

# City of Mount Vernon

## Financial Reporting and Oversight

SEPTEMBER 2020



OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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# Report Highlights

## City of Mount Vernon

### Audit Objective

Determine whether financial information was made available to the City Council and City officials for the effective management of operations.

### Key Findings

The City Council and officials did not have adequate financial information for the effective management of operations and, as a result, the City lost its credit rating.

- The City Comptroller failed to file the required annual financial report (AUD) with our office for fiscal years 2016 through 2019.
- The Council did not take sufficient action to acquire financial information.
- No audited financial statements have been issued since the 2015 fiscal year because City officials have not provided their independent auditors with the necessary financial information.
- City officials did not have financial information available to develop a multiyear or capital plan.
- City officials did not establish policies and procedures to ensure that critical financial information, such as budget-to-actual reports or cash flow reports, is received.

### Key Recommendations

- Update and develop policies and procedures to ensure the Council and City officials are provided with accurate and complete financial information.
- Ensure that the AUD is filed timely and any other mandatory financial reporting is completed within the required timeframes.

OSC received separate responses from the Mayor/ Council and City Comptroller. Officials disagreed with certain findings in our report. Appendix C includes OSC's comments on their responses

### Background

The City of Mount Vernon (City) is the eighth largest city in New York State and is located in Westchester County.

The City is governed by a charter and State and local laws. An elected five-member City Council (Council) is the legislative body responsible for setting the City's governing policies. The Mayor serves as the City's chief executive officer and is responsible, along with other administrative staff, for the City's day-to-day administration.

The elected City Comptroller (Comptroller) is the chief fiscal officer and is responsible for managing the City's fiscal affairs pursuant to law, the City Charter (Charter) and Council ordinances. The Board of Estimate and Contract (Board), consisting of the Mayor, Comptroller and Council President, is responsible for reviewing and approving the City's annual budget prior to submission to the Council for adoption.

#### Quick Facts

Population	67,292
2020 Appropriations	\$117.1 million
2020 Budgeted Employees	710

### Audit Period

January 1, 2018 – March 31, 2020. We extended our scope back to March 14, 2017 to review the last completed independent audit.

# Financial Reporting and Oversight

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Our audit was designed to determine whether financial information was made available to the City Council and officials for the effective management of operations. Additional audits of the City will be conducted in the future, which will result in other audit objectives.

## What Financial Oversight Policies, Procedures and Practices Should Exist?

A critical role for a city council is establishing a good control environment, or “tone at the top.” A council’s active involvement and monitoring of financial operations promotes sound internal control policies and influences the control consciousness of city employees. A council should also establish policies and procedures to ensure that city officials receive financial reports to help them manage operations. For example, policies and procedures should provide guidance for interim financial reporting, budget transfers and fund balance levels. A fund balance policy provides the guidelines for maintaining and using unrestricted fund balance and reserves and can be useful to ensure funds are available to cover unanticipated expenditures or revenue shortfalls.

Council members should keep operations on course by enacting ordinances for the government of the City and the management of its business. The Council should receive regular financial reports to fulfill its general responsibility of monitoring financial operations as the entity that ultimately adopts the City’s annual budget. Interim reports should provide timely information on financial position, results of operations, budget status, policy compliance, service or project costs, performance measures, and legal compliance matters. Such financial reports include budgetary status reports, cash flow reports and fund balance projections. The Council and City officials<sup>1</sup> cannot make informed decisions regarding the City’s financial condition if the required information and other financial reports are not provided to them throughout the fiscal year.

Annual financial reporting is also an essential tool for a council and officials to effectively manage operations. The Comptroller is required to file an annual financial report, or Annual Update Document (AUD), with OSC within 120 days after the close of the fiscal year. Before the Comptroller prepares the AUD,<sup>2</sup> she should determine whether component units should be included. Further, the City’s AUD can be filed with unaudited financial information. The Charter also requires the Comptroller to prepare and publish an annual financial report within 90 days after the close of each fiscal year.

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The Council should receive regular financial reports to fulfill its general responsibility of monitoring financial operations as the entity that ultimately adopts the City’s annual budget.

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<sup>1</sup> City officials include individuals with decision making authority. Examples include, but are not limited to, the Mayor, Comptroller and Commissioners.

<sup>2</sup> Refer to Chapter 7 of our *Accounting and Reporting Manual* (<https://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2019-01/arm.pdf>) for guidance on whether component units should be included in the AUD filing.

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## **Council and City Officials Did Not Establish Adequate Financial Oversight Policies and Procedures**

The Council and City officials did not establish adequate policies and procedures for interim financial reporting, budget transfers and fund balance. Although the Charter and administrative code (the “code”) establish some financial policies and procedures,<sup>3</sup> they do not include sufficient policies and procedures to ensure the Council and City officials received critical financial information, such as budget-to-actual reports, cash flow reports or fund balance projections, during the fiscal year.

Financial Reporting – We reviewed the Charter and code and found that its requirements for interim financial reporting are limited. The Charter requires the Mayor to provide the Council with a statement of the City’s finances and general condition at a regular meeting in March (and at such other times during the year as the Mayor deems proper) and the Comptroller to prepare and publish an annual financial report within 90 days after the close of each fiscal year. Similarly, the heads of the City’s departments are required to present a report of their respective proceedings to the Mayor annually, which the Mayor is required to transmit to the Council along with the Mayor’s annual statement.

Additionally, the Comptroller is required to provide the Board with an estimate of the City’s reserve for delinquent taxes<sup>4</sup> as of September 30 no later than October 15 of each fiscal year. Although the Charter and code prescribe some policies related to financial reporting, we found that officials generally did not develop supplemental policies or procedures to provide Council or City officials with basic financial information such as interim financial reports, budget-to-actual and cash flow reports and fund balance projections. Without this essential financial information the Council cannot monitor City finances during the year or make reasonable plans for the future.

Budget Transfers – The Charter<sup>5</sup> allows for the transfer of budget appropriations upon authorization of the Board and the Council. However, officials have not developed written procedures for the budget transfer process. City officials told us that department heads are responsible for monitoring their budget and recommending transfers to the Mayor. The Mayor then proposes the budget transfer to the Board and Council for approval by resolution.

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3 For example, the Water Commissioner is required to produce monthly financial reports to the Council, setting forth the Water Department’s cash position, income, expenditures and operating expenses (see City’s Administrative Code, Section 46-11).

4 Section 85-a of the City Charter establishes a reserve for delinquent taxes consisting of uncollected outstanding delinquent taxes, properties owned by the City acquired by foreclosure proceedings, and mortgages receivable.

5 See City Charter Section 85.

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Although officials have an informal budget transfer process, they should develop written procedures for budget monitoring and reporting. Without up-to-date financial information, officials cannot ensure that transfers are made timely or that there are sufficient appropriations. Although each department head can monitor their departmental budget, without a budget-to-actual comparison there is no way for the Council to monitor overall City finances.

Fund Balance – City officials told us they were not aware of a policy regarding the maintenance and use of fund balance. We reviewed the Charter and found that it allows officials to use surplus funds as a financing source in the budget for the succeeding year; however, although the Charter provides some guidance on the use of fund balance, it does not adequately address the levels of fund balance that should be maintained.

