



Town of Essex

Internal Controls Over Selected Financial Operations

Report of Examination

Period Covered:

January 1, 2013 — October 31, 2014

2015M-60



Thomas P. DiNapoli

Table of Contents

	Page
AUTHORITY LETTER	1
EXECUTIVE SUMMARY	2
INTRODUCTION	4
Background	4
Objective	5
Scope and Methodology	5
Comments of Local Officials and Corrective Action	5
PAYROLL	7
Payroll Processing	7
Leave Accruals	10
Recommendations	12
WATER AND SEWER CHARGES AND TRANSFER STATION RECEIPTS	13
Segregation of Duties	13
Billing and Collection	14
Enforcement	16
Transfer Station	18
Recommendations	20
APPENDIX A Response From Town Officials	23
APPENDIX B Audit Methodology and Standards	25
APPENDIX C How to Obtain Additional Copies of the Report	28
APPENDIX D Local Regional Office Listing	29

State of New York Office of the State Comptroller

Division of Local Government and School Accountability

August 2015

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 Essex, entitled Internal Controls Over Selected Financial Operations. 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 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*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

The Town of Essex (Town) is governed by an elected five-member Town Board (Board), which consists of the Town Supervisor (Supervisor) and four council members. The Board is responsible for the general oversight of the Town's operations and finances. The Supervisor, as chief fiscal officer, is responsible for receiving, disbursing and maintaining custody of Town moneys; maintaining the accounting records; and providing financial reports to the Board. The Town's budgeted appropriations for the 2014 fiscal year were approximately \$1.22 million, funded primarily with real property taxes and water and sewer charges.

Scope and Objective

The objective of our audit was to review the Town's internal controls over selected financial operations for the period January 1, 2013 through October 31, 2014. Our audit addressed the following related questions:

- Are internal controls over payroll processing and the maintenance of leave accruals appropriately designed and operating effectively?
- Are internal controls over water and sewer charges and transfer station cash receipts appropriately designed and operating effectively?

Audit Results

Town officials did not provide adequate oversight of the Town's financial operations and failed to correct all of the deficiencies that were identified during our previous audit¹ related to water charges and transfer station cash receipts. As a result, there were weaknesses in both preventive controls, such as segregation of duties and policies and procedures, and detective controls, such as management oversight. These weaknesses have resulted in unnecessary expenditures and lost revenue to the Town and an environment that allowed significant deficiencies to occur and remain undetected.

Town officials' failure to establish comprehensive written policies and procedures for processing payroll and maintaining leave time accruals resulted in a lack of segregation of duties and sufficient compensating controls. As a result, we found that four employees in 2013 and six employees in 2014 did not receive the correct gross pay. These employees had combined overpayments totaling \$4,759 and combined underpayments totaling \$852. In addition, State and federal income taxes were not withheld in accordance with employees' withholding allowance certificates² and the proper amounts

¹ *Town of Essex – Fiscal Oversight and Internal Controls Over Cash Receipts (2011M-43)*

² Federal Form W-4 and New York State Form IT-2104

were not deducted for health insurance premiums from any of the employees' gross pay during our audit period. For example, during our audit period, the Town deducted a combined total of \$9,341 less than appropriate for health insurance premiums of five employees and \$856 more than appropriate for another employee. As a result, the Town paid \$8,485 of the share of health insurance premiums that should have been paid by the employees. In addition, the leave accrual records for four full-time Highway Department employees were not accurate, which contributed to the previously mentioned overpayments and underpayments. The Highway Department employees' leave accrual balances were also overstated by 85 hours, valued at \$1,470, and understated by 37.5 hours, valued at \$622, as of October 31, 2014.

The Town also lacked comprehensive policies and procedures for water and sewer charges, resulting in an overall lack of segregation of duties and compensating controls. As a result, we identified significant internal control weaknesses over the billing, collecting and enforcing of water and sewer charges. For example, the Board did not review the water and sewer billing registers. In addition, we found that nine of 50 billings (18 percent) were incorrectly calculated, resulting in four customers being underbilled by \$343 and five customers being overbilled by \$419. Furthermore, we found that eight of 15 deposits contained collections totaling \$18,576 that were deposited more than five days after receipt. The Town was also not properly assessing penalties for delinquent accounts and all delinquent accounts were not properly relieved. As a result, the Town did not realize all potential revenues and did not properly enforce all delinquent accounts.

Town officials also did not establish an adequate system of internal controls over transfer station cash receipts. For example, the Town Clerk did not maintain an accurate inventory of transfer station tickets and Town personnel did not properly account for transfer station cash receipts. As a result, we found that 23 transfer station tickets, valued at \$315, were unaccounted for. In addition, we were not able to trace collections totaling \$1,870 for 123 transfer station tickets that were recorded as sold to a corresponding deposit. Furthermore, we found that 20 deposits, totaling \$12,690, contained collections of \$8,585 (approximately 67 percent) that were deposited more than five days after receipt. Occurrences like this leave the Board and Town officials with little to no assurance that transfer station cash receipts are properly accounted for and increases the risk that such moneys could be used for purposes other than as intended.

Comments of Local Officials

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. Town officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

Introduction

Background

The Town of Essex is located in Essex County and has a population of approximately 670 residents. The Town is governed by an elected five-member Town Board (Board), which consists of the Town Supervisor (Supervisor) and four council members. The Board is responsible for the general oversight of the Town's operations and finances. The Supervisor,³ as chief fiscal officer, is responsible for receiving, disbursing and maintaining custody of Town moneys; maintaining the accounting records; and providing financial reports to the Board.

The Town provides various services to its residents, including maintaining and improving Town roads, snow removal, public improvements, recreation and cultural activities, water and sewer services and general governmental support. The Town's budgeted appropriations for the 2014 fiscal year were approximately \$1.22 million, funded primarily with real property taxes and water and sewer charges.

