



# Town of Cohocton

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## Procurement

2025M-13 | July 2025

# Contents

**Audit Results . . . . . 1**

    Audit Summary . . . . . 1

**Procurement Findings and Recommendations . . . . . 3**

    Finding 1 – Town officials did not always solicit competition when procuring  
    goods and services. . . . . 3

    Recommendations . . . . . 5

**Appendix A: Profile, Criteria and Resources. . . . . 6**

**Appendix B: Response From Town Officials. . . . . 8**

**Appendix C: OSC Comments on the Town’s Response. . . . . 9**

**Appendix D: Audit Methodology and Standards. . . . . 10**

# Audit Results

## Town of Cohocton



### Audit Objective

### Audit Period

Did Town of Cohocton (Town) officials make purchases in accordance with Town policy, statutory requirements and good business practices?

January 1, 2023 – January 31, 2025

### Understanding the Program

Generally, municipal purchases should be made in the best interest of the taxpayers. One of the best methods for helping ensure that goods and services are acquired in a cost-effective manner is to seek competition that is often required by New York State law or by locally adopted policy. One of the goals of seeking competition is to foster honest competition to obtain quality commodities and services at the lowest possible cost. Seeking competition also guards against favoritism, extravagance and fraud, while allowing interested vendors a fair and equal opportunity to compete. Whether using formal competitive bids, requests for proposals (RFPs) or written and verbal quotes, a well-planned solicitation effort is needed to reach as many qualified vendors as possible.

The Town purchased approximately \$3.7 million in goods and services during the period of January 1, 2023 through August 6, 2024.

## Audit Summary

Town officials did not always solicit competition in accordance with the Town's procurement policy, statutory requirements or good business practices and stated it was an inconvenience for them to adhere to the Town's procurement policy. Officials' general disregard for the Town's procurement policy resulted in procurements that were not in the most prudent and economical manner. For example, of the \$3.7 million in goods and services purchased between January 1, 2023 and August 6, 2024, almost \$2 million was procured without competition. The audit identified instances where officials and employees responsible for purchasing did not:

- Solicit competitive bids for purchases of goods totaling approximately \$1.3 million from 10 vendors, for which we identified potential cost savings of \$23,000 for vehicle and energy purchases.
- Issue RFPs or use any other form of competitive process before procuring professional services from 15 providers totaling approximately \$540,000.

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- Obtain the minimum number of quotes required by the Town's procurement policy for purchases totaling approximately \$131,000.
  - Obtain the minimum number of required quotes for credit card purchases totaling approximately \$21,000.

When officials and employees do not solicit competition as required by New York State General Municipal Law (GML) and Town policies, there is an increased risk that goods and services are not obtained at a favorable cost, free from favoritism or for appropriate purchases. For example, had they solicited competition, officials may have saved the Town approximately \$23,000 on purchases of goods and services that totaled approximately \$225,000. Additionally, because the Town's procurement policy did not include details on when the Town Board's (Board's) approval is required prior to making purchases, the Board's ability to ensure compliance with its policy was limited.

The report includes six recommendations that, if implemented, will improve the Town's procurement function. Appendix C includes our comments on issues raised in the Town's response.

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 GML. Our methodology and standards are included in Appendix D.

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 provided to our office within 90 days, pursuant to Section 35 of the GML. 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 in the Town Clerk's office.

# Procurement Findings and Recommendations

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The Town's procurement policy states that officials and employees must procure all estimated purchases for supplies and/or equipment:

- Of less than \$10,000, but \$1,000 and greater, using written quotes from at least three vendors.
- Of less than \$1,000, but \$500 and greater, using written quotes from at least two vendors.
- Of less than \$500, but \$150 and greater, using two verbal quotes.

In addition, the procurement policy requires officials who are authorized to make purchases to analyze potential purchases to determine whether they must use a competitive bidding process to procure the goods and services. The analysis applies to any purchase of supplies or equipment that exceeds \$10,000 or is expected to exceed \$10,000 in aggregate for the same commodity or service within the fiscal year. It also applies to public works contracts exceeding \$35,000.

