



Village of Cayuga Heights

Board Oversight

Report of Examination

Period Covered:

June 1, 2013 — June 30, 2014

2014M-292



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

April 2015

Dear Village 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 Village 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 Village of Cayuga Heights, entitled Board Oversight. 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*

Introduction

Background

The Village of Cayuga Heights (Village) is located in the Town of Ithaca, in Tompkins County. The Village has approximately 3,700 residents and provides a variety of services, including police, fire, refuse, water and sewer, road maintenance and general government support. The Village's 2014-15 budgeted appropriations total \$6.2 million.

The Village is governed by an elected seven-member Village Board (Board), which includes the Village Mayor (Mayor) and six trustees. The Board is responsible for the general oversight and control of the Village's operations and finances. The Mayor serves as the chief executive officer and appoints a Clerk-Treasurer to function as the chief financial officer (CFO). As CFO, the Clerk-Treasurer is responsible for custody of Village moneys, maintaining appropriate accounting records and preparing monthly financial reports.

The Board is responsible for adopting a procurement policy. The policy governs the procurement of goods and services not required to be competitively bid pursuant to General Municipal Law (GML). The Board is responsible for ensuring that department heads comply with the Board-adopted procurement policy.

Objective

The objective of our audit was to review the Board's oversight of Village operations. Our audit addressed the following related question:

- Did the Board ensure that the Village's accounting records were current, complete and accurate and that purchases were made in accordance with the procurement policy?

Scope and Methodology

We examined the Village's financial and purchasing records for the period June 1, 2013 through June 30, 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 is included in Appendix C of this report.

Comments of Village Officials and Corrective Action

The results of our audit and recommendations have been discussed with Village officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Village officials generally agreed with our recommendations and indicated they planned to take corrective action. Appendix B includes our comments on the issues raised in the Village's response letter.

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

Board Oversight

The Board is responsible for the oversight and management of the Village's financial operations and making sure that policies and procedures are in place to safeguard financial resources. The Board fulfills this responsibility in part by ensuring that Village officials meet the financial responsibilities of their offices and by instituting appropriate internal controls over Village operations to ensure that financial transactions are properly authorized, recorded and reported. Furthermore, the Board-adopted procurement policy should ensure the prudent and economical use of Village moneys during the procurement of goods and services. The Board should monitor its policies and procedures to ensure they are operating effectively and that other Village officials are fulfilling their responsibilities as required.

The Board did not ensure that the Village's accounting records were current, complete and accurate, and that purchases were made in accordance with the procurement policy. For example, the Board has been aware that the Village's cash accounts have not been accurately reconciled since November 2011 when the Clerk-Treasurer took office and notified the Board that there were issues with the accounting software and the records; however, these issues are still occurring and the accounting records are not properly reconciled to the bank statements. Furthermore, the Village's procurement policy is outdated and the current process does not comply with the procedures outlined in the policy. As a result, the 27 disbursements totaling \$356,000 that we reviewed did not have purchase requisition forms in accordance with their procurement policy and four of those were for services totaling \$45,250 that did not have any documentation to support the rationale for the vendors chosen.

Financial Reporting – As the CFO, the Clerk-Treasurer has essential recordkeeping and reporting requirements.¹ An important aspect is the proper reconciliation of cash in Village bank accounts to the recorded balances in the accounting records. The accuracy and completeness of these records is essential so that the Board can make informed financial decisions and be assured that all funds received and disbursed are recorded.

The Board does not receive accurate financial reports and, therefore, cannot effectively monitor the Village's financial position or ensure that transactions are properly recorded and reported. The Board receives a Treasurer's Report on a monthly basis that shows the book

¹ www.osc.state.ny.us/localgov/pubs/lmgf/fiscal_oversight.pdf (Appendix D)

and bank cash balances for the various funds. However, this report does not include a reconciliation of the two balances. The Clerk-Treasurer told us she was performing one monthly. We reviewed the Clerk-Treasurer's April 2014 reconciliation and found that it was performed in July 2014,² was incomplete and did not balance because the Clerk-Treasurer could not reconcile the accounting records to the bank statements.