The Town had 41 employees and payroll expenditures totaled approximately \$747,000 during our audit period. The Town employs a bookkeeper, the Clerk to the Supervisor,⁴ who works under the Supervisor's direction and is responsible for processing payrolls and maintaining employee leave records.

The Town has one water district and one sewer district, which provide services to approximately 175 and 135 customers, respectively. The Town recorded revenues for water charges of \$121,764 and sewer charges of \$160,785 during our audit period. The Town also sells transfer station tickets to its residents to dispose of refuse at the Town's transfer station. The transfer station ticket inventory is kept in the Town Clerk's⁵ office. The tickets were sold by the Town Clerks and the Deputy Town Clerk. The Town Clerks also issued tickets to the transfer station manager to be sold at the transfer station site and to the Town Clerk of the Town of Willsboro to be sold to its residents.

³ The Town had two Supervisors during our audit period. The former Supervisor's term ended on December 31, 2013, after which the current Supervisor's term began.

⁴ The Town employed two individuals as Clerk to the Supervisor during our audit period. The former Clerk to the Supervisor was employed at the Town through July 24, 2014, after which the Supervisor appointed a new Clerk to the Supervisor.

⁵ The Town had two Town Clerks during our audit period. The former Town Clerk's term ended on December 31, 2013, after which the current Town Clerk's term began.

The Town recorded \$158,975 in revenue from transfer station tickets sales during our audit period.

The Board and Town officials failed to correct all of the deficiencies that were identified during our previous audit,⁶ which included findings related to water charges⁷ and transfer station cash receipts. If the Board does not address the internal control weaknesses identified in this report, there is a significant risk that Town assets will not be adequately safeguarded.

Objective

The objective of our audit was to review the Town’s internal controls over selected financial operations. Our audit addressed the following related questions:

- Are internal controls over payroll processing and the maintenance of leave accruals appropriately designed and operating effectively?
- Are internal controls over water and sewer charges and transfer station cash receipts appropriately designed and operating effectively?

Scope and Methodology

We examined the Town’s financial operations for the period January 1, 2013 through October 31, 2014.

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.

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. Town officials generally agreed with our findings and indicated they plan to initiate corrective action.

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

⁶ *Town of Essex – Fiscal Oversight and Internal Controls Over Cash Receipts (2011M-43)*

⁷ The Town did not have sewer charges during our previous audit. However, our previous audit stressed the importance for the Board to establish adequate internal controls over the billing, collection and enforcement of water charges because the Town would be performing the same functions for sewer charges upon the completion of the Sewer District 1 capital project.

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.

Payroll

Town officials are responsible for establishing internal controls over payroll. Good controls include establishing policies and procedures for preparing and disbursing payroll and maintaining leave records so that employees are paid salaries and wages and provided benefits to which they are entitled. Sound controls help to ensure that employees are paid at Board-approved pay rates or paid rates as prescribed in collective bargaining agreements (CBA); that the proper amount of payroll taxes are withheld and deductions are made from employees' gross pay; and that time worked and leave time earned and used is properly documented, monitored and controlled. In addition, Town officials should segregate payroll duties, when possible, to ensure that no individual controls all phases of a payroll transaction. When segregating duties is not feasible, officials should implement compensating controls to reduce the associated risks.

The Town officials' failure to establish comprehensive written policies and procedures for processing payroll and maintaining leave time accruals has resulted in a lack of segregation of duties and sufficient compensating controls. As a result, we found that employees were both overpaid and underpaid and State and federal income taxes were not withheld in accordance with employees' withholding allowance certificates. In addition, the proper amounts were not deducted for employees' health insurance premiums and employees' leave accrual records were not accurate. The overall lack of oversight over payroll processing allowed significant errors and irregularities to occur and remain undetected.

Payroll Processing

Written payroll policies and procedures, combined with detailed job descriptions that assign specific payroll activity responsibilities, help ensure that employees understand their role in the payroll process. It is important that one individual is not responsible for the entire payroll processing function. If segregating duties is not feasible because of the Town's limited staffing, at a minimum, the Board should implement compensating controls such as providing additional oversight of the payroll process or ensuring that payrolls are adequately reviewed. The review process should involve comparing payroll source documents with payroll registers to ensure that payments are based on actual hours or days worked and on Board-authorized or CBA-prescribed hourly rates or annual salaries and to ensure that the proper amounts are withheld and deducted from employees' gross pay.

Town officials did not establish comprehensive policies and procedures to provide proper guidance or implement sufficient compensating controls over the payroll process. Due to the Town's limited staffing, payroll duties were not adequately segregated. The Clerk to the Supervisor was responsible for creating employee records; collecting employees' time records; recording the hours worked or salaries to be paid; making changes to employees' pay rates, withholdings and deductions; printing payroll checks; and preparing and executing the employees' direct deposits. The Clerk to the Supervisor performed all of these duties with limited oversight.

Although the Board implemented an independent review of the payroll process by requiring the Supervisor to sign payroll checks and review the final payroll registers, the reviews were inadequate. The Supervisor did not compare the payroll registers with payroll source documents (i.e., time records) to ensure that payments were based on the actual hours or days worked and on Board-authorized, or CBA-prescribed hourly rates or annual salaries and to ensure that the proper amounts were withheld and deducted from employees' gross pay. In fact, no one reviewed the source documents to verify whether the Clerk to the Supervisor accurately processed payrolls. In addition, we reviewed 10 payroll registers⁸ during our audit period and found that three were not reviewed by the Supervisor prior to the payroll payments being disbursed. For example, the payroll register for the March 1, 2013 payroll date was not reviewed by the Supervisor until 195 days later on September 12, 2013.