Without adequate financial policies, there is no clear guidance on how to exercise proper fiscal oversight of City operations. Furthermore, officials do not have clear expectations regarding the type of financial information and reports that should be provided to the Council to generally oversee financial operations.

## **The Council and Officials Were Not Provided Interim or Annual Financial Reports**

Interim Financial Reporting – The Council and officials told us that they have not been provided with interim financial reports (i.e. budget-to-actual, cash flow projections, and fund balance projections) since July 2018. We reviewed the financial reports provided to the Council in July 2018 and found that it included a budgetary status report for all City appropriations as of June 30, 2018, but excluded other interim financial reports. Further, we reviewed Council minutes from August 2018 through March 2020 and found no indication in the minutes that interim financial reports were provided to the Council.

The Charter<sup>6</sup> provides the Council and the Mayor with the authority to access all financial records and reports. Council members and officials told us that they requested financial reports from the Comptroller multiple times during our audit period and that the requests were unfulfilled. We found that formal requests for financial information made by the Council and City officials were limited to the following:

- City officials provided a letter dated November 26, 2019 from the former interim Mayor requesting various financial reports from the Comptroller that are required to be included in the City’s annual budget, as per the Charter.<sup>7</sup>

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The Council and City officials have not been provided with interim financial reports since July 2018.

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6 See Charter Sections 50 and 66.

7 See Charter Section 81.

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The Comptroller told us she met with the former interim Mayor and provided the requested documents, but did not provide the audit team with copies of the documents or other documentation showing that the request was fulfilled.

- The current Mayor also provided us with a letter to the Comptroller dated January 28, 2020 requesting actual revenue and expenditure results for all City departments for fiscal years 2018 and 2019. Although City officials provided an email indicating the request was made, the Comptroller told our audit team that the Mayor did not request financial information from her department until June 2020.
- Subsequent to the start of our audit, the Council submitted a letter to the Comptroller on March 31, 2020 requesting access to various financial information.<sup>8</sup> According to the Comptroller, she recently provided departmental budgetary status reports to department heads and the Council. The Mayor informed us that the Comptroller provided a budgetary status report for the Mayor’s department in March 2020. However, City officials did not provide these budgetary status reports to our audit team. Furthermore, the Comptroller did not provide documentation indicating that the additional financial information was provided to the Council.

Due to the lack of policies and procedures for financial reporting, there was no clear guidance on the types of financial reports that should have been provided to, or sought by, Council and City officials. It is essential that the Council receive regular financial reports so they can fulfill their general responsibility of monitoring financial operations. Without these reports, the Council and City officials cannot make informed decisions to maintain the City’s financial condition.

Annual Financial Reporting – City officials have not filed the City’s AUD with OSC since filing the 2015<sup>9</sup> report. The 2015 AUD was filed on August 16, 2016, which was 105 days after the filing deadline.

According to the Comptroller, she has not filed an AUD with OSC for the past several years because she did not have financial information for the City’s Urban Renewal Agency (URA). Historically, City officials included the URA’s financial information as a component unit within the City’s AUD. The URA also filed a separate annual financial report with the NYS Authorities Budget Office and OSC through the Public Authorities Reporting Information System (PARIS), but has not

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The City’s failure to comply with annual financial reporting requirements has reduced transparency and accountability to the public.

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8 Examples included fund balance levels, total amount of unpaid taxes, and percentage of taxes collected through escrow accounts.

9 Refer to our publication *A Grade of Incomplete: Persistent Non-Filers of Legally Required Local Government Reports* issued in March 2020 (<https://www.osc.state.ny.us/localgov/pubs/research/2020-persistent-non-filers-snapshot.pdf>).

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filed since the 2014 fiscal year. The Comptroller should have worked with URA officials to obtain the necessary information or, at a minimum, prepared the AUD without the URA and provided that information to the Council.

Without current or annual financial information,<sup>10</sup> Council officials cannot effectively manage financial operations throughout the year or plan for the long term. This limits their ability to react to budget shortfalls and implement corrective action in a timely manner. Furthermore, the City's failure to comply with annual financial reporting requirements has reduced transparency and accountability to the public.

### **How Should the Council and Board Prepare Timely Annual Budgets?**

The annual budget should be developed using the most current and accurate information available. The Council and Board must develop and adopt realistic and structurally balanced budgets. A good annual budget begins with sound estimates and well-supported budgetary assumptions. The Comptroller, in her capacity as a member of the Board, should be responsible for providing accurate financial information<sup>11</sup> to the Board while it prepares the budget. The Mayor should also work closely with department heads to help the Board develop a realistic annual budget by understanding the needs of each particular City department.

To ensure that a budget is adopted timely, Council and City officials and the Board collectively must adhere to the budget deadlines and requirements set forth in the Charter (see Figure 1). Preparing timely, accurate and realistic budgets provides the Council's annual financial plan for the City. This financial plan should provide for annual operations while maintaining the financial health of the City. It is also a tool to be used during the year to monitor operations against the plan using budget-to-actual reports.

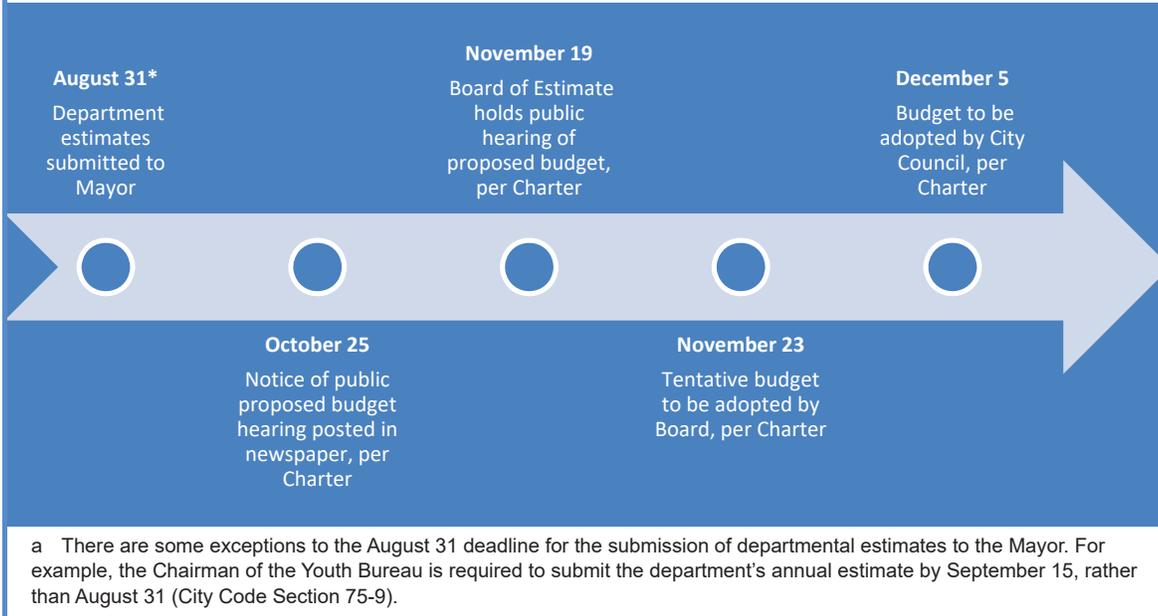
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<sup>10</sup> Refer to Appendix A for a detailed timeline of the lack of financial reporting by City officials.