As part of our fieldwork, we attempted to reconcile the April 2014 cash balance in the accounting records to the bank statements and found several deficiencies, such as:

- Three checks totaling \$11,464 cleared the bank but were not posted to the general ledger cash account and, therefore, were not reflected in the cash balance of the accounting records.
- One check totaling \$549 was not listed as outstanding on the Clerk-Treasurer's attempted bank reconciliation even though, at the time, it had not been presented to the bank.

After adjusting for these differences, cash was still overstated approximately \$75,000 in the accounting records as compared to the bank statements. Due to the issues we found in the April balances, we expanded our review to the Clerk-Treasurer's May 2014 balances. We found the accounting records reconciled to the bank statements; however, this was due to an adjusting journal entry of \$77,618 to decrease cash in the accounting records. The Clerk-Treasurer could not identify the transactions that accounted for this difference and essentially removed the difference so that the records would balance. The Clerk-Treasurer stated that cash did not reconcile when she started in 2011 and she has not had the time to figure it out. However, the Clerk-Treasurer continuing to make errors, without detection and correction, removes the possibility of reconciling the cash activity in the accounting records with the activity in the Village's bank accounts. Moreover, simply adjusting the records by the amount of the difference from the attempted reconciliation continues to mask the true condition of the financial records and even the Village's financial condition.

Due to the issues with the cash balances, we reviewed all check images for our scope period. We found each contained dual signatures as required by the disbursement procedures. In addition, we selected three monthly abstracts³ and verified that all the Board-approved

² Generally, reconciliations are considered timely if completed within 30 days of receipt of the bank statement.

³ July, September and November 2013

check totals were for the same amounts as the checks that cleared the bank. We also traced all transfers to the corresponding bank accounts for our audit scope period and ensured no cash withdrawals were made. In addition, we traced 27 disbursements to the supporting invoices and found they were for proper Village expenditures. Through this testing, we were able to determine that the majority of the discrepancies in the cash balances existed prior to our scope period. Some of the deficiencies in the records were a result of the limitations in the accounting software⁴ and limitations in the Clerk-Treasurer's knowledge of accounting and the accounting software.

The Board is not providing adequate oversight of the Village's financial operations by allowing the cash balances in the accounting records to continue to be inaccurate. One Board member, acting as Deputy Treasurer, reviews the bank reconciliations on a monthly basis. However, because the reconciliations are unclear and do not match the cash figures in the accounting records, the reconciliations are incomplete and are not an effective control. Further, the Mayor and another Board member told us that they were aware that cash did not reconcile, yet the Board has still not taken timely action to address the problem and continues to rely on inaccurate financial information. By not taking steps to make sure that the reconciliations are performed properly, the intended control imposed by this procedure was lost.

The lack of urgency expressed by the Board and Village officials to insist that the accounting records be reconciled properly with the bank activity has allowed these errors to continue and heightens the risk that errors, fraud or abuse could occur and go undetected. Additionally, the Board is making decisions about the Village's financial future based on incorrect records.

Purchasing – The Village has an adopted procurement policy that was last reviewed and updated in 2004.⁵ According to the policy, the Village Clerk would function as the purchasing agent with the Treasurer as backup. Department heads are required to complete purchasing requisition forms to be approved by the purchasing agent.

The Board is not monitoring compliance with the procurement policy. Instead, it relies on department heads to follow the procedures outlined in the policy. As a result, the procurement process currently in practice does not comply with policy requirements. For example,

⁴ The accounting software cannot post entries to prior months once they are closed and corrections to abstracts are not automatically posted to the cash disbursements ledger. Additionally, any general journal entries made in the current month prior to closing the previous month will be reflected in the previous month's balances.

