit Response to Preliminary Draft Findings related to Tax Collector

Dear [REDACTED]

The Town of Livingston would like to thank your office for taking efforts to review the Town Tax Collector's records and processes in efforts to improve the functioning of that office to better serve constituents. Your objective was to determine if the Collector performed her duties as prescribed by law. After receipt and review of the Preliminary Draft Findings and report, the Town would like to provide the following information as and for the Town's responsive comments.

Your report stated that "weaknesses occurred because the Board failed to establish policies and procedures for the collection and distribution of taxes, handling fees, and penalties. As such, the Collector did not have formal guidelines on how to perform her duties. In fact, the Collector told us that she did not perform her duties in accordance with Town Law because she was doing things how she was taught, and has been performing her tax collection duties in this same manner since she assumed the Collector position." The Town board takes exception to this conclusion as the Town Board has and continues to make significant efforts to ensure the Town Clerk / Tax Collector was trained and properly provided with procedures and policies to perform her duties in accordance with the New York State Town Law.

See
Note 1
Page 16

As indicated in your report, to review the records of the town and provide guidance and training, the Town Board hired an outside certified public accountant firm in the fall of 2010 to review the Collector's 2008, 2009 and 2010 records. As a result of that independent review, the Town had the accounting firm provide step-by-step guidance of recommended processes and procedures for the Town Clerk / Tax Collector to ensure she was properly advised and trained as to how to perform the necessary tasks in accordance with the applicable State laws. The Clerk / Tax Collector acknowledged these "new procedures and policies" welcomed the review as a learning experience, and stated she had learned procedures she had not been aware of. A copy of the Town Clerk / Tax Collector's December 28, 2010 correspondence to the Town Board is attached hereto as Exhibit "A". The Town Board with the accounting firm and the Tax Collector developed written procedures. A copy of the written procedures is attached hereto as Exhibit "B". These procedures were established upon recommendation of the accountant to again ensure compliance with applicable town laws for the position of Tax Collector. The Town Board also made the accounting firm and its personnel available to work with the Tax Collector to ensure that the Tax Collector's tasks were being appropriately performed. The Town Clerk / Tax Collector was also provided the opportunity and attended a one-week training session related to her job functions and duties. The Town further authorized and provided the Town Clerk / Tax Collector with all training opportunities she requested and all available for education on proper practices.

See
Note 1
Page 16

See
Note 2
Page 16

In response to the review by the outside accountant the Town communicated with your office through correspondence and telephone communications seeking further guidance and a formal audit. In January of 2011 your office sent an auditor to perform a risk assessment of the Tax Collector to review and determine if a full audit was warranted. Further, after the independent accountant review the town board made efforts to receive and review all reports of the Town Clerk / Tax Collector in efforts to confirm all proper policies and procedures were being followed. Concurrently, your office became involved in a formal audit of the Tax Collector, in response to the requests of the Town Board, to assist the town in establishing proper practices and procedures. It is the Town board's position that it had provided the Town Clerk / Tax Collector with training, review, guidance, policies and procedures to ensure the duties of that office are properly administered in accordance with State law.

It is the Town of Livingston's understanding that the New York State Town law explicitly outlines policies and procedures for the Town Clerk / Tax Collector to follow. The Town Board has and continues to make significant efforts to ensure these procedures are followed. Thus, the Town board takes exception to the conclusion that the Board has failed to establish policies and procedures for the operation of the office of Tax Collector. The Board also wishes the report to acknowledge that the Town Clerk / Tax Collector is a separately elected official over which the Town board has limited control.

See
Note 1
Page 16

See
Note 3
Page 16

The Town Clerk / Tax Collector was provided with a copy of the Preliminary Draft Findings of your office and has drafted her responsive comments for your review. Her response letter is attached hereto as Exhibit "C".

With the exceptions as noted above, again, the Town Board would thank your office for offering assistance with this issue. The Town Board intends to continue to work with your office to develop a corrective action plan to address the findings of your audit report.

Sincerely Yours

Kevin McDonald, Supervisor

Enc.