<sup>11</sup> Sources of financial information may include prior year's financial reports, current year revenue and expenditure information, debt service requirements and cash flow reports.

FIGURE 1

City Charter Budget Deadlines<sup>a</sup>



Because the budget is such a key instrument in the day-to-day operations of a local government, it is essential that it is properly constructed. An adopted budget should include comparisons to prior year actual results, current year budget figures, current year estimated actual results, and estimated figures for the budget year. The Charter requires that the budget adopted by the Board include supplementary reports reflecting the financial status of federal, State and county programs, and a statement of total indebtedness as of September 30 of the current year.

### The Council and Board Did Not Prepare Detailed and Timely Annual Budgets

Although the Charter outlines the budget calendar and process, City officials did not consistently follow these requirements when developing and adopting budgets for fiscal years 2018 through 2020. According to City officials, the budget process differed in each of the three years due to turnover within the Mayor's office. We also found that City officials did not always prepare budgets using historical or current financial information to prepare realistic revenue and expenditure estimates.

**Figure 2: Budget Adoption**

Budget Event	Days Late		
	2018 Budget	2019 Budget	2020 Budget
Notice of Public Hearing	30	68	71
Public Hearing	17	57	57
Board Budget Adoption	10	49	42
Council Budget Adoption	8	56	50

We reviewed the budget documents for the last three adopted budgets and found that the Council adopted budgets late in each of the three years, ranging from eight to 56 days late (Figure 2). We also found that the Board adopted the tentative budget prior to the public hearing in each of the last three years, thereby denying the public of input prior to this important step in the budget process.

We also reviewed the last three adopted budgets and found that City officials did not include detailed information required by the Charter. In addition, the City’s adopted budgets did not include current year or prior year actual results for comparative purposes and transparency to the public. Figure 3 shows the City’s adopted budget summary with summarized revenues and appropriations, compared to the adopted budgets for 2018 and 2019.

**FIGURE 3**

**2020 Adopted Budget Summary<sup>a</sup>**

**CITY OF MOUNT VERNON, NEW YORK**

**SUMMARY 2020 ANNUAL ESTIMATE - 01-15-20**

**PROPOSED BUDGET SUMMARY**

	PROPOSED 2020	ADOPTED 2019	ADOPTED 2018
DEPARTMENTAL APPROPRIATIONS	71,707,434	69,969,201	67,244,045
EMPLOYEE BENEFITS, CITY DEBT, MISC. ITEMS	45,433,444	42,029,644	44,003,843
<b>GROSS CITY BUDGET</b>	<b>117,140,878</b>	<b>111,998,845</b>	<b>111,247,888</b>
APPROPRIATED FUND BALANCE	0	0	(5,500,000)
CASH IN RESERVE FOR TAXES			
TOTAL ESTIMATED REVENUE	(57,229,615)	(52,323,691)	(46,434,191)
<b>NET CITY BUDGET</b>	<b>59,911,263</b>	<b>59,675,154</b>	<b>59,313,697</b>
	<b>59,911,263</b>	<b>59,675,154</b>	<b>59,313,697</b>
OVERLAY TO PROVIDE FOR UNCOLLECTED TAXES	1,000,000	1,000,000	1,000,050
PRIOR YEAR TAX ON FORMER EXEMPT PROPERTY	(50,000)	(50,000)	(58,696)
<b>NET PROPERTY TAXES TO BE LEVIED</b>	<b>60,861,263</b>	<b>60,625,154</b>	<b>60,255,051</b>

a Refer to page 1 of the *City of Mount Vernon, NY: 2020 Adopted Budget* (<https://cmvny.com/wp-content/uploads/2020/03/2020-Adopted-Budget.pdf>)

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Although the City's total budgeted appropriations increased \$5.89 million (5.3 percent) over the last three budget years, the Council and Board cannot ensure the budgets were realistic due to the lack of available current and historical financial information. This lack of information, and personnel turnover in positions vital to the budget process, contributed to the City's failure to adhere to the budget deadlines set forth in its Charter. Furthermore, the adopted budgets did not include a statement of indebtedness or supplementary reports on the financial status of federal programs, as required. Adopting late and unrealistic budgets could have a significant impact on the City's cash flow and financial condition.

### **How Should Council and City Officials Conduct Annual Audits?**

While the Council is responsible for providing general managerial oversight of city operations, the Comptroller is responsible for ensuring accurate and timely accounting records are maintained and timely financial reports are prepared and distributed. External audits provide a valuable tool for cities to address deficiencies in their operations. Accordingly, the Council should take corrective action as suggested in those audits. Furthermore, the Charter requires the Comptroller to conduct periodic audits of all departments whenever deemed necessary and to conduct, or cause to be conducted, such audits at least once each year and submit the audit reports to the Council and the Board no later than June 30.

### **Officials Did Not Conduct Annual Audits**

Annual Independent Audit – City officials have not provided their independent auditors with the necessary financial information to complete an annual audit since the 2015 fiscal year. Although the independent auditors completed the 2015 audit, the management letter was not issued to the Council until March 14, 2017.

The City's independent auditors issued a letter to the Council and City officials on February 5, 2020 notifying them that the City's 2016 basic financial statements were not completed because of the lack of financial information for the community development fund of the URA. Specifically, the independent auditors were not able to access 2016 bank statements that were controlled by the City Comptroller's office. The City's independent auditors informed us that, as of May 8, 2020, they had not received the necessary information to complete their audit. Although the Comptroller told us that her department provided the independent auditors with the requested information in January 2020, she did not provide documentation to show that the requested information was provided.

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Because an annual independent audit has not been completed since fiscal year-end 2015, Council and City officials did not know the City's true financial position. Furthermore, the City's credit rating was placed under review by the credit agency on November 30, 2018 and withdrawn on January 2, 2019 due to the lack of sufficient, current financial information.

As of December 31, 2015, the City had approximately \$23.5 million<sup>12</sup> in outstanding debt with interest rates ranging from 3.01 to 4.88 percent. Without a credit rating, it is difficult for City officials to issue new debt to finance capital projects or realize cost savings by refinancing current debt at lower interest rates.

Internal Audit – The Comptroller did not conduct, or cause to be conducted, annual audits of City departments or submit audit reports to the Board and Council (by June 30) as required by the Charter. The Comptroller sent a memorandum to the Department of Public Works (DPW) on February 27, 2020 to conduct an audit of the gasoline purchases and usage, made in the period January 1, 2018 through December 31, 2019. There was no evidence that an internal audit of DPW was completed and, according to the Comptroller, DPW did not comply with her request for records. The DPW Commissioner's office indicated that they were unable to provide the requested documentation within the 10-day timeframe due to the COVID-19 pandemic.

The Comptroller also told us she attempted to conduct audits of other departments which were not cooperative. However, she did not provide documentation to support her statements.

When management does not conduct assessments of internal controls, these controls may not be functioning effectively. Without an effective risk assessment by the Comptroller, it is difficult for Council and City officials to identify and address risks to the effectiveness and efficiency of financial and service operations, to the reliability of financial reporting, and to compliance with laws and regulations.

