



# Town of Ossian Tax Collector

## Report of Examination

Period Covered:

January 1, 2015 — October 6, 2016

2016M-364



Thomas P. DiNapoli

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# State of New York Office of the State Comptroller

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## **Division of Local Government and School Accountability**

December 2016

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 Ossian, 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 New York State General Municipal Law.

This audit's results 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 Ossian (Town) is located in Livingston County (County) and has a population of approximately 800. The Town is governed by an elected five-member Town Board (Board), which is composed of the Town Supervisor (Supervisor) and four Board members. The Board is responsible for the general oversight of the Town's operations and finances. The Town Clerk, as Tax Collector, is responsible for the receipt, disbursement, custody and accounting for real property taxes until they are turned over to the Supervisor.

The Town provides various services to its residents, including maintaining and improving Town roads, snow removal, public improvements and general governmental support. The Town's budgeted appropriations for the 2016 fiscal year are approximately \$817,000, funded primarily with real property taxes.

## Objective

The objective of our audit was to verify the accuracy of the Town's tax collection. Our audit addressed the following related question:

- Did the Tax Collector receive, record, deposit and report real property tax moneys in an accurate and timely manner?

## Scope and Methodology

We examined the tax collection process of the Town of Ossian for the period January 1, 2015 through October 6, 2016.

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 B of this report. Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

## Comments of Local Officials

The results of our audit have been discussed with Town officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Town officials agreed with our findings.

## Tax Collector

The Tax Collector collects real property taxes from January through March 31 of each year and then the County collects overdue taxes. The Tax Collector is responsible for maintaining accurate and complete records of every tax payment received, including interest and penalties. The Tax Collector should document all payments received, maintain a detailed record of each transaction by recording tax payments, separate from interest and penalties, on a daily basis and summarize all tax payments received on a daily basis. Upon deposit, the Tax Collector must ensure that daily cash receipts correspond to the total amount deposited. Furthermore, the Tax Collector is required by New York State Town Law to deposit all moneys collected within 24 hours of receipt, remit all deposits to the Supervisor at least once each week until the Town's portion of the tax levy is satisfied, and remit all residual collections to the County Treasurer by the 15th of each month following receipt. At the end of the Town collection period, the Tax Collector should prepare a list of unpaid taxes for collection by the County.

The financial activities of the Tax Collector's Office were generally well maintained. During the audit period, when taxpayers paid their tax bill, the Tax Collector recorded payments in the computerized accounting system as payments were received. We compared tax collections against the tax roll, warrant, various bank records<sup>1</sup> and accounting records for 2015 and 2016. We determined that the Tax Collector accurately recorded tax payments and that, with minor exceptions that we discussed with the Tax Collector, deposits were made and collections remitted to the Supervisor and County Treasurer within the statutorily required time limits.

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<sup>1</sup> Documents reviewed include bank statements, canceled checks and deposit composition detail.

**APPENDIX A**  
**RESPONSE FROM LOCAL OFFICIALS**

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

# **TOWN OF OSSIAN**

## **Livingston County**

### **State of New York**

4706 Ossian Hill Road  
Dansville, New York 14437-9117

**Shaun Metcalfe**  
*Highway Superintendent*

**John Van Heusen**  
*Councilman*

**Christopher Pero**  
*Councilman*

**Dwight Knapp**  
*Supervisor*

**Stephen Rauber**  
*Town Clerk*

**David Mark**  
*Councilman*

**David Walker**  
*Councilman*

Mr. Edward V. Grant Jr.  
Chief Examiner  
The Powers Building  
16 West Main St. Suite 522  
Rochester, NY 14614-1608

December 8, 2016

Dear Mr. Grant,

On December 6, 2016 the Ossian Town Clerk, Stephen Rauber, & I met with [REDACTED] and [REDACTED], who had recently concluded an audit of the Town of Ossian by the NYS Comptroller's Office.

The audit initially reviewed all departments and operations within our town government. After this review was completed it was decided that the office of the Ossian Town Tax Collector would be the focus of the audit.

Upon a thorough review and discussion of the draft report with the auditors, the Town of Ossian Supervisor and Tax Collector are in complete agreement with the findings and recommendations presented at the exit discussion.

Sincerely,  
Dwight Knapp

Supervisor  
Town of Ossian

Stephen Rauber  
Town Clerk/ Tax Collector Town of Ossian

## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We interviewed the Tax Collector and other Town officials to gain an understanding of the internal controls over collecting, recording, depositing and reconciling real property taxes.
- We reviewed the Town Board meeting minutes for 2015 and 2016.
- We reviewed all the tax collection reports and all tax collections received for 2015 and 2016 and compared them to the bank statements, deposits, deposit composition detail, canceled checks, Town budgets, receipts, and accounting records to determine whether all moneys were properly deposited and recorded.
- We tested a judgmental sample of 10 payments that were made after the penalty period took effect to determine whether penalties were properly charged and deposited in the Tax Collector's bank account. Our sample consisted of the first five accounts listed in 2015 and 2016 on the Paid detail report.
- We reviewed the change report contained in the tax collection software to determine whether any inappropriate changes were made to taxpayer accounts.
- We reviewed the County Treasurer's reconciliation with the Town for 2015 and 2016 to determine whether taxes collected were properly remitted to the County and Supervisor.

We conducted this performance audit in accordance with 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 C

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**AND SCHOOL ACCOUNTABILITY**

Andrew A. SanFilippo, Executive Deputy Comptroller  
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