CC: Town Board
Town Clerk / Tax Collector



Supervisor
 Kevin McDonald
Town Clerk
 Cynthia Hapeman RMC
Highway Superintendent
 David Lyons

PO Box 65
 Livingston NY, 12541
 518-851-9441

Councilpersons
 James Guzzi
 Joseph Leto
 William Yandik
 William Bender

www.livingstontown.com

Office of the State Comptroller
 Newburgh Regional Office
 33 Airport Center Drive Suite 103
 New Windsor, NY 12553

November 6, 2012

Dear Sirs,

I would like to take this opportunity to reply to the recent New York State audit that was performed on the Tax Collector account. I have reviewed the report and feel that explanations for the areas in question be addressed. First I would like to address the shortage in penalties and interest. I feel this is the result of tax bill amount changes that I was directed by Columbia County to change due to incorrect tax amounts that were printed on the tax bills prior to me receiving them and sending them out, which is done by Columbia County. Once I was ordered to make bill adjustments by Columbia County, I sent the tax bill out and received the payments after the date to which the penalty was added. Because it was not the tax payers fault that an error was made on there tax bill prior to me sending them out, I didn't charge the tax payers the penalties for the payment being "late" this making my penalty amount short at the end of the collection period. I also accept tax payments post marked. Example: If I receive a mailed tax payment on Friday February 5th, 2010 that has a postmark of January 31, 2010, that payment is posted for January 31, 2010 since the tax payer mailed it within the time frame of when it is due without penalties. The computer system will show that payment physically entered on February 5th, 2010 with a January 31, 2010 payment amount. Having stated that, a large number of mortgage companies send in there tax payments using the 31st postmark. I receive January 31st postmarked taxes well into the second week of February annually which explains the difference in dates and amounts. When entering these postmarked payments one must go into the field on the computer system and manually change the date so the payment isn't entered late and charged a penalty. It was also written that "due to the poor record keeping of the tax collector". At the end of the collection day I must print out a report and collection summary off the computer tax system that shows all activity and payments made, which is the data used for the end of the day monies received and my daily deposit along with the tax bills. This report is the basis for my deposit. Having stated that, I would like a better understanding as to how using the daily reports and collection summary off the computer tax collection software as poor recordkeeping practices? I have since implemented attaching copies of the deposit slips for each day to the daily reconciliation report as an extra measure to insure the daily deposit is accurate and an extra step to insuring accuracy.

See
 Note 4
 Page 16

See
 Note 5
 Page 16

On page 7 of the report the first bulleted exception states that the entry date and posted dates differ on 134 bills. The reason for this is due to the fact that the town accepts post marked tax bills sent through the mail. As stated previously a large majority of financial institutions and tax payer's payments are received with a January 31 postmarked date. This makes up for a large amount of our tax bills, which is why 99 percent were found that they were not reported daily. Example: If I receive a bank batch from a bank for payment of 80 bills on Tuesday February 9th but they were postmarked January 31st I enter them with the January 31st posted date but the computer shows me paying them on February 9th which is the day I received them, which is why "on paper" it shows they were not entered daily.

See
Note 4
Page 16

Bullet #2 indicates that deposits were not deposited within a 24 hour time frame. I have since implemented new procedures that insure this procedure be adhered to. I have made sure that the daily deposits be made that day or the following morning to comply with the 24 hour time frame.

Bullet #3 states that a different individual received the tax payment than the individual recording and stamping the tax roll. The major roll my Deputy Town Clerk has during tax collection period is the stamping of payments received on the tax roll which is turned over to the Columbia County Treasurer at the end of the tax collection period. Having my deputy stamp the tax roll allows me to place all of my attention and time collecting and entering the tax payments and monies as received and completing the end of the day deposit as well as the regular daily operation of my office outside of Tax collector in an efficient timely manner.

See
Note 6
Page 16

Bullet #5 gives the example of a tax payment posted on January 31, 2010 which was actually entered on March 10, 2010. This was due to the fact that a mortgage company had sent in a payment for a homeowner who was in the end process of re financing with another mortgage company during the January pay date, but was received in my office in February by mail. The original mortgage company had contacted me and stated that they had sent a check for payment of this bill and explained the situation that they would no longer be holding this mortgage soon and informed me that another check was coming from the new mortgage holder's institution. I was asked to submit the check that was coming and return there check when the second check was received. Being that the mortgage company that still held the mortgage at the time that the original payment was made sent the payment in with the January postmark, I felt that it was only fair to submit the second payment as such. I was in contact with the mortgage companies and they in turn were the cause of the confusion and delay in the second payment that was received. Again I will state that a large portion of our tax bills are received by mortgage companies and are postmarked which is the date that I enter for payment because the bills were sent out during the collection period without penalty. This accounting for the large number of bills backdated as referred to in bullet #4 and #5.

