



# Town of Horseheads

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## Claims Auditing

2025M-80 | December 2025

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# Audit Results

## Town of Horseheads



Audit Objective	Audit Period
Did the Town of Horseheads (Town) Board (Board) and officials properly audit claims and process claim payments?	January 1, 2023 – November 30, 2024
Understanding the Audit Area	
<p>The audit of claims is often the last line of defense for preventing unauthorized, improper or fraudulent claims from being paid. A town board must audit the claims against a town before they are paid. A proper claims audit ensures all claims are subjected to an independent, thorough and deliberate review that, among other things, determines that town officials complied with statutory requirements and the town's written policies, and that each purchase was for a proper town purpose. Effective claims audit and payment authorization processes can help ensure that tax dollars are spent properly, efficiently and in the best interest of taxpayers.</p> <p>The Town's 2024 budgeted appropriations totaled \$6.7 million and, during the audit period, the Town paid 2,432 claims totaling approximately \$8.7 million.</p>	

## Audit Summary

The Board and Town officials did not properly audit claims and process claim payments. The Board did not conduct a thorough audit of claims to ensure that individual claims contained supporting documentation to demonstrate compliance with statutory requirements and Town policies. Additionally, the Town Clerk (Clerk) did not prepare and certify an abstract (a list of audited claims) that authorizes and directs the Town Supervisor (Supervisor) to pay the approved claims. Although all claims reviewed were for legitimate Town purposes, the absence of a proper claims audit and payment authorization process increases the risk that improper payments could be made and go undetected.

We reviewed 274 claims totaling \$897,321 and 206 claim payments totaling \$414,075 and determined the following:

- 61 claims totaling \$473,309 were paid prior to the Board's audit. As a result, the Board's ability to ensure that purchases comply with Town policies and are legitimate is reduced. These claims included highway equipment, health insurance premiums, road maintenance, vehicle parts, audio

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upgrades, office-related and miscellaneous expenditures – all of which should have been audited before payment.

- The Board was not provided with documentation demonstrating compliance with competitive bidding requirements for six purchases with aggregated claims totaling \$509,877, including highway equipment, diesel fuel, stone products and audio/visual equipment. Although the Highway Superintendent later provided documentation indicating certain purchases were made under a Chemung County (County) contract, this information, including pricing details, was not presented to the Board for a proper claims audit. As a result, the Board has less assurance that the Town obtained the most favorable terms and conditions in the best interest of the taxpayers.
- Town officials did not have documentation to support that they obtained the minimum number of verbal or written quotes and/or issued requests for proposals (RFPs) for 12 purchases with aggregated claims totaling \$120,574 in accordance with the Town's procurement policy (Policy). As a result, significant cost savings may be missed, and those increased costs are passed on to the taxpayers. These purchases included highway equipment installation, unleaded fuel, janitorial, cleaning and court security services, park upgrades, building repairs and tools.
- The Clerk did not properly authorize the Supervisor to pay claims, and the Supervisor did not provide proper oversight of the use of his electronic signature on checks. As a result, there is an increased risk that errors and irregularities could occur and go undetected.

The report includes six recommendations that, if implemented, will improve the Board's and Town officials' oversight of claims auditing and payment processes. Town officials disagreed with certain aspects of our findings but indicated they plan to initiate corrective action. Appendix C includes our comments on issues raised in the Town's response letter.

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. 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 New York State 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 the CAP available for public review in the Clerk's office.

# Claims Auditing: Findings and Recommendations

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With certain exceptions, a town board is required to audit all claims against the town before payment to ensure that each claim contains adequate supporting documentation, complies with competitive bidding requirements and a town's written procurement policy, and that the amounts claimed represent appropriate town expenditures. Town officials must comply with New York State General Municipal Law (GML) Section 103, which generally requires towns to advertise for competitive bids for purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000.

After claims have been audited and approved for payment by the town board, the town clerk must prepare and certify an abstract of the audited claims authorizing and directing the town supervisor to pay the claims. When electronic signatures are used for check signing purposes, the signature should be protected from unauthorized use, and the town supervisor should be present when the signature is applied. More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 6), are included in Appendix A.

