



Town of Rutland

Town Clerk/Tax Collector

2025M-19 | June 2025

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Report Highlights

Town of Rutland

Audit Objective

Determine whether the Town of Rutland (Town) Town Clerk/ Tax Collector (Clerk) recorded, deposited, remitted and reported all collections accurately and in a timely manner.

Key Findings

The Clerk did not always record, deposit, remit and report all collections accurately and in a timely manner. For example:

- Due to deficiencies in the records, it is unclear whether eight recorded cash and check collections totaling \$161 were deposited in the bank and whether cash collections totaling \$8,224 were deposited in a timely manner, as received.
- Collections totaling \$5,806 were deposited but not recorded in the records.
- Seven monthly reports and remittances to the Town Supervisor (Supervisor) and other agencies were submitted 16 to 178 days late.
- The Clerk did not make 11 deposits of real property taxes totaling \$191,581 in a timely manner and remit taxes to the Supervisor and County Treasurer within the timeframes specified by New York State Town Law (Town Law).

The Clerk also did not complete monthly bank reconciliations and accountability analyses (compare cash on hand with known liabilities) to help identify and correct errors. As a result, the Clerk bank account had a cash shortage of \$647 as of December 1, 2023, and the tax bank account had an unidentified cash balance of \$4,375 as of October 31, 2024. Additionally, the Board did not perform an annual audit of the Clerk’s records, as required by Town Law, which could have assisted officials in detecting and addressing the deficiencies sooner.

Recommendations

The audit report includes 14 recommendations that, if implemented, will help the Clerk and Board improve collection records, procedures and oversight.

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

Audit Period

January 1, 2023 – December 19, 2024. We extended the audit period back to January 1, 2022, to review the tax bank account balance when the Clerk first took office.

Background

The Town is located in Jefferson County (County) and is governed by an elected five-member Town Board (Board) including the Supervisor. The Board is responsible for the general oversight and management of operations, including oversight of the Clerk’s collection activity.

The elected Clerk collects fees for a variety of purposes, including licenses, permits, vital records and garbage punch cards. The Clerk is also responsible for collecting water and sewer charges and fees (water and sewer fees). All fees collected are the property of the Town, County or State and must be promptly remitted to the appropriate parties.

The Clerk also serves as the Town’s tax collector and is responsible for collecting real property taxes (taxes) and remitting collections to the Supervisor and County Treasurer. The Clerk collects taxes from January 1 through mid-March each year. After that, the County collects any overdue taxes. A deputy clerk assists the Clerk with the collection and recording duties.

Quick Facts	
Population	3,038
Collections Deposited January 1, 2023 – December 1, 2023	
Total Water, Sewer and Clerk Fees	\$351,296
2023 Town and County Real Property Taxes	\$2.04 million

Town Clerk/Tax Collector

How Should Town Clerks Record, Deposit, Remit and Report Collections?

Town clerks (clerks) must properly account for all transactions by promptly and accurately recording the amounts collected in a cash receipts journal, depositing collections intact (in the same amount and form – cash or check – as received) and reporting and remitting collections to the appropriate parties.

Town Law Section 30 requires clerks to deposit all fees collected within three business days after total collections exceed \$250. In addition, Town Law Section 27 requires clerks to report and remit such money to the town supervisor (supervisor) no later than the 15th day of the month following collection. Clerks must also report and remit collections to their respective counties and certain New York State agencies,¹ in a timely manner.

Town Law Section 35 requires clerks, as tax collectors, to deposit all real property taxes collected within 24 hours of receipt and remit amounts collected, including any interest and penalties, to the supervisor at least once a week. Once the town's tax levy has been collected in full, tax collections must be remitted to the county treasurer no later than the 15th day of the ensuing month. At the end of the tax collection period, there should be no further activity and the clerk's tax bank account balance should be zero (unless a nominal amount is needed to keep the account open).

Clerks should prepare monthly bank reconciliations and accountability analyses to compare current assets (cash on hand and in the bank) to current liabilities (unremitted collections). Preparing bank reconciliations and accountability analyses enables clerks to verify the accuracy of financial records, including identifying any discrepancies in recording, and ensuring proper remittances are made to the supervisor and other parties.

In addition, Town Law Section 123 generally requires clerks to provide an accounting of all funds received and disbursed during the preceding year and to submit their books and records for audit by the board on or before January 20th each year. An annual audit helps provide independent verification that transactions are properly recorded and cash is properly accounted for.