Because of these weaknesses, we reviewed all payroll payments totaling \$498,906 made to 15 employees⁹ during our audit period to verify whether the information entered into the payroll system agreed with the time records, pay rates agreed with Board resolutions or the Highway Department's CBA and gross pay was calculated correctly. We found that four employees did not receive the correct gross pay in 2013 and six employees did not receive the correct gross pay in 2014, resulting in combined overpayments totaling \$4,759¹⁰ and combined underpayments totaling \$852¹¹ to these employees. These errors occurred mainly because incorrect pay rates were used, the employees were paid for hours that differed from the work hours recorded on their time records and the employees were paid incorrectly for unused leave time.

⁸ We used a computerized random number generator to select 10 payroll registers from all of the payroll registers during our audit period.

⁹ Appendix B contains our sampling methodology.

¹⁰ Overpayments totaled \$3,310 in 2013 and \$1,449 in 2014.

¹¹ Underpayments totaled \$0 in 2013 and \$852 in 2014.

In fact, we found that the four full-time Highway Department employees received the incorrect gross pay for 60 of 110 payroll payments (55 percent) in 2013 and 24 of 88 payroll payments (27 percent) in 2014. For example, the former Clerk to the Supervisor did not include a Highway Department employee's biweekly rate of pay for being the Deputy Highway Superintendent. For the same employee, she used the hourly rate of \$38.50 and overtime rate of \$57.75 when calculating the employee's gross pay for the December 20, 2013 pay period. However, this employee's Board-approved hourly rate was \$17.66 and overtime rate was \$26.49, resulting in the employee being overpaid \$2,238 during the pay period. In addition, an employee was paid in 2013 for 32 hours of unused sick and personal leave time that had accrued at the end of 2012. However, the CBA did not contain a provision authorizing the buyout of unused sick and personal leave time, resulting in the employee inappropriately receiving \$549.

We also reviewed payroll payments made to 15 employees¹² for the October 11, 2013 and May 23, 2014 pay periods to verify whether the proper amounts of Social Security and Medicare taxes were withheld from the employees' gross pay and whether State and federal income taxes were withheld in accordance with the employees' withholding allowance certificates. We found that the proper amounts of Social Security and Medicare taxes were withheld from the employees' gross pay. However, the amounts of State and/or federal income taxes were not withheld in accordance the withholding allowance certificates for six employees for the October 11, 2013 pay period and three employees for the May 23, 2014 pay period. These errors occurred because the former Clerk to the Supervisor did not set up the federal filing status, the number of State/federal exemptions and/or the additional State/federal withholdings in the financial software for employees based on the information that the employees recorded on their employee withholding allowance certificates. Although the dollar amount of the discrepancies we found for the pay periods we reviewed were minor,¹³ the cumulative effect of these discrepancies over 26 pay periods during a calendar year could be significant and could materially impact the employees when they file their individual income tax returns.

We also reviewed the records for all employees¹⁴ who were required to make health insurance contributions during our audit period to verify whether the proper amounts of health insurance contributions

¹² Appendix B contains our sampling methodology.

¹³ The discrepancies ranged from an employee having \$17 more in State and federal taxes withheld for a pay period than should have been to an employee having \$60 less in State and federal taxes withheld for a pay period than should have been.

¹⁴ Five employees in 2013 and six employees in 2014

were deducted from the employees' gross pay in accordance with the provisions of the Town's employee manual or the CBA. We found that the proper amounts were not deducted from any of the employees' gross pay. Specifically, five employees had a combined total of \$9,341 less deducted than necessary and one employee had \$856 more deducted than necessary during our audit period. As a result, the Town paid \$8,485 of the share of health insurance premiums that should have been paid by the employees. These errors occurred because the Clerk to the Supervisor did not properly calculate and enter into the financial software the amounts that should have been deducted from each employee's gross pay and did not always deduct the correct amount from employee's gross pay. For example, two employees' deductions each were \$2,054 of the \$3,199 required amount in 2013, \$1,145 less than the required amount for each, resulting in a \$2,290 shortfall in the amount deducted for health insurance premiums.

The Supervisor's lack of proper oversight over the payroll process resulted in employees being both overpaid and underpaid, the amounts of State and federal income tax withholdings not being withheld in accordance with employees' withholding allowance certificates and employees contributing the incorrect amounts for health insurance premiums. The significant number of deficiencies we identified indicates that the Town's payroll process requires substantial improvement.

Leave Accruals

A good system of accounting for employee leave time (i.e., vacation and sick leave) requires Town officials to periodically verify the accuracy of employee leave records with regard to leave time earned and used. The Board and Town officials should establish comprehensive policies and procedures to help ensure that periodic independent reviews of leave accrual records and balances are performed. Town officials should also ensure that Town personnel properly calculate and deduct leave time used from employee leave accrual balances and that leave is earned in accordance with Town policies, CBAs and Board resolutions.

Town officials did not establish comprehensive policies and procedures to provide proper guidance or implement sufficient compensating controls over employees' leave accrual records. Consequently, the former Clerk to the Supervisor and a contracted bookkeeper maintained leave accrual records for Town employees with no oversight. In addition, Town officials could not provide us with leave accrual records for the former Clerk to the Supervisor for 2013 and leave accrual records were not maintained for the Wastewater Superintendent during our audit period, although she earned and used leave time.¹⁵ Furthermore, leave accrual balances

¹⁵ The Wastewater Superintendent informed us that she earned and used leave time. We verified that she was entitled to leave time benefits based on her position and the corresponding benefits for that position.

for the Highway Department employees were not provided to the Highway Superintendent for his review. Therefore, he could not verify that the Highway Department employees had leave time available prior to authorizing its use.

We reviewed all employees' leave accrual records¹⁶ during our audit period to verify that the days employees recorded using leave time on their time records were properly deducted from their leave accrual balances. We also verified that the amounts of leave credited and carried forward during 2013 and 2014 agreed with the Town's employee manual or the CBA. We found errors in the leave accrual records for all four full-time Highway Department employees. Specifically, 76.5 hours of leave time was deducted from the employees' leave accrual records when the time records indicated that these employees were at work. Conversely, 180 hours of leave time was not deducted from the employees' leave accrual records when the time records indicated these employees used leave. In addition, each of the four employees was not credited with 10 hours of sick leave that they were entitled to in 2013 and one employee was not credited with 8 hours of compensatory leave time that he was entitled to in 2014.

