



Ticonderoga Joint Town/ Village Fire District

Board Oversight

2023M-182 | April 2024

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Report Highlights

Ticonderoga Joint Town/Village Fire District

Audit Objective

Determine whether the Ticonderoga Joint Town/Village Fire District (District) Board of Fire Commissioners (Board) monitored financial activity and ensured appropriate records and reports were maintained and filed timely.

Key Findings

While the Board monitored financial activity and ensured appropriate records were maintained, they did not ensure required annual audits were completed and annual update documents (AUD) were filed in a timely manner. (Starting in 2023, the AUD is referred to as the Annual Financial Report [AFR].) As a result:

- The 2018 independent annual audit of the District's records was completed 1,045 days late and as of October 31, 2023, audits for 2019 through 2022 were not completed and were already between 1,220 and 124 days late.
- AUDs were filed as many as 1,257 days late.

There was no independent verification that funds have been accounted for and transparency was diminished.

Key Recommendations

- Ensure an annual independent audit of the District's accounting records is performed and filed within 180 days of the close of the fiscal year.
- File the District's required AUDs with our office within 60 days of the close of the fiscal year.

District officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

Audit Period

January 1, 2022 through October 31, 2023.

We extended our audit period to review the timeliness of the required independent audit and AUD submissions for 2018 through 2022 fiscal years as of October 31, 2023.

Background

The District provides fire protection services within the Town of Ticonderoga (Town) in Essex County. The elected five-member Board governs the District and is responsible for its overall financial management.

The Board-appointed Secretary-Treasurer is the chief fiscal officer and is responsible for receiving, distributing and accounting for District funds; maintaining accounting records; and preparing periodic financial reports.

Quick Facts

2023 Budget \$626,108

Independent Annual Audit as of October 31, 2023

Fiscal Year	Days Late
2019	1,220
2020	854
2021	489
2022	124

Board Oversight

How Does a Fire District Board Adequately Oversee Fire District Financial Activities?

A fire district board is responsible for managing and overseeing a fire district's financial activities. To effectively oversee a fire district's financial operations, it is essential that the fire district board periodically review financial reports showing collections and disbursements activity and balances, and budget-to-actual comparisons for revenues and expenditures.

Additionally, fire districts with annual revenues of \$400,000 or more are required by Town Law Section 181-b to obtain an annual audit of its records by an independent certified public accountant (CPA) or an independent public accountant. A copy of the audit report must be given to the board of fire commissioners, the town board(s) served by the district and the Office of the State Comptroller (OSC) within 180 days of the end of the fiscal year audited.

A fire district board should also ensure the AUD is completed and filed by the treasurer with OSC within 60 days after the close of that fire district's fiscal year. The AUD reports a fire district's financial position and results of operations and is an important fiscal tool to help a fire district board monitor fire district operations and provides interested parties and stakeholders with a complete summary of a fire district's financial activities.

The Board Did Not Ensure Required Annual Audits and AUDs Were Completed and Filed in a Timely Manner

While the Board provided sufficient oversight to ensure the Secretary-Treasurer maintained appropriate accounting records, the Board did not ensure the required annual independent audits were performed and AUD's were completed and filed with OSC in a timely manner.

Accounting Records – Monthly, the Secretary-Treasurer provided the Board with financial reports and bank records including monthly budget to actuals, profit and loss, bank reconciliations, bank statements and cancelled check images to ensure the Board that the accounting records were maintained in a timely manner. The Board minutes reflected their acceptance of these reports and ongoing monitoring of the District's finances.

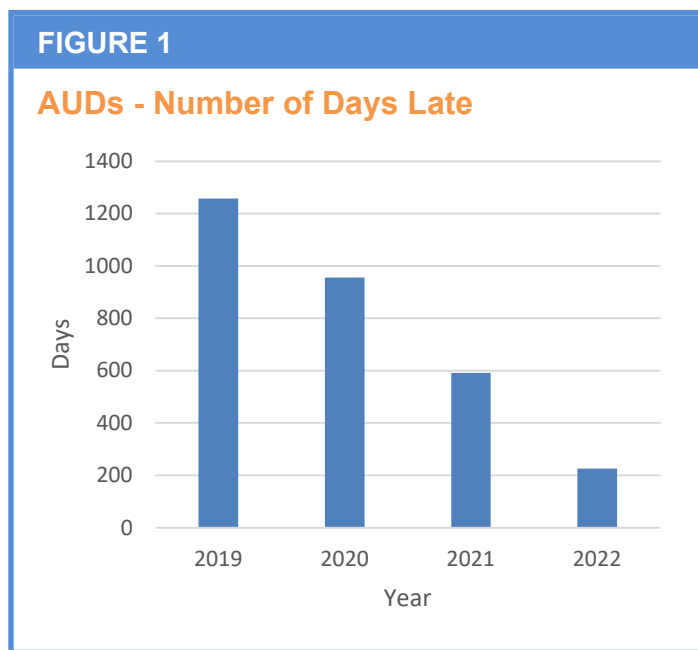
Annual Audit – The Chairman of the Board (Chairman) and Secretary-Treasurer stated they realized late in 2019 that they were delinquent in obtaining the 2018 independent audit and sent out a formal request for professional services to perform the 2018 independent audit in March of 2020 to 14 CPA firms, with no firm accepting the request. In November of 2020 (after 2018 and 2019 audits were delinquent), the District entered into a contract for the 2018 independent audit with the same independent CPA who completed the 2017 audit, with

an option for the 2019 through 2022 fiscal years' audits. The 2018 audit was subsequently completed and filed with OSC on May 9, 2022 (1,045 days late).