More details on the criteria used in this report are included in Appendix A.

## Finding 1 – Town officials did not always solicit competition when procuring goods and services.

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We reviewed purchases of goods and services totaling approximately \$2.6 million from January 1, 2023 through August 6, 2024, and determined that officials and employees did not always solicit competition in accordance with the Town's procurement policy, GML or good business practices. Specifically, we determined that officials and employees did not:

- Solicit competitive bids for purchases totaling approximately \$1.3 million (68 percent) paid to 10 of the 18 vendors that were paid a total of \$1.9 million for purchases subject to competitive bidding, including:
  - Three pickup trucks totaling approximately \$187,000, which officials could have potentially saved taxpayers more than \$7,000 had they purchased these vehicles from a vendor on the New York State Office of General Services (OGS) State contract (State contract).
  - Electric and gas from an energy service company totaling approximately \$38,000, which officials paid approximately \$16,000 more than if purchased directly from the local utility company.
- Issue RFPs or use any other form of competitive process before procuring professional services from any providers (e.g., engineering, financial planning, information technology, ambulance billing and water sample testing) totaling approximately \$540,000. In addition, Town officials could not provide current or sufficiently detailed written contracts or agreements for 10 of the 15 professional service providers paid approximately \$371,000. The Town Supervisor (Supervisor) stated that competition was not sought for professional service providers because the Town has long-standing relationships with many of the professional service providers, the providers

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understand Town operations and they are satisfied with their services. However, officials did not maintain documentation for these explanations and their rationale for using the vendors, and did not define how the Town ensured that these procurements were made with the most favorable terms and conditions.

Although officials may be satisfied with the Town's current professional service providers, officials should seek competition. Using RFPs increases the awareness of other professional service providers who could offer similar services at a more favorable rate, could result in existing professional service providers providing more favorable terms, and helps assure taxpayers that procurements are made in their best interest. Additionally, without written agreements defining the services to be provided, time frames for when the services will be provided, the basis of compensation and other terms and conditions, there is an increased risk of paying for services that are not received or do not comply with agreed-upon conditions and rates.

- Obtain the minimum number of written or verbal quotes required by the procurement policy for 60 claims totaling approximately \$131,000 of the 74 claims reviewed totaling approximately \$144,000. In addition, due to the lack of adequate support, we were unable to determine whether claims totaling approximately \$27,000 were for an appropriate Town purpose.
- Obtain the minimum number of written or verbal quotes for any of the credit card or store credit account purchases totaling approximately \$21,000 that were subject to the procurement policy's threshold of \$150 and greater. In addition, due to the lack of adequate support (e.g., itemized receipts, invoices, evidence of the purpose or the department head's approval) included with the claim vouchers, we were unable to determine whether credit card purchases totaling approximately \$21,000 of the approximately \$32,000 in credit card purchases were for an appropriate Town purpose.

Town officials generally disregarded the Town's procurement policy. For example, the Supervisor and the Highway Superintendent (Superintendent), the two officials with the most purchases, expressed that it is an inconvenience to them to adhere to the procurement policy. Regardless of their opinion of the procurement policy, these officials have a responsibility to the Town's taxpayers to comply with the policy's requirements. Because officials did not adhere to the procurement policy, they did not procure goods and services in the most prudent and economical manner.

Furthermore, officials used credit cards to circumvent the purchasing process requirements of obtaining the requisite number of quotes and officials (i.e., Board members, the Supervisor, the Superintendent and department heads) all have a different understanding of when Board approval is required prior to making purchases. Because the Board does not review the procurement policy annually, as required, and some Board members stated they had never seen the policy, the Board did not convey or define in the procurement policy when Board approval was needed. Also, the Board did not develop and adopt a credit card policy which could provide expectations to officials and employees on the proper use of credit cards and improve internal controls over the procurement process.

When officials and employees do not solicit competition as required by statute and policies, there is an increased risk that goods and services are not obtained at a favorable cost, free from favoritism and for appropriate purposes.