## What Is Effective Long-Term Planning?

An important council oversight responsibility is to plan for the future by setting long-term priorities and goals. City officials should develop comprehensive multiyear financial and capital plans to estimate the future costs of ongoing services and capital needs. Long-term planning consists of several components, including long-term financial and capital plans and fund balance and reserve policies. Such policies provide guidance on optimal funding levels for fund balance and reserves, along with circumstances when these funds may be used.

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The City's credit rating was placed under review on November 30, 2018 and withdrawn on January 2, 2019 due to the lack of sufficient, current financial information.

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<sup>12</sup> Total outstanding debt is based on the most recent financial information filed with OSC.

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Effective multiyear plans project operating and capital needs and financing sources over a three- to five-year period and help city officials identify developing revenue and expenditure trends and set long-term priorities and goals. Additionally, when developing long-term plans, city officials should consider useful life estimates and the quality of the equipment, and the application and environment in which it will be used. These plans should then become a part of the city's budgeting process, and the annual budget should take the current portion of the long-term plans into consideration.

### **The Council Did Not Establish Multiyear Financial or Capital Plans**

Council and City officials did not develop or adopt comprehensive written multiyear financial and capital plans to help guide them on financing specific future costs. Such plans could be useful tools to outline the Council's intentions for financing future capital improvements and maintaining the existing infrastructure. City officials told us that all capital and infrastructure needs are addressed on an emergency basis only.

Although the Charter establishes a Capital Projects Board, this board was not operating during the audit period. According to the chief accountant, the most recent long-term operating plan expired in 2012. City officials did not have financial information available for a multiyear plan to address the City's financial and capital needs. Furthermore, the Council's ability to issue debt as a financing source for capital projects has been restricted since January 2019 because the City's credit rating was withdrawn.

Without multiyear plans, the Council and officials do not have clear guidance for maintaining infrastructure or assessing budget trends, financial risks and the affordability of new services and capital investments. The lack of a capital plan also restricts the Council's ability to maintain infrastructure and react to emergency capital repairs.

Overall, our audit found that the City Comptroller did not provide the Council with adequate financial information to manage the City and that the Council did not take sufficient action to require this information. As a result, officials cannot effectively manage City finances, there has been no AUD filed for several years, no audited financial statements have been issued for several years, and the City does not have a credit rating because of the lack of financial information. This would be a serious lack of financial oversight at any time. But given the current financial uncertainty resulting from the COVID-19 pandemic, it is even more important that City officials take immediate steps to address the findings in this report so they can monitor the financial operations of the City.

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## What Do We Recommend?

The Council should:

1. Update and develop policies and procedures integral to effectively managing the City's financial operations.
2. Ensure that Council members receive accurate and complete interim financial and budget reports that they need to manage City finances.
3. Ensure that detailed budgets, based on historical results of operations, are prepared and adopted timely and in accordance with the Charter.
4. Develop and adopt multiyear financial and capital plans.

The Board should:

5. Ensure that the budget process required by the Charter is adhered to.

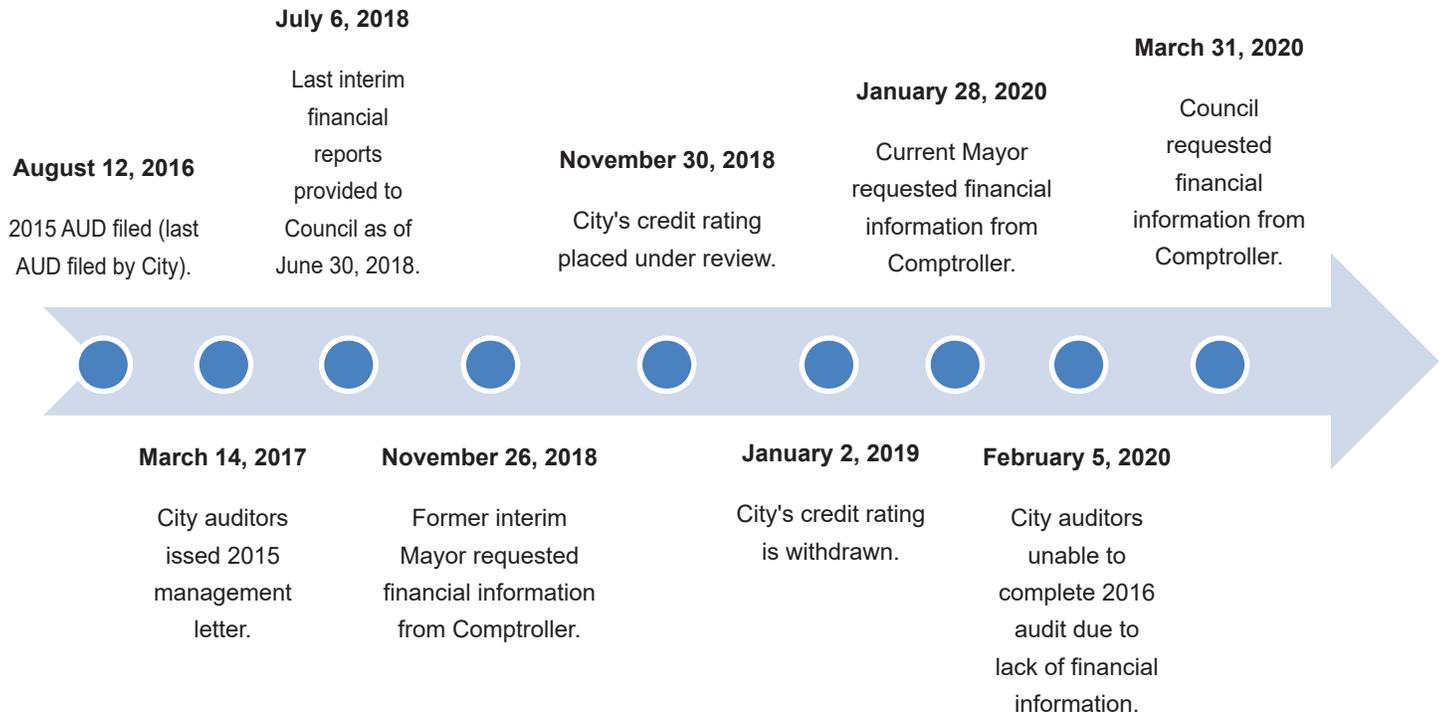
The Mayor should:

6. Re-establish the Capital Projects Board as required by the Charter.

The Comptroller should:

7. Provide the Council with interim financial reports including, but not limited to, budgetary status reports, cash flow reports and fund balance projections.
8. Work with the City's independent auditors to provide the information necessary to complete the 2016 audit; and for all subsequent required audits in a timely manner.
9. Review OSC's *Accounting and Reporting Manual* to determine whether the URA should be included as a component unit in the City's AUD. If determined that the URA is a component unit, the Comptroller should work with URA officials to obtain the information necessary to file the AUD.
10. Ensure that the AUD is filed with OSC timely and any other mandatory financial reporting is completed within the required timeframes.
11. Conduct periodic audits of all departments and administrative officials at least once in each year and submit reports to the Board and the Council by June 30 each year.