⁵ Policies should be reviewed annually and updated as applicable.

the Clerk and Treasurer positions are filled by the same employee, so the Treasurer cannot serve as the backup for the Clerk. In addition, department heads are acting as purchasing agents for their respective departments and purchasing requisition forms are not used. We tested 27 disbursements totaling \$356,000 and found that, although all of the disbursements were approved by their respective department heads prior to disbursements, none of them were approved by the designated purchasing agent and none had a purchasing requisition form. In addition, four of these were for services totaling \$45,250 that did not have any documentation to support the rationale for the vendors chosen. For instance, Village officials stated that the disbursement for sludge hauling totaling \$13,250 was to a sole source vendor; however, the Village policy requires documentation to show that a sole source condition existed and there was none attached to the claim packet. The other three disbursements totaling \$32,000 were for professional services. However, the Village's policy does not describe the methods and procedures that should be used to promote competition in the procurement of professional services.⁶ While all of these disbursements were for legitimate Village expenditures, by not enforcing compliance with the procurement policy or not insisting that competition is sought whenever possible, the Board cannot be assured that the Village is obtaining the best quality of goods and services at the most reasonable cost to taxpayers.

Recommendations

The Board should improve its oversight and:

1. Require the Clerk-Treasurer to reconcile cash in a timely manner using a standard format that can clearly be reviewed by the Deputy Treasurer and then sign and date the reconciliation.
2. Require the Board member(s) who review the bank reconciliations to ensure that the accounting activity in the reconciliations matches the bank and accounting records. The Board member(s) should also sign and date the reconciliations to document when the reviews were completed.
3. Periodically review financial records to ensure that errors do not exist in the accounting records.
4. Require the Clerk-Treasurer to receive additional training in accounting principles and the use of the Village's accounting software.

⁶ GML generally requires village officials to include in their procurement policies and procedures a proposal or quotation process to ensure that procurements are made under the most favorable terms and conditions.

5. Update the Village's procurement policy to ensure it meets the requirements of the law and aligns with procedures currently in place (if so desired) and then monitor for compliance with the policy as part of the audit and approval process for Village vouchers.

APPENDIX A

RESPONSE FROM VILLAGE OFFICIALS

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

The Village's response letter refers to page numbers that appeared in the draft report. The page numbers have changed during the formatting of this final report.

The Village's response letter refers to attachments that support the response letter. Because the Village's response letter provides sufficient detail of its actions, we did not include the attachments in Appendix A.



Village of Cayuga Heights

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Kathryn D. Supron, Mayor
Joan M. Mangione, Clerk & Treasurer
Angela M. Podufalski, Deputy Clerk
Brent A. Cross, Engineer

Village of Cayuga Heights Response to the OSC Report of Examination

While the Village of Cayuga Heights' (Village) welcomes the New York Office of the State Comptroller's (OSC) audit of its financial condition¹ to "provide recommendations to help improve the Village's operations," the tone used in this report is highly objectionable. The Village concurs that there are areas for improvement and fully disclosed information regarding these areas to the OSC auditors. However, the report presents this information out of context in such a manner as to disparage both elected officials and professional staff. Many of the allegations have been shown to be inaccurate, yet the report purports them to be factual.

Board Oversight

The Village of Cayuga Heights Board of Trustees (Board) recognizes its responsibility to ensure that the Village's financial operations are managed to procure goods and services in a cost effective manner and that transactions are properly authorized, recorded and reported. In its management oversight role, the Board has worked continually with each member of the professional staff to promote efficiencies, to conform to all state requirements and to deliver the high quality of services that taxpayers of the Village deservedly expect.

Financial Reporting

The Board is aware of the past delay in reconciling accounting records to bank statements. This delay was partly due to longstanding unreconciled accounts, which the Clerk-Treasurer encountered upon assuming the position of part-time Treasurer in November 2011. These errors largely date back to the 2010-2011 FY AUD, which was filed prior to her beginning her tenure as Treasurer. The Board continually monitored and supported her efforts to identify and correct these issues. To establish bank-to-book balance moving forward, the discrepancy in reconciliation was ultimately accepted at the end of Fiscal Year 2013-2014, which ended on May 31, 2014. The bank balances and the accounting records have been fully in balance since June 2014. A Trustee member of the Finance Committee reviews and approves this reconciliation monthly with the Clerk-Treasurer.