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## Recommendations

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Town officials should ensure:

1. Purchases, including credit card purchases, comply with Town policies.
2. Sufficient documentation supporting compliance with Town policies (e.g., verbal quotes, written quotes, written RFPs, competitive bidding documentation, etc.) is retained within the claim voucher packets.
3. Written contracts and agreements with all professional service providers include the services to be provided, time frames for when the services will be provided, the basis of compensation and other terms and conditions, and are executed prior to the commencement of services.

The Board should:

4. Ensure that officials are aware of and comply with Town policies and statutory requirements and use good business practices when making purchases.
5. Annually review the procurement policy and procedures to ensure professional services are procured in a manner that promotes competition and clarify the types of purchases requiring Board approval prior to procurement.
6. Develop and adopt a written credit card policy or procedures to help ensure credit card purchases comply with the procurement policy.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The Town is located in Steuben County. The Town provides services including street maintenance, water, lighting, ambulance and general government support. The Town is governed by an elected five-member Board, which includes the elected Supervisor and four elected Board members. The Board is the legislative body responsible for the general management and control of the Town's financial operations. The Supervisor serves as the Town's chief financial officer and is responsible for the Town's day-to-day financial activities. The Supervisor, Superintendent, department heads and highway department employees make purchases for the Town.

## Additional Criteria – Procurement

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In accordance with GML Section 103, towns are generally required to advertise for competitive bids for purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000. To determine whether competitive bidding is necessary, town officials must consider whether the aggregate cost of a good or service within a 12-month period will exceed competitive bidding thresholds. The timeline for the aggregate cost determination should start from the first purchase date of the good or service. Towns can use the prior year's expenditures as a method to estimate whether purchases of a commodity or service will exceed the bid limit for the current year. In lieu of soliciting competitive bids, towns may use other publicly awarded government contracts, such as those of a county or State contract.

GML Section 104-b requires the board to adopt written policies and procedures for procuring goods and services that are not required to be competitively bid and annually review the policies and procedures. GML also states that goods and services must be procured prudently, economically and in a manner that is in the taxpayers' best interests and is not influenced by favoritism, extravagance, fraud or corruption. In addition, as a best practice, if a town uses credit cards for purchasing, the board should adopt appropriate written policies and procedures governing these types of transactions.

Using RFPs or obtaining written or verbal quotes are good business practices and effective ways to help ensure that towns receive professional services at the best price. An RFP provides detailed information on the type of service needed and the evaluation criteria used to award the contract. Evaluation criteria can include experience, work plans and the methodology used to achieve desired results and estimated completion times. Obtaining professional services through an RFP process helps town officials procure needed services at, and with, the most advantageous terms and conditions. It also helps officials avoid any potential appearance of partiality when awarding these contracts. In addition, towns should enter into a written agreement with professional service providers that defines the services to be provided, time frames for when the services will be provided, the basis of compensation and other terms and conditions.



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## Additional Procurement Resources

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**FIGURE 1: OSC Publications**

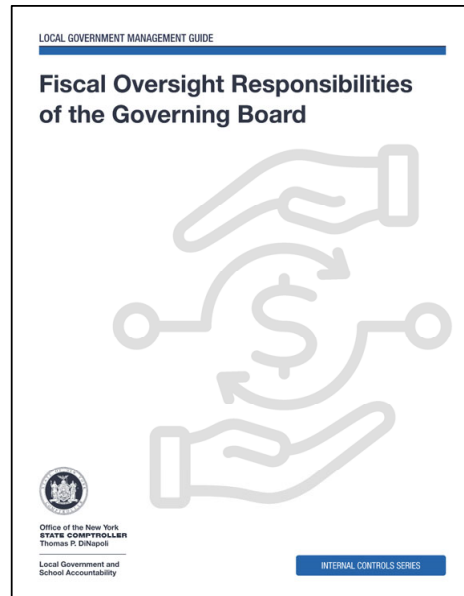
OSC *Local Government Management Guides* available on our website to help officials understand and perform their responsibilities.