## Finding 1 – The Board did not properly audit claims.

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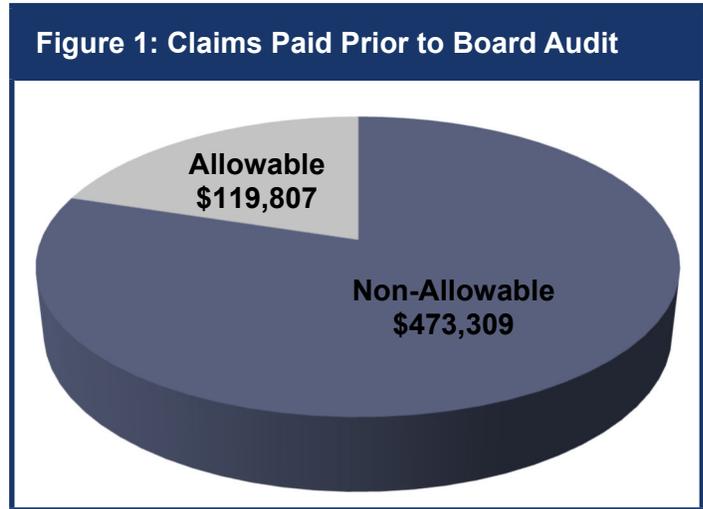
Although individual claims were available for Board members to review prior to Board meetings, the Board's audit was limited to reviewing an accounts payable invoice report which included both paid and unpaid claims. This meant that the Board, as a whole, did not review individual claims and supporting documentation. The Board relied on the Supervisor's and Deputy Supervisor's review of claims before payment rather than performing a thorough audit of all claims.

The Supervisor informed us that he, along with the Deputy Supervisor, audited the claims which were made available to all Board members for review prior to the Board meetings. One Board member told us that he began auditing claims in August 2024 after the Deputy Supervisor resigned. Another Board member stated that the accounts payable invoice report provided sufficient information to audit and approve the claims. However, the Board is responsible for auditing all claims and the accounts payable invoice report lacked sufficient detail, such as verbal and written quotes and RFPs, to support a thorough review.

As a result of these weaknesses, we selected 274 claims totaling \$897,321 to determine whether claims were adequately supported and audited before payment. We further reviewed 20 of these claims totaling \$452,488 to determine whether Town officials demonstrated compliance with the competitive bidding requirements and the Policy. Although all 274 claims were for legitimate Town purposes, claims were paid prior to the Board's audit and lacked sufficient documentation to demonstrate compliance with competitive bidding requirements and the Policy. Therefore, the Board's ability to monitor Town operations is diminished and there is an increased risk that claims could have been paid for inappropriate purposes.

**Claims Paid Prior to Board Audit** – The Board annually adopted a resolution permitting certain claims, such as debt service, fund transfers, telephone, electric and gas, postage and oil supplied on credit, to be paid before Board audit.<sup>1</sup> Of the 274 claims reviewed, 109 claims (40 percent) totaling \$593,116 were paid prior to Board audit. We determined that 61 claims totaling \$473,309 were for expenditures that should not have been paid prior to Board audit (Figure 1). These expenditures included:

- \$311,179 for highway equipment,
- \$80,374 for health insurance premiums,
- \$36,790 for road maintenance,
- \$19,019 for vehicle parts,
- \$12,163 for audio upgrade,
- \$11,674 for miscellaneous expenditures<sup>2</sup> and
- \$2,110 for office-related expenditures.



Although the Board reviewed a listing of these claims at its next Board meeting using the accounts payable invoice report, New York State Town Law Section 118 does not permit these expenditures to be paid prior to Board audit.

**Competitive Bidding and Quotes** – We reviewed 20 purchases totaling \$835,438 that, when aggregated over each year, were subject to competitive bidding requirements (eight purchases totaling \$714,864) or the Policy (12 purchases totaling \$120,574).<sup>3</sup>

Town officials lacked documentation to support six of the eight purchases, with aggregated claims totaling \$509,877, which were subject to competitive bidding. These purchases included highway equipment, diesel fuel, stone products and audio/visual equipment (Figure 2).

**Figure 2: Purchases Subject to Competitive Bidding Lacking Support**

Purchase Type	2023	2024	Total Aggregate
Highway Mower	-	\$316,536	\$316,536
Diesel Fuel	\$54,631	53,047	107,678
Crusher Stone	-	33,378	33,378
Washed Stone	-	27,785	27,785
Audio/Visual Equipment	24,500	-	24,500
<b>Total</b>	<b>\$79,131</b>	<b>\$430,746</b>	<b>\$509,877</b>

1 A town board may, by resolution, authorize payment for public utility services, postage, freight and express charges in advance of audit. The claims for such advance payments must be presented at the next regular town board meeting for audit.