Deposits We Reviewed Were Generally Made in a Timely Manner but the Clerk Did Not Accurately Record All Collections

The Clerk maintained two bank accounts for most of our audit period – one for water, sewer and Clerk fees (fee bank account) and the other for tax collections (tax bank account).² The Clerk deposited collections totaling \$351,296 into the fee bank account from January 1, 2023 through December 1, 2023.³ We reviewed water, sewer and Clerk fees for eight months⁴ totaling \$209,420 and all transfer site collection for garbage punch cards⁵ totaling \$16,845 by comparing collection records⁶ to duplicate

1 Department of Agriculture and Markets, Department of Health, Department of Environmental Conservation (DEC) and Office of the State Comptroller (OSC)

2 In August 2024, the Clerk opened two additional bank accounts – one for water and sewer fees, and a separate account for Clerk fees.

3 We performed a cash count for the Clerk's office on December 1, 2023.

4 See Appendix B for our sampling methodology.

5 The transfer site operator collects check and money order payments for garbage punch cards and remits those collections to the Clerk's office weekly for deposit.

6 The Clerk used two separate computerized recordkeeping programs to record fee collections. Clerk records were used to account for clerk fees, and water and sewer fees (which are typically batched and recorded in total) and to generate monthly reports to the Supervisor. Water and sewer records were used to account for water and sewer customer accounts, including billings, collections and unpaid balances.

deposit slips, bank deposit slips, and deposit compositions received from the bank to assess whether collections were accurately recorded and deposited in a timely manner.

We determined check, money order and credit card collections were generally deposited intact and in a timely manner. However, due to the Clerk’s poor recordkeeping, we could not confirm whether eight recorded cash and check collections totaling \$161 were deposited. We also could not determine whether individual cash collections totaling \$8,224 were deposited intact and in a timely manner for three of the eight months reviewed (September 2023 through November 2023). For the first five months in our audit sample, the Clerk routinely printed detailed daily collection reports that supported the duplicate deposit slips and bank deposits. However, the Clerk did not print daily collection reports for the remaining three months in our sample to show the specific collections that were included in the deposits.

Because the Clerk did not maintain sufficient records for these three months to compare individual cash collections to deposits, we reviewed the total cash collections recorded in the Clerk records from September 1, 2023 through November 30, 2023, and compared it to the total cash deposited in the fee bank account. We determined the Clerk deposited \$143 more in cash than was recorded in her records for the period.

In addition, our review of the eight months identified \$5,623 in check, credit card and cash collections that were deposited in the bank but were not recorded in the Clerk records. Figure 1 shows the types of collections that were not recorded. DEC swept⁷ the fee bank account to collect its share of the sporting license fees received by the Clerk (\$330). However, collections totaling \$2,793 were not included in the Clerk’s monthly reports and remitted to the Supervisor and OSC as required.⁸

Therefore, this \$2,793 represents liabilities for which the Clerk should make payments to the appropriate parties. Also, \$2,500 in credit card payments received for water and sewer fees were not appropriately refunded or credited to customers’ accounts.

The Clerk told us she was not aware that the transfer site and DEC payments were not recorded until we brought it to her attention. In addition, although she used the DEC Automatic Licensing System (DECALS) to record payments and issue sporting licenses (e.g., hunting, fishing), she did not retain supporting documentation for the license sales to assist in recording the transactions in the Clerk records. Had the Clerk printed and compared the collections recorded in the Clerk records and when preparing the bank deposits, she could have identified these unrecorded collections.

Furthermore, the Clerk was not aware that the credit card system continued accepting online payments for past due water and sewer fees totaling \$2,500 into October 2023, after the cut-off date for relevying

Figure 1: Unrecorded Collections for Eight Months Reviewed

Type	Amount
Water and Sewer ^a	\$3,069
Transfer Site	2,145
DEC Sporting Licenses	361
Bingo	48
Total	\$5,623

a) Includes credit card payments of \$2,500 and check payments of \$569

7 DEC sends a monthly invoice to the Clerk with the total sales including State and local share and automatically withdraws the State’s portion in the following month after collection.

8 See discussion in the section entitled, *The Clerk Did Not Accurately Report and Remit All Collections in a Timely Manner*.

unpaid water and sewer fees on the 2024 tax roll. The system has the capability to turn on or off the acceptance of online credit card payments; therefore, the receipt of payments could have been turned off in the system at the cut-off date for relevy, but this was not done. The Clerk identified the payments after the relevy cut-off date, but did not record the collections in either clerk fee records or the water and sewer records. As a result, the customers who paid their bills after the cut-off date also had their water and sewer account balances added to their 2024 tax bills, which they also paid. As of the end of our fieldwork on December 19, 2024, the Clerk had not issued refunds or credited the customers' accounts for the duplicate payments.