See
Note 4
Page 16

I would like to report that I have implemented several changes in my tax collection procedures to insure that I am in compliance with NYS law and to insure my residents tax payments are processed as efficiently and securely as possible and to the best of my ability. I have and will continue to attend seminars, conferences and schooling that are offered to insure a better understanding of any new changes of any and all information pertaining to my job as tax collector and town clerk. I will also be keeping a log of all payments received with postmarks that are entered past the no penalty date of January 31st to keep track of all penalties not collected. I have developed and used a excel spreadsheet that shows all payments to the Supervisor, County and all deposits made that will be attached to my monthly and daily reconciliation statements. I have also installed user names and passwords on all of the computers in my office as well as using an electronic cash register which I use the tape at the end of the day with the daily amount of money taken in for the day to compare with my daily tax collection

report at the end of the day. This I feel is an extra step to help insure accuracy and detect any possible differences. I have been working with members of the Town Board and have extended the open invitation to visit my office during tax collection to view and gain a better understanding of the tax collection process and welcome all suggestions that they feel may be beneficial to the operation of my office. I would like to thank the auditing team for giving me the opportunity to work with them and feel this has been a valuable learning experience for me to help insure that our Towns revenue and funds are managed accurately and securely.

Sincerely,

Cynthia L. Hapeman

Town Clerk/Registrar/Tax Collector

APPENDIX B

OSC COMMENTS ON THE LOCAL OFFICIALS' RESPONSE

Note 1

The Board neither formally approved nor adopted the “recommended processes and procedures” prepared by the accounting firm. The referenced correspondence prepared by the Tax Collector, dated December 28, 2010, stated that she implemented some of the procedures that the accounting firm recommended and implemented some of her own procedures. Therefore, the system of procedures put in place was not a Board-approved system.

Note 2

Town officials did not provide us with evidence that “the Board also made the accounting firm and its personnel available to work with the Tax Collector to ensure that the Tax Collector’s tasks were being appropriately performed.” During the audit, the Supervisor told us that an agreement for these services was pending.

Note 3

As outlined in the introduction, the Board has the power to impose taxes on real property located in the Town and is responsible for the general management and control of Town finances, including the oversight of the collection of real property taxes.

Note 4

The Tax Collector should seek to identify tax payments that were made timely and assessed a late penalty, and make the manual adjustments, as appropriate. Any such adjustments to the Tax Collector’s records should be supported with adequate documentation.

Note 5

This procedure was implemented at the conclusion of our audit, as we had recommended. During the audit period, the Tax Collector did not reconcile tax payments received with tax payments posted to her records and with prepared bank deposits. Had this reconciliation process been in place, we believe most, if not all, of the discrepancies found in the Tax Collector’s records would have been detected.

Note 6

A proper receipting process dictates the completion of all receipt records at the time of the collection, and reduces the increased risk of errors resulting from varying dates on the Tax Collector’s records. As such, the Tax Collector should ensure that the receipt date on the tax roll is stamped at the same time the customer copy of the tax billed is stamped.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

During this audit, we examined how timely and accurately the Tax Collector's receipts were recorded, supported, deposited, disbursed, and reported for the period of January 1, 2010 to December 31, 2011. To accomplish our audit objective and obtain relevant audit evidence, our procedures included the following:

- We interviewed Town officials to obtain an understanding of Town operations, identify key personnel, and gain an understanding of the internal controls relative to our audit objective, including any policies and procedures, as well as any oversight conducted by the Board. We also used these interviews to gain an understanding of the internal controls over the tax collection software.
- We interviewed the Collector about specific application controls in the tax collection software. We also contacted a representative from the vendor of the tax collection software regarding questions we had pertaining to the software.
- We requested from the Town's bank all bank statements, deposit detail, withdrawal slips, canceled checks, and electronic fund transfer requests and confirmations for the Collector's checking and savings accounts for the audit period.
- We obtained and reviewed paid Town/County tax bills and stamped Town tax assessment rolls from the County.
- We reviewed minutes of the Board's proceedings.
- We reviewed transaction journals generated from the tax collection software.
- We reviewed the Collector's settlement statements with the County, as well as the Collector's unpaid tax listings.
- We compared deposits per the bank statements against payments recorded in the tax collection software.
- We reviewed a sample of tax bills for the audit period. Our sample included both 2010 and 2011 tax bills. The tax bills selected from 2010 included both a non-biased judgmental sample (75 tax bills) and a judgmental sample (19 tax bills). The tax bills selected from 2011 were strictly a non-biased judgmental sample (92 tax bills).
- Using the above sample, we determined if payments recorded on the tax bills corresponded with payments recorded on the stamped Town tax assessment rolls and with payments recorded in the tax collection software. We also traced these payments to deposit detail obtained directly from the bank. Additionally, we analyzed the timeliness of these deposits (within 24 hours of receipt), as well as the composition of these deposits to ensure payments were accounted for in

their entirety. We then determined if the proper tax amounts (including penalties and handling fees) were collected.