2 These include expenditures for subscriptions, printing, mileage, trash services, Internet, legal, special district charges, advertising, and community support for seniors.

3 See Appendix D for details on our audit sampling methodology.

The Highway Superintendent told us that the diesel fuel and stone products were purchased from vendors on a County bid award. We contacted County officials to verify this assertion; however, we could not confirm the purchases were made from a County bid award. The Highway Superintendent also indicated that the highway mower was a sole-source purchase and the audio/visual equipment was bid by the Town. However, officials could not support the sole-source justification for the mower purchase or that the audio/visual equipment was bid.

Additionally, Town officials did not have documentation to support that they obtained the minimum number of verbal or written quotes and/or issued RFPs for all 12 purchases that were subject to the Policy (Figure 3). These purchases, with aggregated claims totaling \$120,574 during the audit period, included:

- \$36,446 for unleaded fuel,
- \$30,433 for janitorial/cleaning services,
- \$18,300 for highway equipment installation,
- \$18,003 for park upgrades (a dugout)
- \$8,047 for building repairs (an overhead door),
- \$6,163 for court security services, and
- \$3,182 for tools.

**Figure 3: Claims Without Quotes/RFPs**

Procurement Policy Thresholds	Number of Purchases	Aggregated Amounts During Audit Period
<b>RFP Plus Three Written Quotes</b>	6	\$96,171
<b>Three Written Quotes</b>	2	14,210
<b>Two Verbal Quotes</b>	4	10,193
<b>Total</b>	<b>12</b>	<b>\$120,574</b>

The Supervisor and Highway Superintendent stated that the fuel vendor was selected because of its proximity to the highway garage, two quotes were obtained for highway equipment repairs, the overhead door was an emergency purchase, and the park upgrades were bid. However, officials could not support these statements. They also indicated that the janitorial service vendor was selected based on the quality of work provided by the vendor, and the court security service vendor was selected based on the vendor’s law enforcement background. However, officials could not support these decisions either.

After making several requests for support during our audit and after completing our fieldwork, the Highway Superintendent provided documents showing that the Town’s stone and fuel (i.e., diesel and unleaded) vendors were awarded a County contract. We verified that the Town received the contract pricing for stone. However, Town officials did not provide documentation to verify that the daily fuel prices billed on the invoices were accurate even though the prices fluctuated each day. Furthermore, documentation demonstrating that purchases were made off a County contract and the correct prices were charged was not provided to the Board to properly audit the bills.

When the Board does not ensure that all claims are adequately supported and does not conduct a thorough and effective audit of claims prior to approving claims, the Board’s ability to effectively monitor Town financial operations is diminished, and errors and irregularities could occur and remain

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undetected and uncorrected. Furthermore, when Town officials do not ensure that competitive bidding and Policy requirements are followed before purchases are made, significant cost savings may be missed, and those increased costs are passed on to taxpayers.

## Recommendations

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The Board should:

1. Conduct a thorough and deliberate audit of each individual claim presented for payment.
2. Ensure that claims contain sufficient documentation to support compliance with competitive bidding requirements and the Policy when procuring goods and services.
3. Ensure Town officials responsible for purchasing comply with competitive bidding requirements and the Policy when procuring goods and services.

## Finding 2 – The Clerk and Supervisor did not properly process claim payments.

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The Supervisor did not properly authorize claim payments because the Supervisor's secretary applied the Supervisor's electronic signature to checks without the Supervisor's direct oversight. Furthermore, because the Clerk did not prepare and certify an abstract of the audited claims, the Supervisor was not properly authorized and directed to pay claims. Furthermore, the Supervisor's secretary told us that the Supervisor's signature was programmed into the software at the time of its initial setup and is automatically applied when checks are processed. However, this does not relieve the Supervisor of the responsibility to be present when the signature is applied.

Because of these deficiencies, in addition to the 274 claims, we reviewed an additional 206 claim payments<sup>4</sup> totaling \$414,075 to assess whether they represented legitimate Town expenditures and determined that they were all for appropriate Town purposes.

Without an official order to pay, Town officials cannot ensure that the amounts approved during the claims audit are accurately disbursed. When the Supervisor does not directly oversee check preparation, there is an increased risk that errors or unauthorized transactions may occur and go undetected.