The cumulative effect of these errors resulted in two employees being paid for 52 hours of vacation leave time that they had not accrued and one employee not being paid for 8 hours of vacation leave time that he was entitled to, resulting in overpayments totaling \$918 and an underpayment totaling \$141, respectively. In addition, as of October 31, 2014, leave accrual balances for the Highway Department employees were overstated by 85 hours,¹⁷ valued at \$1,470, and understated by 37.5 hours,¹⁸ valued at \$622.

Accurate leave records are essential in determining the proper amount of payments that are due to employees for unused leave time at the end of the year and when employees retire or resign from their positions. Accurate records are also essential for ensuring that Town employees are compensated for the correct amounts to which they

¹⁶ The former Clerk to the Supervisor, the Wastewater Superintendent and four full-time Highway Department employees earned and used leave during our audit period. Because Town officials could not provide us with leave accrual records for the former Clerk to the Supervisor for 2013, our review of the former Clerk to the Supervisor's leave accrual records consisted of these for 2014. In addition, because leave accrual records were not maintained for the Wastewater Superintendent during our audit period, we did not include her in our review.

¹⁷ Two employees' vacation leave balances were overstated by a combined total of 26 hours, one employee's sick leave balance was overstated by 43 hours and one employee's compensatory leave time balance was overstated by 16 hours.

¹⁸ Two employees' sick leave balances were understated by a combined total of 37.5 hours.

are contractually entitled. The number of errors identified during our testing indicates that the Town's process for maintaining leave accrual records needs substantial improvement.

Recommendations

The Board and Town officials should:

1. Establish comprehensive payroll processing and leave time accrual policies and procedures that incorporate the duties to be completed and records to be maintained for processing payrolls and maintaining leave records.

Town officials should:

2. Segregate duties over payroll processing or, if it is not practicable to segregate duties, establish appropriate compensating controls, such as increased management review procedures.

The Supervisor should:

3. Compare payroll registers to payroll source documents when reviewing payrolls to ensure that payments are based on actual hours or days worked and on Board-authorized or CBA-prescribed, hourly rates or annual salaries and to ensure that the proper amounts are withheld and deducted from employees' gross pay. This review should be completed before the Town makes the corresponding payroll payments.

The Board should:

4. Ensure that leave accrual records are maintained for all employees that earn and use leave time.
5. Ensure that an individual independent of maintaining leave records periodically reviews leave accrual records and balances for accuracy.
6. Ensure that employee leave benefits are provided in accordance with the provisions of the Town's employee manual or applicable CBA.
7. Review employee time records and take action to recover overpayments or reimburse any underpayments, as applicable. In addition, the Board should review employee deduction records and consult with the Town's attorney with respect to taking action to recover, or reimburse, any amounts that were not properly deducted for health insurance premiums, as applicable.

Water and Sewer Charges and Transfer Station Receipts

An effective system of internal controls over water and sewer charges and transfer station cash receipts includes policies and procedures to ensure that all moneys received are properly recorded, deposited and accounted for. Town officials also must provide sufficient oversight of those officers and employees who receive cash.

The Town lacked comprehensive policies and procedures over water and sewer charges, including an overall lack of segregation of duties and compensating controls. As a result, we identified significant internal control weaknesses over billing, collecting and enforcing water and sewer charges. For example, the Board did not review the water and sewer billing registers, customers were underbilled and overbilled and deposits were not made timely. In addition, the Town was not properly assessing penalties to delinquent accounts and all delinquent accounts were not properly relieved. As a result, the Town did not realize all potential revenues and did not properly enforce all delinquent accounts.

Town officials had also not established an adequate system of internal controls over transfer station cash receipts. For example, the Town Clerk did not maintain an accurate inventory of transfer station tickets, Town personnel did not properly account for transfer station cash receipts and deposits were not made timely. As a result, transfer station tickets were unaccounted for and Town officials have little to no assurance that all collections received for transfer station ticket sales were deposited.

Segregation of Duties

It is important that policies and procedures provide for a proper segregation of duties so that a single individual does not control all aspects of a transaction. In instances where adequate segregation is not possible due to a limited number of staff, a detailed supervisory review of employees' activities could ensure that policies and procedures are properly followed and that cash assets are properly accounted for, accurately reported and adequately protected.

The duties for billing, collecting and enforcing water and sewer charges were not properly segregated. The current and former Clerk to the Supervisor and the current Town Clerk were responsible for performing all duties related to water and sewer charges at certain times during our audit period.¹⁹ These duties included maintaining

¹⁹ These duties were performed during our audit period by the former Clerk to the Supervisor from January 1, 2013 through June 29, 2014, the current Clerk to the Supervisor from June 30, 2014 through September 30, 2014 and the current Town Clerk from October 1, 2014 through October 31, 2014.

the master file of customers, setting up the applicable rate that each customer would be charged, preparing and printing bills, collecting and posting payments, applying penalties to overdue accounts and making adjustments, all with limited to no oversight. Concentrating key billing, collecting and enforcing duties with one individual weakens internal controls and significantly increases the risk that errors or irregularities could occur and remain undetected.

Billing and Collection

The Board is responsible for establishing rates for all water and sewer charges and overseeing all billings to ensure customers are billed accordingly. In addition, all individual water and sewer charges billed should be posted to receivable control accounts.²⁰ To ensure accurate records and detect errors, the control accounts should be reconciled monthly to the amounts billed, amounts collected and remaining unpaid bills. Furthermore, good business practice requires cash and checks to be deposited daily, or as soon as possible, to prevent the loss or misuse of cash. Furthermore, it is critical that Town officials deposit cash receipts intact²¹ to reduce the risk of fraud and concealment.