Many factors contributed to the length of time required to bring the books into balance. In January 2012 Cayuga Heights began the switch in accounting software from [REDACTED] to [REDACTED]. As the Treasurer learned to use the new software she encountered occasional problems in [REDACTED] software program and worked with the [REDACTED] to have them corrected. During this process the Treasurer worked closely with Trustee members of the Village's Finance Committee and kept the Mayor and the Board apprised of the issues and progress.

In his interview with the OSC auditors the Deputy Treasurer communicated that he reviewed the bank reconciliations with the Treasurer regularly. He candidly stated that the reconciliations were being completed manually, and that his desire was to move to the reconciliations being done

¹ OSC Audit – Village of Cayuga Heights – Entrance Conference Notification

through the software. He had identified this to the Treasurer and to the Board's Finance Committee and was working towards this goal. A Trustee Finance Committee member worked with the Clerk-Treasurer to address and resolve this problem. In spite of inadequate software documentation, the Clerk-Treasurer was able to determine how to get the aggregated reports.

The Board maintains a high level of fiscal oversight, reviewing all purchases and expenditures, developing and approving a sound annual budget, and monitoring the budget closely throughout the year. The external audit is used as an additional means of fiscal oversight, and indeed is a routine practice to help protect against fraud and abuse. The Board has a very clear picture of the Village's financial state and makes sound budgeting decisions accordingly.

At no time did the Board or Village officials adopt a complacent attitude toward the Village's goal of properly reconciling bank activity to accounting records. Every possible effort was expended to complete this endeavor in conjunction with all other responsibilities.

"In 2013, Comptroller DiNapoli implemented a statewide fiscal monitoring system to identify local governments experiencing financial strain. Since then, this system has presented an objective picture of the fiscal challenges facing our local governments so that corrective actions can be taken to avoid a fiscal crisis."² The Village's Fiscal Stress Score of 6.7% indicates that the local government is in a positive position to weather economic conditions. The full report can be viewed at <https://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm>.

Procurement Policy

The Board concurs with the finding that our written Procurement Policy is out of date and therefore does not fully align with the well-established procurement practices routinely followed by the professional staff and elected officials. A draft of an updated Procurement Policy is currently under review by Department Heads and the Board.

The OSC Audit Report however fails to acknowledge that interviews with staff and Board members revealed a well-established purchasing practice that is consistent, promotes acquisition of goods and services of maximum quality at the lowest possible cost, and protects against favoritism, improvidence, extravagance, fraud and corruption.

See
Note 1
Page 14

We concur that purchases are made without the requisition form specified in the current written policy. The use of the requisition form was found to be too cumbersome to be practical and the expenditure of staff time not in the best interest of taxpayers. As a result, changes were made in purchasing procedures that, unfortunately, were not reflected in the written policy. As noted on page 8 of the OSC report, the respective Department Heads, acting as purchasing agents, approve the purchases referenced in the report in advance. These vouchers are listed on the monthly Abstract and presented to the Board for approval as outlined in the following paragraph.

The Board diligently monitors purchases and payments on an ongoing monthly basis. Each purchase made is approved in advance, either by the relevant Department Head or for larger purchases by the Board of Trustees by resolution. Upon receipt of the goods or service, an audited invoice from the vendor, and additional review and approval signature by the appropriate Department Head a payment voucher is prepared. All vouchers are then reviewed by the Board of Trustees prior to approval of a resolution to pay the same as they appear on the Abstract at the monthly Board meeting. Once the checks are prepared for payment, each check is presented with the voucher for review and signature by two signatories who are appointed at the Annual Organizational Meeting. Current signatories are the Mayor, Deputy Mayor, Clerk-Treasurer and Deputy Treasurer.

² From a letter received on Tuesday, February 17, 2015 from Assistant Comptroller, Nathaalie N. Carey notifying the Village of the completion of its review of the 2014 Annual Update Document (AUD).