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<sup>4</sup> Ibid.

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## Recommendations

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The Supervisor should:

4. Maintain control of the use of his electronic signature.
5. Obtain the proper authority from the Clerk prior to disbursing Town money.

The Clerk should:

6. Prepare and certify an abstract of the audited claims, which authorizes and directs the Supervisor to pay claims.

# Appendix A: Profile, Criteria and Resources

## Profile

The Town, located in Chemung County, is governed by an elected five-member Board composed of the Supervisor and four Board members. The Board is responsible for overseeing the Town’s operations and finances.

The Supervisor serves as the Town’s chief fiscal officer and is responsible for the day-to-day operations and the payment of claims audited and approved by the Board. The Clerk is responsible for preparing and certifying an abstract of the audited claims, which authorizes and directs the Supervisor to pay claims.

## Criteria – Claims Auditing

Generally, in accordance with Town Law Section 118, town boards must audit all claims against the town before payment is made. A proper claims audit is a thorough and deliberate examination to determine that each claim contains adequate supporting documentation and is a legal obligation and a proper charge against a town. While a town board may, by resolution, authorize payment for public utility services, postage, freight and express charges in advance of audit, the claims for such advance payments must be presented at the next regular town board meeting for audit. Furthermore, the town board’s audit responsibilities include determining, among other things, that each claim is adequately supported by detailed receipts, invoices and documentation demonstrating compliance with competitive bidding and town policies (e.g., procurement policy) requirements.

The Board-approved Policy outlined the competition required for procuring goods and services. Town officials are also required to comply with purchases above the competitive bidding requirements (Figures 4 and 5).

**Figure 4: Town Procurement Policy Thresholds**

Purchase Contracts	
Less Than \$1,000	Discretion of Purchaser
Greater than \$1,000 and less than \$5,000	Two Verbal Quotes
Greater than \$5,000 and less than \$10,000	Three Written Quotes
Greater than \$10,000 and less than \$20,000	Written Request for Proposal and Three Written Quotes
Greater than \$20,000	Competitive Bidding

**Figure 5: Town Procurement Policy Thresholds**

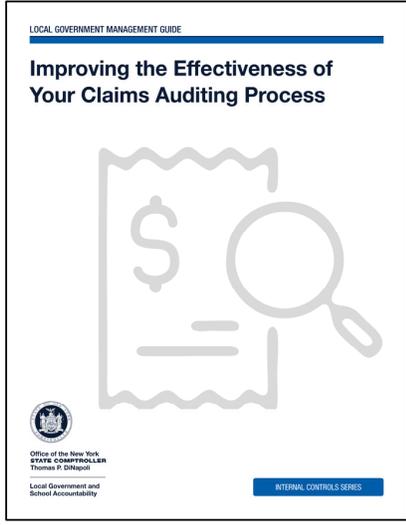
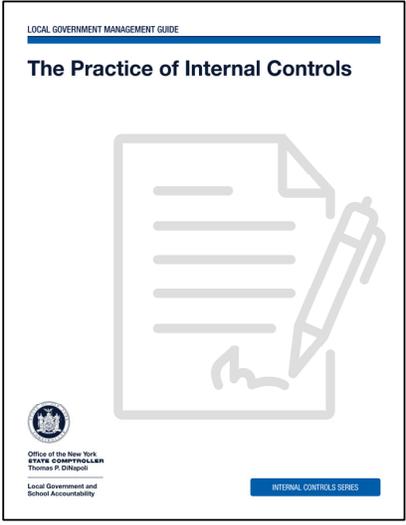
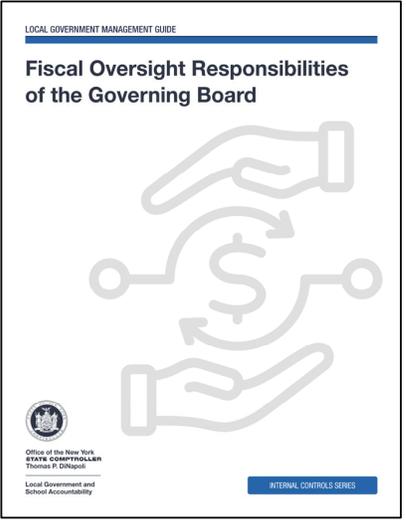
Public Works Contracts	
Less than \$2,500	Discretion of the Purchaser
Greater than \$2,500 and less than \$10,000	Two Verbal Quotes
Greater than \$10,000 and less than \$20,000	Three Written Quotes
Greater than \$20,000 and less than \$35,000	Written Request for Proposal and Three Written Quotes
Greater than \$35,000	Competitive Bidding

Town officials must comply with GML Section 103, which generally requires towns to advertise for competitive bids for purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000. GML Section 104-b requires that goods and services not required by law to be procured pursuant to competitive bidding must be procured in a manner to assure the prudent and economical use of public money. A town board shall by resolution adopt internal policies and procedures governing all procurements of goods and services not required to be made pursuant to the competitive bidding requirements.