***Seeking Competition in Procurement***



<https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf>

***Fiscal Oversight Responsibilities of the Governing Board***



<https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>

- “Piggybacking” Law: Exception to Competitive Bidding – <https://www.osc.ny.gov/files/local-government/publications/pdf/piggybacking-law.pdf>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

# Appendix B: Response From Town Officials

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*TOWN OF COHOCTON*  
*19 Main Street*  
*ATLANTA, NY 14808*  
*585-534-5100*

**Supervisor:** Judith Hall  
**Board Members:**  
Jim McCart  
Peter Wallace  
Geraldine Deussenbery  
Patricia Johnson

**Town Clerk & Tax Collector:** Loraine Sanderson  
**Assessor:** Carlton Maxwell  
**Justice:** Robby Anger  
**Justice:** Carl Drum  
**Water Department:** Barry Fairbrother

## Supervisor Response to Draft Audit Procurement

The duties and responsibilities of the Town Board and Supervisor are an ongoing learning process. Boards and department heads change frequently. The initial year of 2020 was started out with a hold- over board member causing the town hall to be shut down in January for the belief that the roof was going to imminently collapse. Which caused havoc. This was followed by COVID. With this all being said only the necessities of keeping the Town functioning could be done. Offices and areas were unavailable for months. People did not work a normal schedule. There were 3 different Town Clerks during the time of this report.

Our highway fleet was very old and the board voted to get on a five year plan for replacing vehicles, we are still working to that end. The town hall was found to need only minor repairs which were completed.

Response to much of the report is poor record keeping, not skipping the process. Purchases are scrutinized and have 3 quotes, vehicles were purchased at or under State or County bid prices. Paperwork was not kept properly this practice is now being improved.

See  
Note 1  
Page 9

Policies and procedures are being updated. We will be scheduling meetings with all department heads as this happens to ensure proper procedures are made aware to everyone. I have attended two finance school training sessions in the past two months and would hope board members seek training.

Time has not permitted checking on many of the actual dollar amounts in the report, but we are working on this as the audit continues. Nothing is purchased with the one credit card the town has, that are not routine supplies under the threshold or quotes have been attained. Most of the amounts on credit accounts such as Staples are for purchases from several departments which are broken down and have receipts attached.

See  
Note 2  
Page 9

Department heads are aware of their budget numbers and work to keep taxes down as we are a very aged community with limited incomes.

The Town Board is aware of our deficiencies and will continue to update and improve our policies and procedures, hopefully.

Judith Hall  
Town Supervisor

# Appendix C: OSC Comments on the Town's Response

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## Note 1

Officials and employees did not always solicit competition in accordance with the Town's procurement policy, GML or good business practices. In relation to the vehicle purchases, officials may have saved the Town over \$7,000 by using State contracts. Although the Town's response to the audit indicates that officials received the required quotes and purchased the vehicles at or under State or county bid prices, officials cannot and did not support this statement.

## Note 2

We reviewed all credit card purchases that were subject to the Town's procurement policy's threshold for obtaining quotes, for which there was no supporting documentation that quotes had been obtained.