- To determine whether all moneys were remitted to the Supervisor and the County Treasurer, we reviewed and compared all disbursements (canceled checks), the warrants (obtained from the County), County settlement statements, transaction journals, and bank statements. We determined from these comparisons that there was a shortage.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX D

HOW TO OBTAIN ADDITIONAL COPIES OF THE REPORT

To obtain copies of this report, write or visit our web page:

Office of the State Comptroller
Public Information Office
110 State Street, 15th Floor
Albany, New York 12236
(518) 474-4015
<http://www.osc.state.ny.us/localgov/>

APPENDIX E
OFFICE OF THE STATE COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY

Andrew A. SanFilippo, Executive Deputy Comptroller
Steven J. Hancox, Deputy Comptroller
Nathalie N. Carey, Assistant Comptroller

LOCAL REGIONAL OFFICE LISTING

BINGHAMTON REGIONAL OFFICE

H. Todd Eames, Chief Examiner
Office of the State Comptroller
State Office Building - Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417
(607) 721-8306 Fax (607) 721-8313
Email: Muni-Binghamton@osc.state.ny.us

Serving: Broome, Chenango, Cortland, Delaware,
Osego, Schoharie, Sullivan, Tioga, Tompkins Counties

BUFFALO REGIONAL OFFICE

Robert Meller, Chief Examiner
Office of the State Comptroller
295 Main Street, Suite 1032
Buffalo, New York 14203-2510
(716) 847-3647 Fax (716) 847-3643
Email: Muni-Bufferalo@osc.state.ny.us

Serving: Allegany, Cattaraugus, Chautauqua, Erie,
Genesee, Niagara, Orleans, Wyoming Counties

GLENS FALLS REGIONAL OFFICE

Jeffrey P. Leonard, Chief Examiner
Office of the State Comptroller
One Broad Street Plaza
Glens Falls, New York 12801-4396
(518) 793-0057 Fax (518) 793-5797
Email: Muni-GlensFalls@osc.state.ny.us

Serving: Albany, Clinton, Essex, Franklin,
Fulton, Hamilton, Montgomery, Rensselaer,
Saratoga, Schenectady, Warren, Washington Counties

HAUPPAUGE REGIONAL OFFICE

Ira McCracken, Chief Examiner
Office of the State Comptroller
NYS Office Building, Room 3A10
Veterans Memorial Highway
Hauppauge, New York 11788-5533
(631) 952-6534 Fax (631) 952-6530
Email: Muni-Hauppauge@osc.state.ny.us

Serving: Nassau and Suffolk Counties

NEWBURGH REGIONAL OFFICE

Christopher Ellis, Chief Examiner
Office of the State Comptroller
33 Airport Center Drive, Suite 103
New Windsor, New York 12553-4725
(845) 567-0858 Fax (845) 567-0080
Email: Muni-Newburgh@osc.state.ny.us

Serving: Columbia, Dutchess, Greene, Orange,
Putnam, Rockland, Ulster, Westchester Counties

ROCHESTER REGIONAL OFFICE

Edward V. Grant, Jr., Chief Examiner
Office of the State Comptroller
The Powers Building
16 West Main Street – Suite 522
Rochester, New York 14614-1608
(585) 454-2460 Fax (585) 454-3545
Email: Muni-Rochester@osc.state.ny.us

Serving: Cayuga, Chemung, Livingston, Monroe,
Ontario, Schuyler, Seneca, Steuben, Wayne, Yates Counties

SYRACUSE REGIONAL OFFICE

Rebecca Wilcox, Chief Examiner
Office of the State Comptroller
State Office Building, Room 409
333 E. Washington Street
Syracuse, New York 13202-1428
(315) 428-4192 Fax (315) 426-2119
Email: Muni-Syracuse@osc.state.ny.us

Serving: Herkimer, Jefferson, Lewis, Madison,
Oneida, Onondaga, Oswego, St. Lawrence Counties

STATEWIDE AUDITS

Ann C. Singer, Chief Examiner
State Office Building - Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417
(607) 721-8306 Fax (607) 721-8313