After claims have been audited and approved for payment by the town board, the town clerk should prepare and certify an abstract of audited claims authorizing and directing the town supervisor to pay the amount allowed upon the claim. The town supervisor must pay out money only upon warrant, order or draft of the town clerk. When electronic signatures are used for check signing purposes, the signature should be protected from unauthorized use and the authorized signatory should be present when the signature is applied.

## Additional Claims Auditing Resources

**Figure 6: OSC Publications**

OSC Local Government Management Guides and other informational resources available on our website to help officials understand and perform their responsibilities.		
<i>Improving the Effectiveness of Your Claims Auditing Process</i>	<i>The Practice of Internal Controls</i>	<i>Financial Oversight Responsibilities of the Governing Board</i>
 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>Improving the Effectiveness of Your Claims Auditing Process</b></p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>	 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>The Practice of Internal Controls</b></p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>	 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>Fiscal Oversight Responsibilities of the Governing Board</b></p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>
<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.pdf</a>	<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf</a>	<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</a>

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

The Town's response refers to attachments that support the response letter. Because some attachments contained personal, private and sensitive information and the Town's response letter provides sufficient detail, we did not include all attachments in Appendix B.



SUPERVISOR  
DONALD J. FISCHER

ATTORNEY  
JOHN P. MUSTICO

TOWN CLERK  
CATHY R. WOOD

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December 2, 2025

DEPUTY SUPERVISOR  
GARY H. RIOPKO

COUNCILMEN  
GARY H. RIOPKO  
CARL R. LEWIS, SR.  
DONALD W. ZEIGLER  
ARTHUR LAUREY

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44 Hawley Street  
Binghamton, NY 13901-4417

RE: Initial Audit Response Due December 4, 2025  
Town of Horseheads  
Claims Auditing – Report of Examination  
Audit Period: January 1, 2023 – November 30, 2024

**WRITTEN RESPONSE TO THE DRAFT AUDIT REPORT**

The Office of the New York State Comptroller (“OSC”) conducted an examination of the procedure of the Town Board of the Town of Horseheads by which the Town Board audited claims prior to payment and the payment process. Based upon the Report of Examination delivered to the Town Board on November 4, 2025, and conference with [REDACTED] and [REDACTED] the following comments and questions arise:

The audit objective states “Did the Town of Horseheads (Town) Board (Board) and officials properly audit the claims and process claim payments?” Based upon this statement, the OSC is tasked with reviewing the Town of Horseheads and, specifically, the Town Board’s procedure for auditing and paying claims.

Based upon the Audit Objective the statement within the report labeled “Understanding the Audit Area”, which generally appears to be generic then goes on to make the conclusory statement “The Town’s 2023-24 budgeted appropriations total \$6.7 million and during the audit period, the Town paid 2,432 claims totaling approximately \$8.7 million”. This statement appears to be out of place and unnecessary based upon the claimed objective of the audit relating to procedures of auditing and payment. The question arises as to why this statement is made and highlighted. The report states in the opening paragraph of the Audit Summary, less

See  
Note 1  
Page 16

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

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dramatically, “Although all claims reviewed were for legitimate Town purposes...” and then calls into question the process not the specific claims. It is claimed that the Town overspent its budgeted amount for 2023-24 by approximately \$2.0 million. The reference to the 2023-24 budgeted amount as \$6.7 million appears to be erroneous. The budget appropriations for 2023 was \$6.0 million and for 2024 was \$6.7 million or a total of \$12.7 million.

See  
Note 2  
Page 16

The Town has reviewed the particulars with regard to certain items, set forth and claimed not to have the required back up information and include herein additional information relating to those items shown, in addition to documentation previously provided since November 4, 2025.