# Appendix D: Audit Methodology and Standards

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We obtained an understanding of internal controls that we deemed significant within the context of the audit objective 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 Town officials and employees and reviewed and evaluated the Town's procurement policy to gain an understanding of the Town's procurement process.
- We reviewed Board meeting minutes to identify relevant purchasing decisions, including purchases made using bids or quotes, and to determine whether the Board approved purchases.
- We used our professional judgment to select purchases from approximately \$3.7 million in purchases made between January 1, 2023 and August 6, 2024 and reviewed purchases totaling approximately \$2.6 million, or about 70 percent of the total purchases. We selected purchases to review by focusing on high dollar values, procurements from vendors who appeared to be individuals, and categories identified in the Town's procurement policy, which included the following:
  - All individual and aggregate purchases subject to competitive bidding, which totaled approximately \$1.9 million from 18 different vendors.
  - 74 claims totaling approximately \$144,000 including:
    - 30 purchases totaling \$121,598 in individual amounts in the range of \$1,000-\$9,999.
    - 16 purchases totaling \$11,899 in individual amounts in the range of \$500-\$999.
    - 28 purchases totaling \$10,654 in individual amounts in the range of \$150-\$499.
- For purchases that exceeded competitive bidding thresholds, we reviewed documentation to determine whether officials sought competition through bids or purchased items through a State or other municipal contract. For other purchase thresholds, we reviewed documentation to determine whether officials sought competition based on the requirements in the Town's procurement policy and whether the purchase was for an appropriate Town purpose. When appropriate documentation was not maintained to demonstrate competition was sought or another acceptable purchasing method was used, we discussed these purchases and vendors with Town officials.
- We reviewed payments totaling \$538,198 made to 15 professional service vendors from January 1, 2023 through August 6, 2024, which represented all professional service purchases made by the Town within this period. We reviewed documentation to determine whether Town officials sought competition before awarding professional service contracts. We also used our professional judgment to determine whether the services were of a nature appropriate for Town business. For those services where the Town did not seek competition, we asked officials for additional information.
- We requested Town officials provide us with all written agreements for professional service providers and examined those provided to determine whether they included the type of services, time frame for when the services would be provided and the compensation to be paid.

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- We reviewed all 45 credit card and store credit account payments, which included purchases totaling \$31,998 from January 1, 2023 through August 6, 2024. We reviewed each purchase to assess whether it was made in accordance with the Town's procurement policy, when applicable, and reviewed the supporting documentation to assess whether the purchase was for an appropriate Town purpose.
  - To determine the amount the Town could have potentially saved by using the local utility company, we obtained and compared the rates charged for natural gas and electric supply by the energy service company to the monthly average rates charged for natural gas and electric supply by the local utility company for the claims paid between January 1, 2023 and August 6, 2024. When calculating the potential savings, we factored in rebates received from the energy service company.
  - To determine the amount the Town could have potentially saved procuring three pickup trucks, we contacted an approved OGS vendor and requested price quotes for the same pickup trucks that were purchased by the Town.

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 relevant population size and the sample selected for examination.

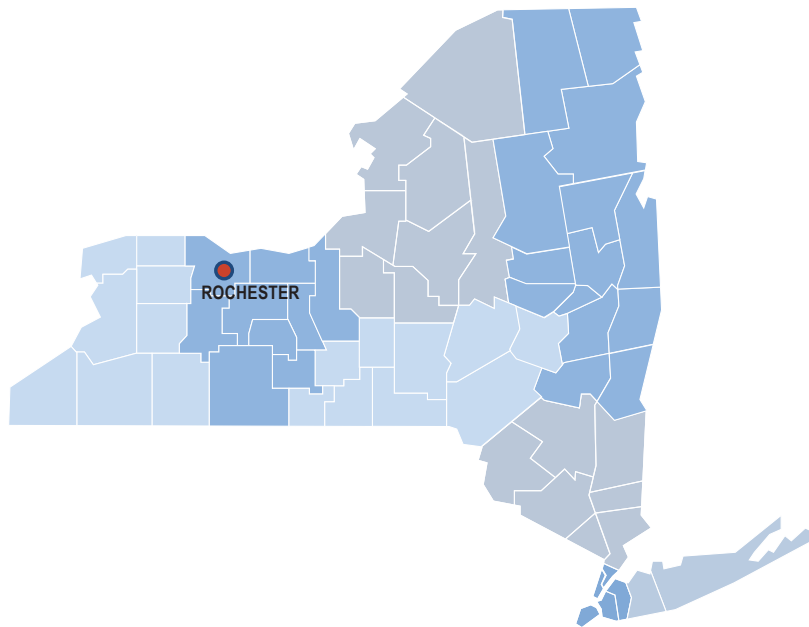
## Contact

**ROCHESTER REGIONAL OFFICE** – Jeffrey D. Mazula, Director of Municipal Audits

The Powers Building • 16 West Main Street – Suite 522 • Rochester, New York 14614-1608

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