Financial reports are presented to the Board each month. Sample reports pulled from the Board of Trustee meeting packets are attached. [Village Attachments A and B]

See
Note 2
Page 14

Of the \$45,250 referred to in the OSC Audit Report for purchases made without competitive bidding, \$32,000 was for legal services. Legal services fall under the category of "professional services" and therefore are not subject to competitive bidding. The Village selects and designates its attorneys (both general counsel and labor counsel) for the year at its Organizational Meeting each April, as reflected in the meeting minutes. When needed, an attorney for litigation is selected. Budgeting for annual legal service expenditure takes place each year and itemized legal services invoices are presented to the Board for review as vouchers in the monthly abstract.

There is a benefit to the Village, as in any municipality, in maintaining a long-term professional relationship with its selected attorneys. Professional service providers are chosen based on accountability, reliability, responsibility, experience, skill, education and training, judgment, and integrity. These qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

See
Note 3
Page 14

The remainder of the \$45,250 amount, \$13,250 was for a single source vendor for sludge hauling. While documentation for the single source vendor was not attached to the voucher, the Superintendent of Public Works discussed the issue with the Trustees on many occasions dating back to 2005.

Sludge hauling and dumping is highly regulated by the Department of Environmental Conservation and as such there is only one company providing this service locally. The Superintendent of Public Works prepared a historical summary of this issue, which he presented to the OSC Auditors. Moving forward the Village will document single source contracting.

In summary, the Village finds that the purchases highlighted by the OSC Report comply with NYS Law and Village practices, and were thoroughly and properly reviewed and approved by the Board prior to any expenditure of Village funds.

Recommendations

1. This requirement has been met. Finance Committee members have discussed the format of the reconciliation with the Clerk-Treasurer and are satisfied with the format used. This review occurs monthly prior to the regularly scheduled meeting of the Board of Trustees.

The Clerk-Treasurer's internal working document format accurately represents the reconciliation of the month-end bank balances and the accounting reports. The Village maintains that it is not within the purview of the OSC to dictate the format of such documents used for internal work products. During the audit process the Clerk-Treasurer requested a sample format of cash reconciliation that would be found acceptable or understandable by audit personnel; to date one has not been forthcoming.

A meeting between the audit team members, the Clerk-Treasurer, and the Finance Committee to review this format was requested. The Audit staff indicated via email that they were available to meet virtually any day the week prior to submission of this response; they subsequently informed Mayor Supron that they are unwilling to meet until after this report is filed.

See
Note 4
Page 14

2. This requirement has been met. The cash reconciliation has been fully in balance since June 1, 2014. The Clerk-Treasurer reviews the reconciliation with the Deputy Treasurer or with a Trustee member of the Finance Committee designated by the Deputy Treasurer on a monthly basis. The reconciliation document is signed by the Trustee who reviews it with the

Clerk-Treasurer. Subsequently, the Clerk-Treasurer's Report to the Board of Trustees contains this and other relevant finance information.

3. This objective has been met. Not only is bank-to-book reconciliation information presented to the Board monthly, additional reports reflecting fiscal year-to-date revenue and expenditure figures, the Trial Balance and Balance Sheet are also distributed prior to the Board Meeting, at the Public Safety, Public Works and Finance Committee monthly meetings.
4. This is an unnecessary and objectionable statement. The Clerk-Treasurer is fully competent with [REDACTED] Accounting and Budget software, and was so at the time of the audit. When she began in the position in 2011 she worked directly with [REDACTED] account representatives to learn the basic use of the software. Our [REDACTED] representative states that he sees our Clerk-Treasurer as fully competent in the use of their software programs and that he works with her as a full partner to identify needed areas of software improvement.

The Clerk-Treasurer is highly competent in accounting principles and practice; she has the full confidence of the Board of Trustees, and the Board considers the Village fortunate to have an individual with her experience in this position. Her degree in Accounting was earned with high honors. A career in senior management and professional development design for a nationally recognized corporation prepared her to analyze and advise the Mayor and the Board across various disciplines. She attended the OSC Advanced Accounting training in the spring of 2012, has participated in OSC webinar training on Tax Cap Compliance and Frequent Annual Update Document (AUD) Errors, as well as NYCOM Fall Training at which several specialized financial sessions were attended.