The Town has commenced review of its audit procedure and Procurement Policy. Based upon the six recommendations, the Town will prepare a Corrective Action Plan (CAP) in order to address the issues raised concerning audit procedure of the Town Board members, as well as controls upon use of the Supervisor’s electronic signature and procedure for payment by the Supervisor.

In review, the Town has strong internal controls over the claim process. The Department Heads receive the invoices for processing. They review the invoices for who is to be paid; items purchased amount; and receipt of such goods or services. This is documented by the department head’s signature on the invoice. Such invoices (claims) are then reviewed by the supervisor and another board member for accuracy and reasonableness. The clerk then prepares an accounts payable distribution report (abstract) including all the claims approved by department heads and supervisor. This report is presented to the board for their review. For any items questioned by the board members the clerk will provide the invoice documenting such claim. The board approves the distribution report that authorizes the Supervisor to pay the claims. Checks are then prepared and included in a payment batch register (warrant). The payment batch register and the checks prepared with the supervisor’s signature are reviewed in detail by the supervisor who approves such register and checks for accuracy and that they were included on the accounts payable distribution report. The checks are then released to vendors for payment.

See  
Note 3  
Page 16

See  
Note 4  
Page 16

We believe these procedures performed are sufficient to provide adequate internal control over the claims process.

Additionally, the Town has attached specific information relating to items set forth in the draft audit report.

Respectfully submitted, \_\_\_\_\_

Donald J. Fischer, Town Supervisor

(2) Action

07/26/23 T.B.

Supervisor Fischer called the meeting to order at 8:30 a.m. He began the discussion asking Superintendent Marty Vanderhoff to update Board Members with regards to his request to purchase a Mower Max Tractor. Marty Vanderhoff explained the benefits of the new mower he is interested in, the cost, various attachments available for purchase and who the mower would be purchased from. Any repairs necessary to new mower would be done at the Town of Horseheads garage location. A saw blade, flail mower, rotary mower and broom are the attachments necessary to get started. All highway employees will be trained to operate it. A letter of intent will be sent to the vendor to hold the current purchase price. It is a 2024 budget item. The current tractor can be sent to auction.

Resolution #121 of 2023

**RESOLUTION AUTHORIZING THE HIGHWAY SUPERINTENDENT TO PURCHASE A MOWER MAX BOOM GEN 3 TRACTOR WITH ATTACHMENTS**

Resolution by Mr. Zeigler, seconded by Mr. Wilber

See Note 5 Page 16
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**WHEREAS**, the Town Highway Superintendent informed the Town Board of his desire to purchase a 2024 Mower Max Boom Gen 3 Tractor, and

**WHEREAS**, a saw blade, flail head mower, rotary deck mower and debris blower are the attachments approved to purchase at this time, and

**WHEREAS**, the Town Highway Superintendent will prepare the proper documentation to proceed with purchase, and

**WHEREAS**, the Town Supervisor will prepare a letter of intent to secure the 2023 purchase price, and

**WHEREAS**, the Mower Max Boom tractor will be delivered in 2024, and

**WHEREAS**, this matter has been duly considered by the Town Board of the Town of Horseheads.

**NOW, THEREFORE, BE IT RESOLVED**, that the Town Board of the Town of Horseheads hereby authorizes Marty Vanderhoff, Town Highway Superintendent to purchase the Mower Max Tractor and attachments as stated above, pursuant to provisions of General Municipal Law §103 (16) for approximately \$300,000.00, and be it further

**RESOLVED**, that the purchase falls within the exception to bidding requirements created by General Municipal Law §103(16) which allows a municipality to purchase equipment based upon a contract let by the United States or any agency thereof, any state or any other political subdivision or district therein; the contract has been made available for use by other government

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entities; and the contract was let in a manner that constitutes competitive bidding consistent with General Municipal Law §103.

Ayes: Ayes: Riopko, Lewis, Wilber, Zeigler and Fischer. Nays: None.

CIS  
11/21 - 12/31/2025

### AGREEMENT

**THIS AGREEMENT** made and entered into this 23<sup>rd</sup> day of December 2020 by and between **TOWN OF HORSEHEADS** (hereinafter "Town"), a municipal corporation organized and existing under and by virtue of the laws of the State of New York 150 Wygant Rd., Horseheads, NY 14845] Attention: Town Supervisor, party of the first part, and **CORNING INVESTIGATIVE SERVICES, INC.** (hereinafter "CIS"), 14 Upland Dr., Corning, NY 14830, party of the second part.