# Appendix A: Financial Reporting Timeline



## Appendix B: Responses From City Officials

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The City's response includes a reference to a page number in our draft report that has changed in the processing of the final report.



CITY OF MOUNT VERNON, N.Y.  
Mayor Office

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**SHAWYN PATTERSON-HOWARD**  
*Mayor*

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Mount Vernon, NY, 10550  
(914) 665-2362 – Fax: (914) 665-6173

**DARREN M. MORTON, ED.D., CPRP**  
*Chief of Staff*

August 17, 2020

Office of the State Comptroller  
Lisa A. Reynolds, Chief Examiner  
Newburgh Regional Office  
33 Airport Center Drive #103  
New Windsor, New York 12553-4725

Dear Ms. Reynolds,

Please accept the attached as our response to the Draft City of Mount Vernon Financial Reporting and Oversight Report of Examination #2020M-96.

Please contact me at 914-665-2360 or Council President Lisa Copeland at 914-665-2351 should you have any questions.

Regards,

Shawyn Patterson Howard, MPA  
Mayor- City of Mount Vernon

*"The Jewel of Westchester"*

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## City of Mount Vernon's Response to NYS Comptroller Audit

### Executive Summary

Shawyn Patterson-Howard first took office as the Mayor of the City of Mount Vernon on January 1, 2020. While most of the findings described in the Financial Reporting and Oversight – Report of Examination 2020M-96 (hereinafter “Audit Report”) existed prior to her arrival, the Mayor concurs with the findings, except where specifically stated in this response and she is committed to working with the City Council and other City Officials in adopting a Corrective Action Plan to implement all 11 recommendations set forth in the Audit Report.

### Response from the Mayor

Based on the key findings of this financial audit report, the city needs strong internal control mechanisms to ensure proper management, recording and filing procedures. These mechanisms are crucial to maintaining the financial solvency of the city and supporting the executive management of services to our constituents. The Patterson-Howard administration is in full support of the development of policies, procedures and protocols highlighted in the audit report that will enhance internal controls and ensure proper management of our fiscal affairs. The principal challenge that faces the City of Mount Vernon is compliance, conformity and accountability from the Office of the Comptroller in adherence to policies, procedures and ordinances established by the legislative branch. To that end, my administration is committed to working with the City Council to establish more stringent accountability for the Comptroller and other fiduciary authorities.

### Financial Oversight Policies, Practices and Procedures

The audit report outlines a series of inadequacies related to internal controls and proper fiscal management, mainly accountability for the City Comptroller. The Comptroller's failure to file annual financial reports (AUD), demonstrates no clear accountability for the Comptroller with respect to the executive branch. On numerous occasions the executive branch has requested financial information, as indicated in the draft report, to include but not limited to, interim financial reports (monthly, quarterly, bi-annually), detailed budget-to-actual department expense reports, and access to view and verify city bank accounts and depositories.

While, I served as the Commissioner of Planning from March 17<sup>th</sup>, 2016 to December 14<sup>th</sup>, 2016 I did not complete the fiscal year in that capacity; yet agency financials were left intact and no loans were given or written off during my tenure. Furthermore, the audit of the Urban Renewal Agency was not required for the Comptroller to submit the AUD. The inaction of the Comptroller in completing the 2016, 2017, 2018 and 2019 AUDs is a clear deflection and dereliction of duty on her behalf. The loss of the City's credit rating was an avoidable action, if policies and procedures had been in place to hold the Finance Office and City officials accountable for timely submission of these federal & state required reports. Going forward it is imperative that the Comptroller pay external auditors and contractors who have prepared financial documentation for the completion of audits and have been legally authorized by ordinance of the city council. To date the Comptroller

See Note 1 Page 25
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has not paid [REDACTED] and [REDACTED] for 2016, 2017, and 2018 work on the audits.

The audit report gives credence to the need for restructuring of the fiscal affairs including, but not limited to, re-organizing the finance office. Such a process should include re-evaluating the elected Comptroller position, including possible elimination and establishment of a city auditor & finance director. The fiduciary duties of the Mayor, City Council and Comptroller must be re-evaluated to establish clear authority of the executive and legislative branches while holding the Comptroller/Finance Department accountable. While the City charter is the primary document that would separate duties and authority of these offices, the current language and structure of this documents is archaic, vague and easily exploited. The Patterson-Howard administration will assertively work with the City Council to establish and implement new policies with immediacy. Our swift responsiveness to establishing these new policies will close reporting gaps not covered by the current charter and establish clear guidelines for fiscal management including financial reporting, budget transfers and use of fund balance.

See Note 2 Page 25
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### **Preparation for Timely Annual Budgeting**

The Comptroller, in her capacity as a member of the Board of Estimate & Contract, shall be responsible for providing accurate financial information to the board and thereby commissioners while preparing the budget. The Comptroller's failure to provide interim financial reports, including budget-to-actual reports, has made it difficult year over year (YoY) for commissioners and city officials to prepare timely budget requests/estimates. The Patterson-Howard administration in preparation for their first official budget has set a deadline of August 21<sup>st</sup> for department estimates to be submitted to the Mayor. Unfortunately, we don't have year to date revenues & expenditures that would allow the development of a realistic annual budget. This reinforces the need for establishment of ordinances that specifically hold the Comptroller accountable for providing accurate and timely financial information to the department heads.

### **Annual Internal City Audits**

While the City Charter authorizes the Comptroller to do annual audits at present, the only audits the only audit she has initiated was the Department of Public Works (DPW) for gasoline purchase and usage. Contrary to the assertion by the Comptroller of un-cooperation, DPW responded with concerns of the timeliness due to COVID-19 pandemic. DPW staff, which consist of frontline workers, was hit hard by the pandemic and it was impossible for them to complete an audit within that time. While the Comptroller has not been receptive of DPW's explanation, it's the exact reason, she gave the city's external auditors who tried to complete the 2016 audit. The external auditor had to work with HUD and the bank directly to secure the additional information that the Comptroller failed to provide. Conducting internal audits are essential to assessing risk and exposure, yet, they must be administered with practicality not used in a retaliatory measure.

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### Exceptions to the Findings of the Report from the Mayor

The Mayor appreciates the objective of the examination to determine whether financial information was made available to the City Council and City Officials for effective management of operations. However, the Mayor believes that the scope of the examination should be expanded to cover serious potential weaknesses in internal controls, particularly in four areas (1) information technology, retention of outside vendors, and security risks; (2) cash receipts and disbursements; (3) bank accounts and banking transactions; (4) procurement and payment for legal services outside of the City's Law Department.

See  
Note 3  
Page 25

Specifically, The NYS Comptroller Audit does not provide findings or recommendations on the Comptroller's Office abuse of power by sealing off the financial and purchasing system [REDACTED] from the executive and legislative branches. Furthermore, the installation of an illegal firewall in her office has violated the city ordinance and charter. During the COVID-19 pandemic, she has refused much needed financial resources from HUD that could be allocated for re-opening Mount Vernon and putting public safety & health at grave risk to of our residents. As a result, Mayor Patterson-Howard did not receive viewing privileges of the City's accounts until July and to date has not been provided with a list of banks, depositories and account numbers that the city uses. This inaction further hampers the City's ability to prepare a timely annual budget.