The Board did not ensure the contract included a deadline for the completion of the 2018 audit, resulting in the CPA not completing the 2018 audit until more than 500 days after signing the contract and the CPA not completing any of the following year's audits. Officials did not seek other auditing services until July 2023, after which the 2020, 2021 and 2022 audits were then also delinquent. The District signed a contract on September 18, 2023 with a new CPA firm to perform the 2019 through 2022 annual audits; however, this contract lacked any deadlines for the completion of these audits. As of the end of our fieldwork on October 31, 2023, the 2019 audit was 1,220 days late, the 2020 audit was 854 days late, the 2021 audit was 489 days late and the 2022 audit was 124 days late.

In the absence of an annual audit, there is no independent verification that transactions have been properly recorded and funds have been properly accounted for, diminishing the Board's ability to assess financial operations.

AUD – The District AUDs for the prior four fiscal years (2019 through 2022) were filed between 226 and 1,257 days late (Figure 1).



For instance, although the Secretary-Treasurer requested a 60-day extension for the 2019 AUD, it was not submitted until October of 2022, making the submission 1,257 days late. She stated the reason the AUDs were late was that she was waiting for guidance from the CPA on submission complications and did not realize she could have called our office for help with her submission difficulties.

When AUDs are not filed in a timely manner, it results in diminished transparency and the Board, taxpayers, OSC and other interested parties are denied the ability to assess the District's financial standing.

What Do We Recommend?

The Board should:

1. Ensure an independent annual audit of the District's accounting records is carried out and a copy of the audit report is given to the Board, the Town Board and OSC within 180 days of the close of the fiscal year.
2. Ensure that the District's AUDs are filed with OSC within 60 days of the close of the fiscal year.

Appendix A: Response From District Officials

*TICONDEROGA TOWN/VILLAGE JOINT FIRE DISTRICT
P.O. BOX 127
60 MONTCALM STREET
TICONDEROGA, NY 12883*

March 21, 2024

Unit Name: Ticonderoga Town Village Joint Fire District
Audit Report Title: Board Oversight
Audit Report Number: 2023M-182

To whom it May Concern:

We agree with the findings of the NYS Office of the Comptroller regarding the above fire district. We also thank the NYOSC for the thorough exam of our procedures, our bookkeeping and our required NYS reporting. In addition, we offer the following correcting measures:

Audit Recommendation:

Ensure an independent annual audit of the District's accounting records is carried out and a copy of the audit report is given to the Board, The Town Board and OSC within 180 days of the close of the fiscal year.

Implementation Plan of Action(s):

The Ticonderoga Town/Village Joint Fire District had contracted with a reputable accounting firm prior to the audit and is working diligently with them to complete previous years audits, while also becoming compliant for current and future years audits.

Audit Recommendation:

Audit Recommendation:

Ensure that the District's AUD are filed with OSC within 60 days of the close of the fiscal year.

Implementation Plan of Action(s):

The Ticonderoga Town/Village Joint Fire District had completed all outstanding AUDs prior to the Audit. Current year AFR, which has replaced the AUD, is currently being worked on and is expected to be completed in a timely manner.

Person Responsible for Implementation:

Lisa L. LaPann, Secretary/Treasurer of the Ticonderoga Town/Village Joint Fire District, will be in charge of the AFR

Jeffrey Burns, Commission Chairman, will be in charge of timely submission of the yearly audit.

Very truly yours,

Jeffrey Burns
Chairman Board of Commissioners
Ticonderoga Town/Village Joint Fire District

Appendix B: Audit Methodology and Standards

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. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed Board meeting minutes, Secretary-Treasurer reports, and correspondences to gain an understanding of the District's internal controls, to determine what financial reports the Board receives and determine whether annual independent audits of the District's accounting records were conducted.
- We examined the Secretary-Treasurer's 2022 and 2023 accounting records, bank statements and reconciliations, claims packets, bank account deposit support and Treasurer reports to determine whether the accounting records were complete and accurate.
- We reviewed AUD filings to determine whether the District had submitted AUDs to our office within 60 days of the close of its fiscal year.

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 Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. 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 the CAP available for public review.

Appendix C: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/fiscal-monitoring

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/resources/planning-resources

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

www.osc.ny.gov/files/local-government/publications/pdf/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.ny.gov/local-government/required-reporting

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/academy

Contact

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110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

<https://www.osc.ny.gov/local-government>

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

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