**WHEREAS**, the Town Board of the Town has solicited a proposal for the purpose of providing court room security for the Town Justice Court (the "Services") and

**WHEREAS**, CIS has offered to provide such Services at the hourly billing rate as set forth herein, and

**NOW, THEREFORE**, in consideration of the foregoing promises and the mutual covenants hereinafter expressed, it is hereby agreed by and between the parties hereto as follows:

1. The Town hereby enters into an agreement with CIS to perform the Services that may be requested by the Town at the hourly billing rate of Fifty and No/100 Dollars (\$50.00) per hour, per guard.
2. This Agreement shall be effective commencing January 1, 2021 and terminate on December 31, 2025 and shall renew annually for four (4) successive annual periods, unless sooner terminated.
3. This Commencing on January 1, 202~~0~~<sup>1</sup>, at the request of the Town Justice Court, CIS shall provide one (1) Security Guard to the Town of Horseheads Justice Court sessions held on each Tuesday and Thursday and the second Wednesday of each month. The Services shall be provided at the request of Town Justice Court but, generally, will be provided on each Tuesday and Thursday from 6:30 PM until relieved by the Town Justice sitting that evening and, additionally, on the second Wednesday of each month from 8:30 AM until relieved by the Town Justice sitting that day.
4. On or before the first of each month, CIS may submit to the Town a voucher using the standard form of the Town. On or before the 30th of that month, the Town will cause said voucher to be audited and, if approved, make payment to CIS.
5. The parties to this agree that CIS, is professional group. CIS, including all its employees, principals, agents, representatives, or other persons are not employees of the Town and are not entitled to the benefits provided by the employer to its employees. CIS, including all its employees, principals, agents, representatives may practice their profession for others during those periods when they are not performing work under this contract for the Town. The Town may, during the term of this contract, engage other independent contractors to perform the same work that CIS performs hereunder. CIS, in accordance with its status as an independent contractor, covenants and agrees that it will conduct itself

See  
Note 6  
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Dugouts - action

03/08/23 T.B.

Resolution #65 of 2023

**RESOLUTION AUTHORIZING SUPERVISOR TO SIGN AGREEMENT TO  
CONSTRUCT NEW DUG-OUTS**

Resolution by Mr. Zeigler, seconded by Mr. Riopko

**WHEREAS**, quotes for new dug-outs, at the Holding Point Recreation Center, was received,  
and

See Note 7 Page 17
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**WHEREAS**, the Town Board of the Town of Horseheads has duly considered the same, and

**BE IT RESOLVED**, that the Town Board of the Town of Horseheads hereby authorizes the  
Town Supervisor, Donald J. Fischer to sign a proposal estimate, to design and construct new  
dug-outs at the Town of Horseheads Holding Point Recreation Center.

Ayes: Riopko, Lewis, Wilber, and Zeigler. Nays: None.

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

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## Note 1

We updated the report to reflect that the \$6.7 million in budgeted appropriations pertained to the Town's 2024 calendar year budget. The details about the 2024 budgeted appropriations and claims paid during the audit period are intended to provide context to the reader.

## Note 2

The report does not claim that the Town overspent its budgeted appropriations. Furthermore, we updated the report to reflect that the Town's budgeted appropriations for calendar year 2024 were \$6.7 million.

## Note 3

The Board is required to audit claims. A review of an accounts payable distribution report does not constitute a thorough audit of claims.

## Note 4

The Clerk is required to prepare and certify an abstract of the audited claims, authorizing the Supervisor to pay the audited claims.

## Note 5

This mower purchase is referenced on page 5 of the audit report. Throughout the audit, the Highway Superintendent indicated the mower was purchased under the sole-source exception to competitive bidding.

However, according to documents attached to the Town's audit response, the Board approved this mower purchase pursuant to GML Section 103(16) "piggybacking" exception rather than the sole-source exception. More specifically, the mower was purchased from a vendor awarded a contract through a group purchasing organization (GPO). Although Town Resolution #121 of 2023 and additional documents submitted with the Town's audit response reflect the Town's reliance on GML Section 103(16), the documents do not demonstrate that Town officials, prior to awarding the contract through the GPO, independently reviewed the proposed procurement to ensure that all necessary prerequisites for using the "piggybacking" exception were met. For example, the documents provided do not indicate that Town officials reviewed the original contract to determine whether it was originally awarded to the lowest responsible bidder or based on best value, in a manner consistent with GML, or that Town officials obtained background information on the procedures used to award the original contract. Instead, the documents suggest that the Town relied on marketing materials and frequently asked questions (FAQs) published by the GPO itself, which is insufficient to reach a conclusion that all aspects of GML Section 103(16) have been complied with.