The Town recorded revenues for water charges of \$121,764 and sewer charges of \$160,785 during our audit period. The Town charges a flat rate to customers for water and sewer services, which are billed on a quarterly basis. We found that the Board approved the water and sewer rates. However, we found deficiencies with the Town's billing and collection procedures for water and sewer charges. For example, the Board did not receive the water and sewer billing registers. Therefore, it did not ensure that all customers were being properly billed. This internal control was even more critical due to the fact that the Town used three different billing and collecting software applications²² during our audit period. Because customer accounts were transferred multiple times between software and billing registers were not reviewed, there is an increased risk that customers could be billed incorrectly or not billed at all.

In addition, although control accounts were maintained for water and sewer charges during our audit period, the control accounts were not reconciled monthly to the amounts billed, the amounts collected and the remaining unpaid bills. We also found that, if monthly reconciliations had been performed, the control accounts would not have reconciled to the detailed records because the control accounts were not properly

²⁰ These control accounts, typically referred to as water rents receivable and sewer rents receivable, will contain a balance reflecting the total amount of unpaid water and sewer billings owed to the Town by customers.

²¹ In the same amount and form (cash or check) in which they were received

²² The current and former Clerk to the Supervisor and current Town Clerk all used different billing and collecting software when they were responsible for these duties during our audit period.

maintained. For example, as of October 31, 2014, the amounts that were billed for water and sewer services during the second and third quarterly billings,²³ of the 2014 fiscal year had not been posted to the water receivable control account and sewer receivable control account, respectively. In addition, as of October 31, 2014, payments that were received for sewer services for the period January 1 through June 30, 2014 were inappropriately posted to the water receivable control account. As a result, the water receivable control account had a negative \$59,795 balance recorded in the accounting records as of October 31. Because Town officials did not properly maintain water and sewer control accounts, there was no mechanism to reconcile the detail records from the billing and collecting software, which increases the likelihood that errors and omissions could occur and remain undetected.

We reviewed a random sample of 50 water and sewer billings²⁴ totaling \$18,819²⁵ to determine if the billings were accurate and correctly recorded in the customers' accounts, if the payments equaled the amount billed plus penalties, if applicable, and if the payments were properly recorded in the customers' accounts. We found that nine of the 50 billings (18 percent) were inaccurate, resulting in four customers being underbilled a combined total of \$343 and five customers being overbilled a combined total of \$419. Specifically, two customers were underbilled because they were not assessed penalties for previous unpaid water and sewer charges. The other two customers were underbilled because the former Clerk to the Supervisor did not bill them for all of the water and sewer services they received. The five customers were overbilled because the Town Clerk did not use the Board-approved sewer rates when billing these customers for sewer charges.

In addition, for 11 of the 49 billings in our sample in which a payment was received, the customers did not pay the amounts that they owed because of the billing errors and because penalties were not assessed on payments that were received after the due date. This resulted in lost revenues to the Town of \$417, and four customers overpaid a combined total of \$196. We also found that two²⁶ of the 49 payments that were received were not recorded in the customers'

²³ The second quarterly billing occurred on June 30, 2014 and the third quarterly billing occurred on October 1, 2014.

²⁴ We used a computerized random number generator to select 25 billings from the third quarterly billing register for 2013 and 25 billings from the third quarterly billing register for 2014.

²⁵ \$7,920 for water charges and \$10,899 for sewer charges

²⁶ The payments were two of 16 payments that were received by the former Clerk to the Supervisor on October 28, 2013 and October 29, 2013 that were not recorded in customers' accounts. However, we verified that the 16 payments totaling \$5,001 were deposited on October 29, 2013.

accounts. Furthermore, for the one billing in our sample for which a payment was not recorded as being received, the current Clerk to the Supervisor contacted the customer to verify the status of their payment. The customer stated they had not paid because they were overbilled for the third quarter billing for the 2014 fiscal year and they had reached an agreement with the Town Clerk that they would pay when they were issued a corrected bill. However, as of February 23, 2015, the Town Clerk had not issued the customer a corrected bill, even though the original bill was issued on October 1, 2014. Had we not brought this to the attention of Town officials during our review, the Town would likely have lost revenues of \$1,026.

We also compared 25 water district parcels²⁷ and 25 sewer district parcels²⁸ to the customer accounts within the billing and collecting software to determine if customers were being billed for services. We did not identify any discrepancies. We also reviewed 15 deposits²⁹ totaling \$44,863 during our audit period to determine if water and sewer charges were deposited timely and intact. We found that all 15 were deposited intact. However, we found that eight deposits contained collections totaling \$18,576 that were deposited more than five days after receipt. For example, a payment in the amount of \$587 that was received on August 17, 2013 was not deposited until 24 days later, on September 10, 2013. When Town officials do not deposit cash receipts timely, there is an increased risk that cash will be lost or misused.

Enforcement

New York State Town Law (Town Law) states that towns may provide that unpaid water charges that are in arrears for 30 days or longer shall be subject to a penalty, not to exceed 10 percent of the amount due.³⁰ With respect to sewer rents, General Municipal Law authorizes towns to provide for penalties for sewer rents in arrears, but does not set forth a maximum percentage.³¹

The Town's water rent local law³² provides that water charges are due within 30 days of billing and all current charges outstanding after 30 days will be assessed a 10 percent penalty. Similarly, the Town's sewer ordinance³³ provides that sewer charges are due within 30 days

²⁷ We used a computerized random number generator to select 25 parcels from a real property tax listing from Essex County for the 2014 fiscal year of all the parcels within the Town's water district.

²⁸ We used a computerized random number generator to select 25 parcels from a real property tax listing from Essex County for the 2014 fiscal year of all the parcels within the Town's sewer district.

²⁹ Our sample consisted of selecting, without any known bias, 15 deposits that were made throughout our audit period.