See  
Note 3  
Page 25

The report also highlights the lack of transparency of the Comptroller Office. She continues to personally accepts, receipts, deposits and reconciles money cloaked in secrecy. There is no clear separation of duties which places the fiscal wellbeing of the city grave jeopardy. Her continued refusal to provide any financial reporting to either the legislative branch or executive branch has resulted in the blind operation of city finances. As of this report, we are still unaware of the financial impact from COVID, nor are we capable of forecasting an accurate financial recovery plan. This is a pattern of her most egregious actions that the State Comptroller should investigate:

- Failure to accept tax payments from residents for months.
- Refused to allow external auditors access to perform testing needed to complete the City's 2016 audit. Which is highlighted in the draft audit on page 10.
- Failed to process transfer taxes, which caused NYS title companies to send a letter threatening to stop doing business in Mount Vernon. This unprecedented action endangers local homeowners, buyers and realtors.
- Failed to comply with legislation passed by City Council and Board of Contract & Estimate. Which is a key recommendation of this report.
- Failure to disperse over 1 million dollars of HUD/URA money in a timely manner. Violating city ordinances
- Failed to pay reimbursements for paving, holding up \$2,300,000 in CHIPS money over an unpaid \$370,000 bill, sign off the voucher for the NYS Division of Criminal Justice Services GIVE grant for \$220,000, process school taxes, causing the school district to take over the collection of school taxes and costing the City of Mount Vernon \$600,000+ in revenue. Failed to accept funds owed and paid to the city. Turning away hundreds of

See  
Note 3  
Page 25

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thousands of dollars from revenue generating departments, including parking tickets, a \$300,000 sewer bill in 2019 from the school district and money from PILOTS tax payments (\$183,000) and various departmental revenues.

- Failure to pay public safety personnel. Blocked the hiring of eleven firefighters in Oct/Nov 2019 because a family friend was not selected for the force. We now have eighteen vacancies and are dangerously below national fire standards.
- Failure to follow civil service law. She has refused to produce certified payroll and has been given 33 payroll exception notices by our Local Civil Service Office that she has ignored. Additionally, she has refused to implement approved step increases for our civil services employees, in accordance with bargaining agreements, many of whom are on the frontlines during the COVID-19 pandemic, for the last two years.
- Failed to comply with federal contract requirements related to 666 funds, which is a requirement of the US Department of Justice. Failure to process payments and reimbursements which has caused our Veterans Service Agency to lose its accreditation.

#### **Actions Taken by Mayor**

1. On August 17, 2020 Mayor Patterson-Howard reinstated the Capital Projects Board which hasn't been operational since 2010. The capital projects board will begin assessing the capital needs of city departments in anticipation for bond reinstatement. The Board will also begin prioritizing which capital needs are crucial and identify cost estimates.
2. Requesting annual estimates from department heads the week before August 31<sup>st</sup> deadline to give enough time to vet the information and begin the budget process by October 25<sup>th</sup>.
3. Work with City Council to develop ordinances to support the NYS Comptroller Audit to put into place guidelines and legislation that the City Comptroller shall follow.
4. Formed the audit committee to examine the books of the Comptroller at any time as per the charter.

#### **City Council response and exceptions to report**

The audit request was requested by the current City Council and Mayor's Office. The City Comptroller has failed to provide the administration, including the City Council all the information necessary to run the fundamental operations of the City. The objective is to determine whether financial information was made available to the City administration. The Draft Report clearly shows that the Comptroller did not provide the information. The administration and the City Council are now tasked with the next steps for action to obtain the financial information held hostage by the elected Comptroller. Never has the administration nor the City Council had the problem of not receiving requested financial information. The question for all City officials is, "What do we do now? What remedies do we have to force the City Comptroller to provide information to the elected officials and the commissioners? In lieu of taking our City Financial officers to Court, we have requested the immediate guidance of the State Comptroller's Office.

See Note 4 Page 25
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See Note 1 Page 25
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The State Comptroller’s report is correct that we have not received financial information from the City Comptroller, where the State Comptroller is lacking guidance is by not stating how the City Council or the Mayor’s Office can enforce the lack of information from the Comptroller. We are currently in the predicament where the elected Comptroller can unilaterally deny access to financial information for the full four years of her term, without any real enforcement opportunity. Within that time frame the City’s elected officials cannot make the effective and up to date management decisions for the City’s Operations.

See  
Note 5  
Page 25

The Audit reports describes how the City Council and Officials did not establish adequate policies and procedures. This statement is not true and is quite misleading. Further, the reports say that the Council does not have enough policies and procedures to ensure the council receive critical information. In fact, we do have strong and disciplinary actions to ensure the enforcement of City Ordinances. The report does not consider the City of Mount Vernon has an elected Comptroller. The elected Comptroller is the person who should be guiding the reporting and processing of the financials. The intent of the Charter was to establish an individual that would produce the information necessary to compile the basic requests of the Cities financial needs. The Report has failed to acknowledge that the City has never had the circumstance that we are currently faced with where the Comptroller has willfully failed to perform the specific tasks she was elected to perform. It was the expectation of the City Officials to reach out to our higher financial authority to acknowledge the lack of cooperation from the Comptroller’s Office with the specific task to verify the lack of information to the Mayor and the City Council. Previously, city officials presented to the State Comptroller a list of egregious violations related to the failure of the Comptroller to perform her duty. This was elevated to Governor Cuomo for immediate relief, by way of removing the Comptroller due to her gross negligence.

See  
Note 6  
Page 26

See  
Note 7  
Page 26

See  
Note 3  
Page 25

Despite the City of Mount Vernon having a difficult year with the former elected Mayor, the City Council felt it necessary to review our concerns with the newly elected Mayor for the term of 2020 to 2023. Through the City Council President and the Finance and Planning Committee, the Council confirmed the difficulties of working with the Comptroller in the previous two years. The Council had the level of experience to be able to base all financial decisions regarding reporting the budget and the Fund Balance on previous year’s levels of income and expenses. Naturally this is not the best method of achieving the most accurate financials for the City, but the experience of the long term elected officials, commissioners, and City residents helped to provide a guidebook.

The role of the City Comptroller is to be the lead financial officer of the City, with the purpose to inform the Council and the Mayor of critical financial analysis. There is a certain expectancy when it comes to the leadership of the Comptroller and of the Comptroller’s appointed and Civil Service staff. The Audit report does not detail the lack of educated financial staff within the Comptroller’s Office. The Draft Audit report does not talk about the experienced Civil Service staff that has not provided the City Officials with the required information despite their “job security” and protection from the Comptroller’s mismanagement. The Civil Service staff should not be restricted by the elected Comptroller to hold hostage the level of information required from the Department of Finance. It is the recommendation of the City Council to have the State Comptroller’s Office

See  
Note 8  
Page 26

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interview the City Civil Service employees and former City Comptroller Office employees to obtain how the other parts of City government were provided information during previous years.