5. An update of the Procurement Policy is in process. A draft copy of an up-to-date policy is currently under review by the Village Department Heads, Trustees and Attorney. The new policy will reflect the Village's current procedures and practices and will ensure that these continue to comply fully with NYS law.

Summary

The Village of Cayuga Heights Board of Trustees, the Finance Committee and the Clerk-Treasurer are well aware and resolutely determined to comply with all General Municipal Law applicable to municipal accounting and finance. The Village professional staff understands that the Board expects strict observance of policies. They offer years of experience in their respective fields and suggest improved practices when appropriate. The quality of services provided to residents of Cayuga Heights is unequalled in the region and it remains one of the most desirable municipalities in which to live. It is appreciated that the Office of the State Comptroller serves a valuable function in identifying municipalities that need guidance or may be experiencing fraud. However, the expectation of civility from all parties in an audit should be guaranteed. The Village's elected and appointed officials, and all employees do their best each day to carry out their duties which include the safeguarding of Village resources. Financial operations will continue to be focused on the procurement of goods and services in a cost effective manner and the proper authorization, recording and reporting of transactions. Sound financial operations will continue to maintain the Village of Cayuga Heights' positive financial condition.

Sincerely, _____

Kate Supron
Mayor

APPENDIX B

OSC COMMENTS ON THE VILLAGE'S RESPONSE

Note 1

Regardless of the consistency in practice at the Village, officials and employees are not following the Board-approved policy in place. Because proper supporting documentation was not always maintained, we cannot conclude that goods and services were procured at “maximum quality at the lowest possible costs.”

Note 2

Attachment A and Attachment B included two schedules of banking activity for the month of February 2015. The schedule in Attachment A showed an ending balance of \$2,824,229.85 and the schedule in Attachment B showed an ending balance of \$2,823,858.98. Schedule A was not mathematically accurate and there were differences between the schedules (such as the ending balances) that were not explained. A user of these reports, therefore, could not determine if the reconciled bank balance was accurate.

Note 3

Following our exit discussion with Village officials on February 12, 2015, the report was revised to more clearly reflect that disbursements totaling \$32,000 were for professional services. However, the Village's policy does not describe the methods and procedures that should be used to promote competition in the procurement of professional services.

Note 4

Members of the audit team met with the Clerk-Treasurer on a number of occasions throughout the audit to discuss the reconciliation format and the lack of explanation as to why the reconciliation did not actually reconcile the book balances to the banking activity. Further review of the reconciliation format would be a technical assistance service separate from the audit performed. To maintain independence, it was determined we would provide any technical assistance services after completion of the audit.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

During this audit, we examined procedures and documents related to financial reporting and purchasing for the period June 1, 2013 through June 30, 2014. To accomplish our objective and obtain relevant audit evidence, our procedures included the following:

- We interviewed Village officials and employees and reviewed Board minutes and policies to gain an understanding of financial reporting and purchasing operations.
- We obtained the Village's cash reconciliation, supporting accounting records and bank statements to conduct a reconciliation for April 2014 to ensure that the accounting records were accurate. We expanded this work to include the verification of the May 2013 ending cash balance and a review of the May 2014 reconciliation.
- We selected the monthly abstracts from July, September and November 2013 and traced all the approved check amounts to the bank statements to ensure that the checks presented to the bank were written for the approved amounts.
- We reviewed all check images from the bank statements and traced all transfers to the deposited bank account for our audit scope period to ensure that check disbursements followed the established Village procedures requiring dual signatures and that any transfers, wires or withdrawals were between Village bank accounts.
- We selected 27 disbursements based on payees and dollar amounts. We reviewed the voucher packets and supporting invoices to ensure purchases were in compliance with the procurement policy and for proper Village expenditures. In addition, we traced 17 of these disbursements to the check images to ensure that payees and dollar amounts agreed with the supporting vouchers and invoices.

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 D

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