³⁰ Town Law Section 198(3)(d)

³¹ General Municipal Law Section 452(5)(d)

³² Local Law #1 of 2001 as amended December 12, 2002

³³ Ordinance relating to the Rules and Regulations of Sewer District 1

of the start of a new quarter and all current charges outstanding after 30 days will be assessed a 3 percent penalty. The Board adopted a resolution³⁴ on June 26, 2014 establishing a separate penalty of \$25 for both water charges and sewer charges that were not received by the due date. However, the Board may not supersede Town Law as to the maximum amount of the penalty that may be imposed for water rents that are in arrears.³⁵ Therefore, the maximum penalty for delinquent water rents may not exceed 10 percent of the amount due.

Town officials are responsible for ensuring that penalties on delinquent customer accounts are properly charged and collected. The Town's water rent local law and sewer ordinance also provide that, if payment is not received by the end of the collection period, all delinquent amounts will be relieved.³⁶ The Board should review and approve the list of relieved water and sewer accounts by comparing it to a delinquent customer account report from the billing and collecting software to ensure that all accounts are properly relieved.

We reviewed 25 delinquent customer accounts³⁷ at the due dates during our audit period and found that penalties were not assessed to 23 customers (92 percent), resulting in lost revenues of \$448. This resulted because Town officials did not assess penalties to any delinquent customer accounts for 2013. In addition, for 2014, Town officials assessed penalties to some but not all delinquent customer accounts. When penalties are not assessed, there is no incentive for customers to make payments when due, which could create cash flow issues for the water and sewer districts. In addition, the penalties that were assessed to the other two customers for unpaid water charges were in excess of the maximum 10 percent penalty authorized by Town Law. Specifically, both of these customers were assessed a penalty of \$25 for unpaid water charges when the maximum penalty that could have been assessed was \$11, as their unpaid water charges were \$110 each. As a result, these customers were both overcharged \$14. This resulted because the Board was not aware of the 10 percent maximum penalty that can be assessed to unpaid water charges, in accordance with Town Law.

³⁴ The Board's intent was to override the Town's water rent local law and sewer ordinance, which cannot be done by resolution.

³⁵ It is well established that Town Law provides a comprehensive legislative scheme indicating an intent to pre-empt local laws relating to the establishment, financing and operation of town improvement districts (see, e.g., Office of the State Comptroller Opinion No. 2008-4; see also Municipal Home Rule Law Section 10 [1] [ii] [d] [3]).

³⁶ A relevy in effect causes the amounts of unpaid water and sewer charges to be levied against real property in the same manner as real property taxes (see Town Law Section 198[3][d]; General Municipal Law Section 452[4]).

³⁷ Our sample consisted of selecting, without any known bias, 25 delinquent accounts throughout our audit period.

The Board did not review and approve the list of relieved water and sewer accounts that the former Clerk to the Supervisor prepared and sent to Essex County. Therefore, it could not ensure that all accounts were properly relieved. We reviewed 15 delinquent customer accounts³⁸ totaling \$13,885 at the end of the 2013 fiscal year collection period and found that three of the 15 delinquent accounts were not relieved. Specifically, we found that the three delinquent accounts were originally included on the list of relieved water and sewer accounts that was sent to Essex County. However, the former Clerk to the Supervisor accepted payments from these customers after their accounts had been relieved. For example, a customer whose account was relieved on November 7, 2013 made a payment to the former Clerk to the Supervisor on November 13, 2013. As a result, the former Clerk to the Supervisor contacted Essex County to have these three delinquent accounts removed from the list of relieved water and sewer accounts.

In addition, although the other 12 delinquent accounts were relieved, none were for the proper amount because penalties were not assessed to the delinquent accounts by the former Clerk to the Supervisor. In fact, because penalties were not assessed to any of the 15 delinquent accounts by the former Clerk to the Supervisor, the Town lost revenues of \$747. The Board's failure to ensure that all delinquent accounts were properly relieved resulted in the Town not realizing all potential revenues and further increases the potential for errors or irregularities to occur.

Transfer Station

A well-designed system of controls over transfer station cash receipts requires that the Board and other Town officials establish policies and procedures that provide for the timely supervision of those charged with handling moneys, the issuance of press-numbered transfer station tickets (tickets) in sequence and a comparison of the amounts deposited with the amounts collected. It is also essential to maintain an inventory of all tickets that are ordered, issued and sold. An accurate inventory is an effective tool that allows Town officials to ensure that all ticket sales are accounted for and helps them monitor sales operations more effectively. Good business practice also requires cash and checks to be deposited daily, or as soon as possible, to prevent the loss or misuse of cash. Furthermore, it is critical that Town officials deposit cash receipts intact to reduce the risk of fraud and concealment.

The Town operates a transfer station which is used by residents of the Town and the Town of Willsboro. The Town Clerk was responsible for ordering tickets from the Essex County Printing Department. The

³⁸ Our sample consisted of selecting, without any known bias, 15 delinquent accounts at the end of the collection period during the 2013 fiscal year.

tickets were printed in sequential order. Different colored tickets were printed for each Town in \$5, \$10 and \$20 denominations for most of our audit period.³⁹ The current and former Town Clerk maintained tickets in their office to be sold by the Deputy Town Clerk and themselves. They also issued tickets to the transfer station manager to be sold at the transfer station site and to the Town Clerk of the Town of Willsboro to be sold to their residents. The Town recorded \$158,975 in revenue from transfer station tickets sales during our audit period.

The Board adopted a transfer station policy that outlined the operating hours of the transfer station, the location that tickets could be purchased, the type of payments accepted at the transfer station site and the applicable rates. However, the Board did not provide guidance and internal controls over transfer station cash receipts. Consequently, there was a lack of adequate internal controls over transfer station cash receipts. For instance, the Town Clerk did not maintain an accurate inventory of all tickets ordered, issued and sold. We also found all tickets were not issued in sequential order. For example, during the period March 14, 2014 through April 4, 2014, the Town Clerk's records indicated that tickets numbered 88550, 88612, 88613 and 88621 were sold consecutively. In addition, Town officials did not perform a periodic review of the Town Clerk's transfer station records. As a result, Town officials could not ensure that all ticket sale moneys were accounted for and properly deposited.