We also identified various other recording errors during our testing, including the following:

- 30 entries totaling \$6,696 did not have the correct form of payment (cash, check, credit card) or the correct check number reflected in the water and sewer records.
- Two collections totaling \$549 were posted twice for two customer accounts, resulting in the customers receiving extra credit towards their receivable account balances in the water and sewer records.
- One collection totaling \$374 was applied to the wrong customer account in the water and sewer records. As a result, the customer who made the payment had an incorrect unpaid balance in the records which was relieved and paid on their 2024 tax bill. The customer who improperly received credit for the payment did not have their unpaid balance relieved as it should have been.
- Remittances totaling \$225 to the County Treasurer and New York State Department of Agriculture and Markets for November 2023 dog licenses were paid out of the tax bank account rather than the fee bank account. In addition, taxes collected for one property totaling \$191 were deposited in the fee bank account in error. The Clerk was not aware of these errors until we brought them to her attention. Although the tax bank account was reimbursed for \$225 in December 2023, the Clerk had not transferred the \$191 to the tax bank account as of the end of fieldwork.

When collections are not accurately recorded and there is not a clear audit trail from recorded collections to deposits, officials do not have assurance that all collections are accounted for and deposited intact as received. In addition, there is an increased risk that customers may not receive the proper credit for payments made or that other errors or irregularities could occur and go undetected and uncorrected.

The Clerk Did Not Accurately Report and Remit All Collections in a Timely Manner

The Clerk prepared 42 monthly reports of collections covering the period from January 1, 2023 through December 1, 2023.⁹ The Clerk did not submit three of these reports or remit the related collections totaling \$68 to the appropriate agencies. In addition, seven reports and the related remittances were not submitted and paid in a timely manner to the Supervisor and other agencies. These reports and remittances ranged from 16 days to 178 days late. For example, the February report was not provided

⁹ Because we tested total remittances through December 1, 2023, we reviewed the Supervisor's monthly report for December 2023 (the full month) to determine accuracy and timeliness.

to the Supervisor until August 2023 and the July and August 2023 reports were not provided to the Supervisor until October 2023.

The Clerk told us she was busy handling tax collections during February and it was an oversight not to submit the February report to the Supervisor in a timely manner. In addition, when the July and August 2023 reports and payments were provided to the Supervisor in October, there was not enough money in the fee bank account to cover the payments to the Supervisor because water and sewer fee credit card payments were deposited incorrectly into the tax bank account. After this issue was identified, the Clerk worked with the credit card vendor to have the deposits go to the fee bank account and she transferred funds between the accounts to make the necessary payments due to the Supervisor.

As previously discussed, the Clerk did not record collections totaling \$5,623, which resulted in \$2,793 not being remitted to the appropriate parties and \$2,500 not being refunded or credited to the water and sewer customers' who paid their bills and also had their account balances relieved on their taxes.

When collections are not accurately reported or remitted in a timely manner, there is an increased risk that collections could be used for inappropriate purposes without detection.

The Clerk Did Not Prepare Monthly Bank Reconciliations or Accountability Analyses

The Clerk did not prepare monthly bank reconciliations or accountability analyses (comparing cash on hand to known liabilities). We prepared a bank reconciliation and accountability analysis as of December 1, 2023 and determined that the Clerk's liabilities exceeded assets by \$647 (Figure 2).

Figure 2: Accountability Analysis as of December 1, 2023

Assets	
Adjusted Bank Balance	\$91,104
Cash on Hand During Cash Count	383
Due from Supervisor – Reimbursement for Bank Charges	99
Total Assets	\$91,586
Liabilities	
Unremitted Collections (October 1, 2023 – December 1, 2023)	\$86,265
Petty Cash and Change Fund	162
Total Known Liabilities Before Audit Testing	\$86,427
Additional Liabilities Identified During Audit Testing	
Unrecorded Deposits – Due to Supervisor & OSC	\$2,793
Unrecorded Deposits – Due to Water and Sewer Customers	2,500
Unremitted Reports and Reporting Errors ^a	97
Due to Tax Bank Account ^b	416
Total Additional Liabilities Identified During Audit Testing	\$5,806
Total Liabilities	\$92,233
Total Cash Shortage	\$647

(a) Includes liabilities totaling \$68 related to reports that were not remitted to the appropriate agencies and \$29 in various reporting errors identified.