See  
Note 3  
Page 25

The City Council has an expectancy of Fiscal Operational continuation. As a part of the City Council's review of the Comptroller's office we interviewed past elected officials and Commissioners to see if we were misguided in our expectancy of basic fiscal information. Our investigation proved that past Comptrollers delivered different levels of key information through the Mayor's Office and to the City Council. In fact, different years produced different degrees of information. For example, in Capital Project years, the administration began specific analysis on the purchase of long-term assets. This cooperation produces data that leveraged City finances to bond for key City purchases. The cooperation between all Administration offices ensured the figures and the need for purchases were sound and conservative enough to meet the needs of Administration and residents of the City. No policy or procedure was needed to compile the road map for this collaboration. The need was simply having the right team players working on behalf and for the City of Mount Vernon. There cannot be a level of Council authority to legislate any or all tasks expected of the administration, be it the Mayor, Comptroller, or any other City Official. The Council Ordinance powers should be set to force the minimum requirements or restrictions.

In the City of Mount Vernon's current state, the City Comptroller is the lead financial officer. The fiduciary financial responsibility is with the Comptroller to produce and prepare the Mayor and the City Council with information needed to make sound financial decisions. When the Mayor or City Council need specific or request information, it is the responsibility for the City Comptroller to produce that information, to the best of her ability. It is the role of the Comptroller to update the City's financial systems and to recommend to the Council and Mayor, any new requirements, needed to complete her job. There is a basic level of expectation required from the Comptroller and the Comptroller's Office.

The City is left to wait. Can our City afford to wait until the Comptroller is replaced in the next available election? Is the State Comptroller and the Governor of New York going to ignore the high request of the City Council and the Mayor for immediate assistance? At this point, the City's elected officials have no further recourse of action while the public safety and fiscal stability of the City are put at grave risk.

See  
Note 9  
Page 26

If basic requests and expectancies are not met, why would specific requests or forceful Ordinances change the narrative? Now is the time to heed the call of the Council to review the Comptroller's Office and raise the flag of financial suspicion.

Despite the urgent request, the Council has passed specific Ordinances related to the lack of information and cooperation from the Comptroller. (See Attached). Our approach is to legislate the Comptroller as much as we can. To date, no new Ordinances that were passed have been followed. We have adopted the most basic guidebook from the State Comptroller's Office as our City Accounting and Reporting Manual. No doubt, this handbook is helpful in the comparison to the rest of the State's finances. The Council can see where the Handbook can be used to better define the needs of the City, and how some of the terminology can be match with terms in the City Charter. Moreover, we can begin to adopt a more formal policy for annual tasks that have become

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unwritten past practices. We agree that the written formal policy will set a clear path for the expectancies of the Administration. The Council has begun working with the Mayor and Commissioners on policies that need formalization.

### **Actions Taken by City Council**

1. Adopted an ordinance directing Comptroller to provide bank and trust accounts, along with bank statements and reconciliations for years 2017, 2018, 2019 and 2020.
2. Adopted an ordinance requiring and directing the Comptroller to honor and comply with the request of the council in acquiring information for city of Mount Vernon school district funds.
3. Adopted an ordinance to use NYS OSC's Accounting and Reporting Manual as the City of Mount Vernon's standard policies and procedures.
4. Adopted an ordinance requiring and directing the Comptroller to honor and comply with the requests of the City Council to provide financial information relating to attorney [REDACTED] representation of her.
5. Adopted an ordinance around interim reports that shall include budget to actuals, cash flow projection and fund balance projections.
6. Adopted an ordinance instructing the Comptroller's Office to comply with OSC electronic fund transfer guidelines.
7. Adopted an ordinance of the City Council to designate an entity, as escrow agent to establish and manage escrow accounts necessary in the review of land us applications before the city council.

The Mayor and the City Council look forward to the completion of an Internal Controls and Risks Audit.



Deborah Reynolds  
Comptroller

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July 21, 2020

**COMPTROLLER'S RESPONSE TO  
REPORT OF EXAMINATION 2020M-96**

1. The "audit objective" as stated in the Report is based upon a faulty premise. The City Council does **not** have the responsibility to manage the operations of the City.

See  
Note 10  
Page 26

The City Council is given the legislative power under the City Charter and also adopts the annual operating budget and annual appropriation as submitted by the Mayor and the Board of Estimate and Contract.

The City Council may also amend the budget with a budget transfer when submitted by the Mayor and Board. The City Council also has investigative power to review the operations of the city departments. The City Council does not manage the city's operations nor oversee the operations.

Unlike other cities in New York State, Mount Vernon has a unique separation of powers with an elected Comptroller who oversees and manages the finances of the city, as a check and balance to the Mayor's administrative function and the City Council's legislative function. The misunderstanding of this separation is what has resulted in a majority of the unfortunate litigation between the branches of government,

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2. The City did **not** lose its credit rating because the City Council and officials did not have adequate financial information.

See  
Note 11  
Page 26

The City lost its credit rating solely because it failed to have an independent audit for 2016 and 2017. Those audits were prevented **solely** because the Mount Vernon Urban Renewal Agency had incomplete financial records and could not provide an audit for 2016 and 2017 which the City's auditor and [REDACTED] from the State determined was a constituent part of the audit and would be incomplete without. The audit of the city's 2016 fiscal year was completed except for the URA portion. The city's auditors did not want to issue a "qualified" opinion and sought the inclusion of the URA audit to prevent the necessity of a qualified opinion from being issued.

[REDACTED], in connection with a pending lawsuit between the City Council, the Mayor, and the Comptroller over Memorial Field, directed the Mayor in 2019 to hire a firm to put the financial records of the URA in proper order in order that the audit could be completed. We believe that was done.

3. There is no requirement in the City Charter for the City Council to have current financial information related to its legislative function. Nevertheless, the Comptroller has always provided monthly reports. The City Council and officials did not have current financial information because the Comptroller was removed as the Administrator of the financial computer system ([REDACTED]) in the Spring of 2018 (by former Mayor [REDACTED] and never restored. (Although it was agreed by Stipulation and "so ordered" by the Court that she would be restored as Administrator.) This resulted in multiple city employees having access to input information into the system without the Comptroller's knowledge, control or approval and leading to the corruption of the information and the lack of credible numbers.

See  
Note 12  
Page 27

The Mayor should have restored the Comptroller as the Administrator of the [REDACTED] system as required by the Court's "so ordered" Stipulation. Then all city department would have previously had ready access on-going financial information maintained by the Comptroller.

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4 The City Council and the Mayor cut the Comptroller's staff by two persons in the 2020 operating budget and the removal of two budget lines. The City Council and the Mayor should restore those budget lines and that staff to enable the Comptroller to provide the financial information recommended in the Report.

See  
Note 13  
Page 27

4. The Mayor should direct her department heads (including the DPW and Corporation Counsel) to comply with the Comptroller's prior demands to audit their departments and all future directives as required by the City Charter.

See  
Note 14  
Page 27

5. The City should adopt, update and follow a Procurement Policy which should require all contracts to be let in accordance with the General Municipal Law and, at a minimum, with at least three (3) quotes from responsible bidders. The City Council does not approve contracts with limited exceptions as provided in the City Charter (i.e., sale of real estate) and neither do Commissioners or department heads. Only the Board of Estimate and Contract lets contracts for the City.