We reviewed 500 tickets⁴⁰ totaling \$8,250 to determine if tickets were accounted for. We found that 23 tickets,⁴¹ valued at \$315, were not accounted for because they were not recorded as being sold and were not on-hand during our review. Town officials did not have an explanation for this during our review. We also reviewed the same sample of tickets to determine if cash receipts were collected and deposited for the 472 tickets that were recorded as sold. We were not able to trace collections totaling \$1,870 for 123⁴² tickets that were recorded as sold to a corresponding deposit. This resulted because

³⁹ The Town of Essex tickets were yellow and the Town of Willsboro tickets were pink. However, the Town discontinued selling yellow and pink tickets during 2014. Instead, the Town Clerk had Essex County print green tickets that were sold to all individuals regardless of what Town they resided in. In addition, the Town also ordered and sold blue tickets to the Town of Willsboro to be sold by the Paine Memorial Library during 2013.

⁴⁰ Appendix B contains our sampling methodology.

⁴¹ Eleven \$20 tickets, seven \$10 tickets and five \$5 tickets

⁴² The 123 tickets consisted of 36 tickets recorded as being sold at the Town Clerk's office with payment in the form of cash (25 \$20 tickets and 11 \$10 tickets, valued at \$610), two tickets recorded as being sold at the Town Clerk's office with payment in the form of check (One \$20 ticket and one \$10 ticket, valued at \$30), and 85 tickets recorded as being sold at the transfer station site with payment in the form of check (48 \$20 tickets, 17 \$10 tickets and 20 \$5 tickets, valued at \$1,230).

the current and former Town Clerk did not always prepare itemized deposit slips and attach documentation to the validated deposit slips to support the deposits made for transfer station ticket sales.

We also reviewed all 2,700 tickets totaling \$39,000 that the Town sold to the Town of Willsboro during our audit period to verify that the Town received and deposited payments for all tickets sold. We did not identify any discrepancies. We also reviewed 20 deposits⁴³ totaling \$12,690 during our audit period to determine if collections for the sale of tickets were deposited timely and intact. We found that these deposits all contained collections that were deposited intact. However, the deposits contained collections with a combined total of \$8,585 (approximately 67 percent of the total amount deposited) that were deposited more than five days after receipt. For example, \$610 in cash and \$605 in checks recorded as being received by the Town Clerk between June 11 and July 2, 2014 were not deposited until between seven and 28 days later, on July 9. When Town officials do not deposit cash receipts timely, there is an increased risk that cash will be lost or misused.

The Town Clerks' failure to maintain an accurate inventory of tickets, Town personnel's failure to properly account for transfer station cash receipts and the lack of oversight by the Board and Town officials has resulted in unaccounted-for tickets. As a result, Town officials have little to no assurance that all collections received for ticket sales were deposited.

Recommendations

The Board and Town officials should:

8. Establish written policies and procedures to provide adequate guidance and internal controls over billing, collecting and enforcing water and sewer charges.
9. Ensure that penalties are correctly assessed on all delinquent accounts in accordance with Town Law, the Town's water rent local law and/or the Town's sewer ordinance.
10. Establish a comprehensive transfer station cash receipts policy that communicates the duties, records and procedures required for ensuring that the collection of moneys, issuance of tickets and deposit of moneys received are properly carried out.

⁴³ Our sample consisted of selecting 10 deposits for sales of tickets at the Town Clerk's office and 10 deposits for sales of tickets at the transfer station site, all of which were supported by adequate documentation of the deposits made.

Town officials should:

11. Segregate duties over billing, collecting and enforcing water and sewer charges or, if it is not practicable to segregate duties, establish appropriate compensating controls, such as increased management review procedures.
12. Generate billing registers for each water and sewer billing, which should be subject to Board review.
13. Ensure that all customers are correctly billed for water and sewer services.
14. Ensure that all payments that are received for water and sewer charges are recorded in customers' accounts.
15. Ensure that water and sewer collections and transfer station cash receipts are deposited timely.

The Supervisor should:

16. Ensure that the Clerk to the Supervisor properly maintains water and sewer receivable control accounts in the Town's accounting records and Town officials perform monthly reconciliations of these accounts with the supporting detailed records. Also ensure any discrepancies are promptly investigated and resolved.

The Board should:

17. Adopt penalties that are to be assessed to delinquent water accounts that are not in excess of the maximum amounts authorized by Town Law.
18. Review and approve the list of relieved water and sewer accounts by comparing it to a delinquent customer account report from the billing and collecting software to ensure that all delinquent accounts are properly relieved on real property tax bills.

The Town Clerk should:

19. Maintain an accurate inventory of all transfer station tickets ordered, issued and sold. An individual independent of the transfer station cash receipts process should periodically review the inventory records and inventory of tickets on

hand. Any discrepancies should be promptly identified and resolved.

20. Attach documentation to the validated deposit slips to support the deposits that are made for transfer station ticket sales.

APPENDIX A

RESPONSE FROM TOWN OFFICIALS

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

ESSEX TOWN OFFICES
2313 MAIN STREET, PO BOX 355
ESSEX, NEW YORK, 12936

Edward Gardner, Supervisor
essexnewyorktown@gmail.com
Phone: (518) 963-4287 Fax: (518) 963-4288
TDD: 711 or 1-800-662-1220

July 17, 2015

Office of the State Comptroller
Division of Local Government & School Accountability
One Broad Street Plaza
Glens Falls, NY 12801-4396

Re: Town of Essex audit response to Preliminary Report of Examination for the period of January 1, 2013 – October 31, 2014

Ladies and Gentlemen of the Office of the State Comptroller,

The Town Supervisor and the Town Board of the Town of Essex appreciate the hard work involved in the audit of the Town's internal controls for the selected period of January 1, 2013 through October 31, 2014, specifically addressing the issues regarding payroll processing and the maintenance of leave accruals as well as the internal controls over water and sewer charges and transfer station cash receipts, to ensure that they are appropriately designed and operating effectively.