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Note 6

We removed the amount relating to court security services (\$475) from the “Claims Paid Prior to Board Audit” section of our report after Town officials provided documentation demonstrating that the services were provided under a five-year contract and were therefore eligible for payment prior to the Board’s audit.

Note 7

This resolution relates to park upgrades (a dugout) referenced on page 6 of the audit report. Although the Board approved the purchase and obtained two written quotes, the procurement policy requires issuing an RFP and securing three written quotes.

# 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 reviewed policies and procedures, financial reports, Board meeting minutes and resolutions to gain an understanding of and evaluate the adequacy of the Town's claims audit and claim payment processes.
- From a population of 2,432 claims totaling approximately \$8.7 million paid during the audit period, we calculated the monthly average number of claims paid and used our professional judgment to select the two months (February 2023 and February 2024) with claim volumes that were closest to the average. We reviewed the 274 claims totaling \$897,321 processed during the two months to determine whether they were:
  - Properly supported, authorized and approved,
  - For an appropriate Town purpose,
  - Audited and approved before payment, and
  - Qualified or allowed to be paid prior to Board approval.
- From our sample of 274 claims, we used our professional judgment to select all 12 claims that, when aggregated over one year (an additional 130 claims totaling \$73,324), required various numbers of quotes and/or RFPs from the multiple thresholds of the Policy. We reviewed these claims to determine whether the purchases complied with the Policy.
- From our sample of 274 claims, we used our professional judgment to select all eight claims that, when aggregated over one year (an additional 73 claims totaling \$309,626), were subject to competitive bidding thresholds. We included a variety of products and vendors, such as salt, diesel and fuel, highway stone and oil used by the highway department, and audio/visual equipment. We reviewed these claims to determine whether the purchases complied with competitive bidding requirements.
- We used our professional judgment to select an additional 206 claim payments totaling \$414,075 made during the audit period to assess whether they were legitimate Town expenditures. This sample included:
  - All 113 claim payments to utility vendors totaling \$385,096,
  - All 25 claim payments totaling \$15,306 made to Board members, the Supervisor, the Clerk, the Deputy Clerk, the Supervisor's secretary and the Highway Superintendent; and
  - A sample of 68 claim payments totaling \$13,673 which were considered unusual based on our professional judgment. These included payments to vendors that do not typically serve a town, vendors commonly used by households, and all credit card payments, non-payroll electronic payments and manual checks.

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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.

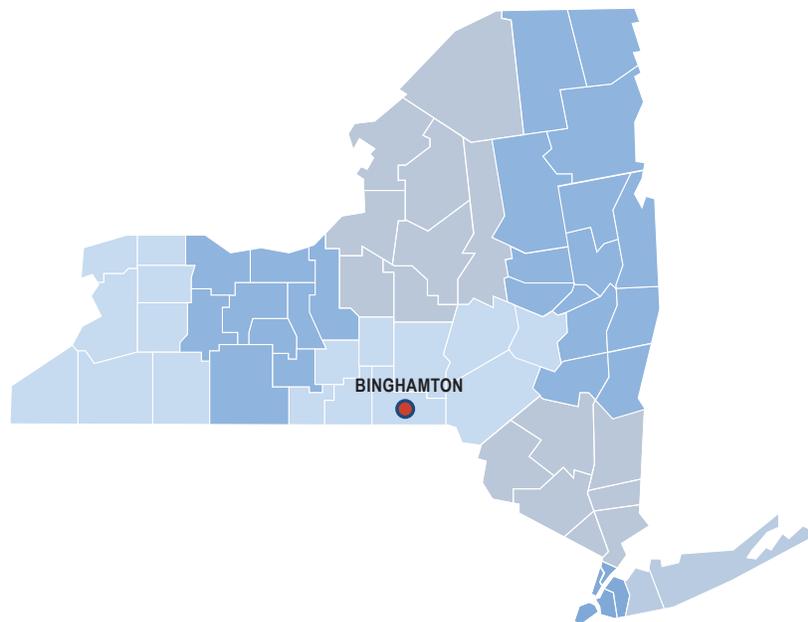
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