See  
Note 15  
Page 27

6. Each City department should maintain its own record of all expenditures in accordance with the annual appropriation and should make a request to the Mayor to initiate a budget transfer in advance of incurring any liabilities or expense in excess of said appropriation.

See  
Note 16  
Page 28

Best regards,

Deborah Reynolds  
Comptroller, City of Mount Vernon

# Appendix C: OSC Comments on City Officials' Responses

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## **OSC Comments on the Mayor's and Council's Response:**

### Note 1

The responsibility of ensuring that adequate financial information is made available to members of the Council and City officials lies not only with the Comptroller, but also with City officials, who have the authority to design, implement and adopt policies and procedures to ensure that critical financial information is received.

### Note 2

OSC's Division of Local Government and School Accountability provides oversight of the fiscal affairs of local governments by conducting audits. Our audits are designed to provide findings and recommendations to officials so that they can improve program performance and operations, reduce costs and contribute to public accountability. OSC does not issue recommendations related to the removal of City employees or elected officials. The report makes no mention of the re-evaluation or elimination of the elected Comptroller position.

### Note 3

Our audit was designed to determine whether financial information was made available to the Council and officials for the effective management of operations. As stated in the report, OSC will conduct additional audits of the City in the future, which will result in other audit objectives. The audit team also informed City officials on multiple occasions that additional audits would be conducted.

### Note 4

OSC's Division of Local Government and School Accountability conducts periodic audits of local governments throughout the State based on numerous factors, such as request by local government officials, delinquent annual financial filings, fiscal stress, taxpayer complaints or any combination thereof.

### Note 5

As stated in the report, the Council should legislate policies and procedures to provide for more effective management of the City's financial operations. However, OSC does not have authority to enforce adherence to such policies, make management decisions or participate in the City's daily operations. As stated in the Council's response, the Council has actions that can be taken to ensure the enforcement of City ordinances.

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#### Note 6

Our audit procedures included the evaluation of the Charter's and code's interim financial reporting policies and procedures. As stated in our report, although the Charter and code establish some financial policies and procedures, they do not include sufficient policies and procedures to ensure the Council and City officials received critical financial information – such as budget-to-actual reports, cash flow reports or fund balance projections – during the fiscal year.

#### Note 7

The report background section indicates that the Comptroller is an elected official. While conducting our audit, we considered the structure of City government as set forth in the Charter, including the Comptroller as an elected official.

#### Note 8

The scope of the audit report encompassed the internal controls over the City's financial reporting and oversight functions. It did not encompass internal controls over the City's payroll function, or any individual employee's educational merit.

#### Note 9

OSC is committed to assisting in the improvement of the fiscal management of local governments throughout the State. However, OSC does not have authority to enforce adherence to policies, make management decisions or participate in daily operations of local governments. It is essential that the Council and City officials work together to improve City operations and increase transparency to the public.

### **OSC Comments on the City Comptroller's Response**

#### Note 10

The Council is the entity that ultimately adopts the City's annual operating budget and is also responsible for enacting ordinances for the government of the City and the management of its business, which facilitates the management of City operations. The Council cannot make informed decisions regarding the adoption of the City's budget without adequate financial information. Likewise, City officials cannot effectively manage City operations without adequate financial information.

#### Note 11

Correspondence from the City's independent auditors did not indicate that the external audits of the City's 2016 finances were prevented solely because the Mount Vernon Urban Renewal Agency (URA) had incomplete financial records. Rather, as of February 5, 2020, the City's independent auditors indicated that

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the audit could not be completed due to the inability to access 2016 City banking records, maintained by the Comptroller's office, as well as the inability to access staff and records residing within the Comptroller's office necessary to update audit files regarding the City funds audits that were originally conducted in 2017.

As stated in the report, the Comptroller should review OSC's *Accounting and Reporting Manual* to determine whether the URA should be included as a component unit in the City's AUD. The City Comptroller is responsible for determining what entities should be included as component units in the City's AUD.

#### Note 12

The report recommendations reflect the audit finding that City officials should develop written procedures for interim financial reporting. The scope of our audit did not include the review of internal controls over the City's information technology environment, including controls over the financial applications utilized by the City. Regardless of the manner in which financial data is captured, it is imperative that interim financial reports are provided to both Council members and City officials in order to facilitate the effective management of City operations.

#### Note 13

The 2020 adopted budget included an \$80,000 reduction in budgeted appropriations for temporary help within the City Comptroller's office. However, the 2020 adopted budget included \$177,613 in budgeted salaries for a first and second Deputy Comptroller, which were both vacant as of April 9, 2020. Furthermore, although the 2018 and 2019 adopted budgets included budgeted appropriations for temporary help for the City Comptroller's office, interim financial reports were not provided to the Council or City officials since July 2018.

#### Note 14

The Comptroller, throughout the audit scope, did not make requests for documentation and/or initiate internal audits in a timely manner in accordance with the City Charter. Despite the Charter requiring an annual audit be completed and submitted by June 30 of the following year, the only action the Comptroller took during our audit period was requesting the Department of Public Works' gasoline records dating back to January 1, 2018, on February 27, 2020.

#### Note 15

The scope of the audit report encompassed the internal controls over the City's financial reporting and oversight functions. The audit scope did not encompass internal controls over the City's procurement function.

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Note 16

As reflected in the report, audit recommendations indicated that City officials should develop written procedures for interim financial reporting, budget monitoring and reporting, as well as the budget transfer process. It is essential for City officials to have access to current financial information to initiate appropriate budget transfers. Our recommendations do not, however, instruct City officials on how procedures should be crafted, and/or assign duties to specific individuals. Ultimately, it is up to the Council and City officials to design and implement effective procedures.

## Appendix D: Audit Methodology and Standards

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We conducted this audit 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. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed Council members, City officials and independent auditors to gain an understanding of the City's financial policies and procedures, financial reporting, budgeting, auditing and multiyear planning.
- We reviewed various correspondence between City officials and independent auditors related to financial reporting.
- We examined the Charter and administrative code to identify any financial reporting and budget requirements.
- We examined Council minutes and resolutions to determine whether Council members were receiving any financial information.
- We reviewed the City's AUD filing records to determine whether City officials filed the City's AUD timely.
- We reviewed CPA audits to determine whether they were completed for fiscal years 2018 and 2019.
- We examined budget documents to gain an understanding of the budget process, and to determine whether the 2018 through 2020 budgets were adopted timely and included detailed financial information as required by the Charter.

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.

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.

The Council 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 provided to our office within 90 days, pursuant to Section 35 of 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 Council to make the CAP available for public review in the Clerk's office.

## Appendix E: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional\\_directory.pdf](http://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional_directory.pdf)

### **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263196&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263196&issued=All)

### **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring)

### **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263206&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263206&issued=All)

### **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.state.ny.us/local-government/resources/planning-resources](http://www.osc.state.ny.us/local-government/resources/planning-resources)

### **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.pdf](http://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.pdf)

### **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.state.ny.us/local-government/required-reporting](http://www.osc.state.ny.us/local-government/required-reporting)

### **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263211&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263211&issued=All)

### **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy)

## Contact

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[www.osc.state.ny.us/local-government](http://www.osc.state.ny.us/local-government)

Local Government and School Accountability Help Line: (866) 321-8503

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