(b) The Clerk transferred \$225 of the amount due to the tax bank account in December 2023, after the date of this analysis.

During our audit testing, we identified various unrecorded deposits and other errors (as previously discussed) that resulted in an unremitted cash balance (liabilities) totaling \$5,806. Although we adjusted the accountability analysis for errors that we identified during our testing, we did not test every transaction, and the amount of this difference could change if additional errors were identified.

Had the Clerk prepared monthly bank reconciliations and accountability analyses throughout the audit period, she would have been able to identify errors in recording and reporting collections and taken action to correct them soon after they occurred. During our audit fieldwork (on September 30, 2024), the Clerk attended training that included how to perform bank reconciliations.

The Clerk Did Not Deposit and Remit Real Property Tax Collections in Accordance with Town Law Section 35

We examined 44 deposits and the associated 2023 real property tax collection records¹⁰ totaling \$2.04 million and all the associated tax remittances made by the Clerk to the Supervisor and County Treasurer. The Clerk did not make 11 deposits totaling \$191,581 in a timely manner. These deposits included collections that were deposited between one and 22 days after the 24 hours required by Town Law. The Clerk told us taxes are normally deposited daily unless there is an error which sometimes takes time to review and correct.

Although all collections were remitted to the appropriate parties, the Clerk did not make remittances in accordance with Town Law. The Clerk remitted taxes, interest and penalties to the Supervisor on March 1 and March 22, 2023, rather than weekly as required. Also, the Clerk made one remittance to the County Treasurer at the end of the collection period when the tax settlement¹¹ was done on March 21, 2023, rather than remit the funds by the 15th of each month after the Town's tax levy had been collected in full. As a result, payments to the Supervisor and County Treasurer of \$1.1 million and \$913,736, respectively, were made late.

The Clerk told us that she was not aware of the time requirement for remitting payments to the Supervisor and the County Treasurer. During our fieldwork, the Clerk and deputy clerk attended training on September 30, 2024, regarding the Clerk's fiscal responsibilities which included deposit and remittance requirements.

When taxes collected are not deposited and remitted in a timely manner, there is an increased risk that loss or theft could occur. In addition, the longer collections remain unremitted, the longer they remain unavailable to fund Town and County operations.

The Clerk Did Not Identify Tax Collection Recordkeeping Errors

We performed a detailed analysis of the 2023 tax collection period by reviewing deposit compositions received from the bank, duplicate deposit slips, bank deposit receipts and canceled checks and

¹⁰ The Clerk uses a separate computerized recordkeeping program to account for real property tax bills, collections and unpaid balances.

¹¹ At the end of the collection period, the Clerk is required to settle with the County Treasurer and must account for: the taxes collected, amounts remitted to the Supervisor and County Treasurer, any adjustments to the tax roll, and the taxes that remain unpaid.

identified various deposit and recording errors. For example, taxpayers did not pay the full amount owed for four tax payments which were underpaid by a total of \$110. The Clerk accepted the underpayments and generally recorded and remitted the amounts owed and not the amounts received. In addition, as discussed previously, a tax payment totaling \$191 was inadvertently deposited into the fee bank account rather than the tax bank account. We also identified numerous other calculation errors on the duplicate deposit slips prepared by the Clerk, although the bank credited the proper amounts.

Figure 3: Unidentified Cash Balance in the Tax Collector Bank Account

Date	Unidentified Balance	Change from Prior Year
1/1/2022	\$26	N/A
1/1/2023	\$2,099	\$2,073
12/1/2023 ¹	\$2,204	\$105
10/31/2024	\$4,375	\$2,171

1) Date we performed a cash count of the Clerk's office.

The Clerk did not reconcile the bank activity monthly and perform periodic accountability analyses of the tax bank account which would have identified most of these discrepancies. Because accountability analyses were not performed, the tax bank account has an unidentified balance which increased from \$26 when the Clerk first took office in January 2022 to \$4,375 as of October 2024 (Figure 3).