As we progressed through the audit process we began immediately implementing the suggestions put forth to us by the auditor, particularly regarding the segregation of duties and compensating controls, including the implementation of a time clock and time clock policy installed at the Highway Office. These will be more thoroughly discussed in our Corrective Action Plan which will be forthcoming.

We do not dispute any of the findings encompassed in the audit. We are committed to safeguarding Town assets and making government operations more effective through the full implementation of the recommendations of the Office of the State Comptroller.

On behalf of the Essex Town Board, I am

Sincerely yours,

Edward J. Gardner, Supervisor

The Town of Essex is an equal opportunity provider and employer.

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the adequacy of the internal controls officials put in place to safeguard Town assets for the period January 1, 2013 through October 31, 2014.

To accomplish our payroll audit objective and obtain relevant audit evidence, our procedures included the following:

- We interviewed Town officials and employees. We reviewed Town policies, the Town's employee manual, the CBA and various financial records and reports to gain an understanding of the internal controls in place over payroll processing and maintaining leave accruals. We documented any associated effects of deficiencies found in those controls.
- We reviewed a sample of 10 payroll registers during our audit period to verify that they were reviewed by the Supervisor prior to the corresponding payroll payments being disbursed.
- We reviewed all payroll payments made to a sample of 15 employees during our audit period to verify whether the information entered into the payroll system agreed with the time records, pay rates agreed with Board resolutions or the CBA and gross pay was calculated correctly. Our sample consisted of first selecting the two employees who processed payroll during our audit period and the four full-time Highway Department employees. We then used a computerized random number generator to select nine other employees who received payroll payments during our audit period, for a total of 15 employees.
- We reviewed payroll payments made to a sample of 15 employees for two pay periods during our audit period to verify whether the proper amount of Social Security and Medicare taxes were withheld from the employees' gross pay and that State and federal income taxes were withheld in accordance with the employees' withholding allowance certificates. We used a computerized random number generator to select two pay periods from all of the pay periods during our audit period. Our sample of employees consisted of first selecting the employee who processed payroll during the two pay periods. We then used a computerized random number generator to select 14 other employees who received payroll payments during the two pay periods for a total of 15 employees.
- We reviewed the payroll records for all employees who were required to make health insurance contributions during our audit period to verify whether the proper amounts were deducted from the employees' gross pay in accordance with the provisions of the Town's employee manual or the CBA.
- We reviewed all employees' leave accrual records during our audit period to verify that the days employees recorded using leave time on their time records were properly deducted from their leave accrual balances. We also verified that the amounts of leave credited and carried forward during 2013 and 2014 agreed with the Town's employee manual or the CBA.

To accomplish our water and sewer charges and transfer station cash receipts audit objective and obtain relevant audit evidence, our procedures included the following:

- We interviewed Town officials and employees. We reviewed Town policies, Board minutes and various financial records and reports related to water and sewer charges to gain an understanding of the internal controls in place over billing, collecting and enforcing water and sewer charges. We documented any associated effects of deficiencies found in those controls.
- We reviewed the Town's accounting records during our audit period to determine if the water receivable control account and sewer receivable control account were properly maintained.
- We reviewed a random sample of 50 water and sewer billings to determine if the billings were accurate and correctly recorded in the customers' accounts, if payments equaled the amount billed plus penalties, if applicable, and if payments were properly recorded in the customers' accounts.
- We compared a random sample of 25 water district parcels and 25 sewer district parcels to the customer accounts within the billing and collecting software to determine if customers were being billed for services.
- We reviewed a sample of 15 deposits during our audit period to determine if water and sewer charges were deposited timely and intact.
- We reviewed a sample of 25 delinquent customer accounts at the due dates during our audit period to determine if the Town was properly assessing penalties in compliance with Board policy and if the penalties that were assessed were not in excess of the maximum amount authorized by Town Law.
- We reviewed a sample of 15 delinquent customer accounts at the end of the 2013 fiscal year collection period to determine if the accounts were relieved and if the relevy amounts were accurate.
- We interviewed Town officials and employees and the Town Clerk of the Town of Willsboro. We reviewed Town policies and various financial records and reports related to transfer station cash receipts to gain an understanding of the internal controls in place over transfer station cash receipts. We documented any associated effects of deficiencies found in those controls.
- We reviewed a sample of 500 transfer station tickets to determine if tickets were accounted for. Our sample consisted of selecting, without any known bias, seven sets of 50 \$20 tickets, four sets of 25 \$10 tickets and five sets of 10 \$5 tickets. These tickets were selected from documentation that we obtained from the Essex County Printing Department indicating the tickets that were printed and delivered to the Town during our audit period. These tickets were also selected from a manual log, maintained by the former Town Clerk during the 2013 fiscal year, of tickets issued to the Town Clerk's office for sale and to the transfer station manager for sale. We reviewed the same sample of tickets to determine if cash receipts were collected and deposited for the tickets that were recorded as sold.

- We reviewed all tickets that the Town sold to the Town of Willsboro during our audit period to verify that the Town received and deposited payments for all tickets sold.
- We reviewed a sample of 20 deposits during our audit period to determine if collections for the sale of tickets were deposited timely and intact.

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

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 D
OFFICE OF THE STATE COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY

Andrew A. SanFilippo, Executive Deputy Comptroller
Gabriel F. Deyo, 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,
Otsego, Schoharie, Sullivan, Tioga, Tompkins Counties

BUFFALO REGIONAL OFFICE

Jeffrey D. Mazula, 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
250 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

Tenneh Blamah, 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