During fieldwork, we also became aware of errors with the recording of 2024 tax collections and the settlement with the County. The Clerk initially settled with the County in April 2024 and remitted \$932,369 to the County Treasurer for taxes and fees and returned an unpaid balance to the County for collection totaling \$342,274. However, after further review, the Clerk and staff in the County Treasurer's office determined the settlement was not correct. The Clerk went back through her 2024 tax records and identified various errors and the Clerk and County Treasurer prepared an updated settlement on October 2, 2024. For the second settlement, the Clerk paid the County Treasurer an additional \$25,795 for taxes that had been collected and reported the unpaid balance of \$133,812. At the end of the 2024 tax collection period, the Clerk had an unidentified cash balance in the tax bank account of \$4,375. When all taxes, interest and penalties are properly accounted for, the tax account balance should equal zero at the end of each collection period.

The Clerk told us that the cash balance in the tax account may include additional water and sewer fees collected that were not transferred to the Clerk bank account. However, because she did not complete reconciliations and accountabilities, she was unable to identify the source of the excess funds in the tax bank account as of the end of fieldwork.

Annual Audits of the Clerk's Records and Reports Were Not Performed

The Clerk did not present her records to the Board or provide an annual accounting of all funds received and disbursed, and the Board did not annually audit the Clerk's records and reports, as required.

As a result, the Board's ability to effectively monitor financial operations was diminished. The annual audit helps the Board fulfill its overall fiscal oversight responsibilities by providing it with an opportunity to assess the reliability of the Clerk's records and reports and to identify conditions that need improvement. This oversight is especially important when one individual, such as the Clerk, is responsible for receiving and recording collections, disbursing funds and reconciling the accounts.

During our audit, we shared OSC's publication *Local Government Management Guide – Fiscal Oversight Responsibilities of the Governing Board* (Figure 4) with the Supervisor. This publication discusses the Board's audit responsibilities and provides guidance and resources for conducting an audit of the Clerk's records.

What Do We Recommend?

The Clerk should:

1. Ensure all collections are deposited intact as received.
2. Generate daily collection reports to clearly show the individual collections included in each deposit and compare the recorded collections to bank deposits to identify any unrecorded collections or discrepancies.
3. Ensure water and sewer customer accounts are properly credited in a timely manner when payments are received.
4. Retain reports generated from DECALS to document sporting license sales and collections.
5. Refund or credit water and sewer customers for the \$2,500 in duplicate payments received and correct the other water and sewer customer account errors identified in this report.
6. Turn off the credit card payment acceptance feature in the credit card system at the time of relevy for unpaid water and sewer fees to stop any online payments from being processed during that time.
7. Report and remit the fees identified in this audit that are owed to the Supervisor and other parties and transfer \$191 from the fee bank account to the tax bank account for the taxes deposited in the wrong account.
8. Report and remit all collections to the Supervisor and appropriate parties in an accurate and timely manner.
9. Prepare monthly bank reconciliations and accountably analyses for each bank account to help ensure errors are detected and corrected in a timely manner.

FIGURE 4

OSC Publication

Local Government Management Guide – Fiscal Oversight Responsibilities of the Governing Board



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10. Ensure all real property tax collections are accurately recorded, deposited in a timely manner and remitted to the Supervisor and County Treasurer within the required timeframes.
 11. Attempt to identify the source of the excess cash balance in the tax bank account and remit the funds to the appropriate parties. If the funds cannot be identified, they should be remitted to the Supervisor.
 12. Attend additional training to help with fulfilling the financial duties of the Clerk's office. Such training can include local officials training provided by OSC.¹²
 13. Provide an annual accounting of receipts and disbursements to the Board and submit the accounting records to the Board for audit on or before January 20th each year.

The Board should:

14. Conduct an annual audit of the Clerk's records as required.

¹² www.osc.state.ny.us/local-government/academy

Appendix A: Response From Town Officials



Town of Rutland, New York

28411 NYS Route 126
Black River, NY 13612
(315) 788-3440

Logan M. Eddy
Town Supervisor

Office of the State Comptroller
Division of Local Government & School Accountability RDU
110 State Street, 12th Floor
Albany, NY 12236

June 2, 2025

Re: Audit Response Letter – Town Clerk/Tax Collector

To Whom It May Concern:

The Rutland Town Board appreciates the opportunity to respond to the Office of the State Comptroller's draft audit report regarding the operations of the Town Clerk's Office. We thank the audit team for its professionalism and thoroughness throughout the audit process. After reviewing the findings, the Town Board agrees with the key observations outlined in the draft report and provides the following response.

The Board concurs with the finding that the Clerk did not consistently record, deposit, remit, or report all collections in an accurate and timely manner. We recognize the specific deficiencies noted, including:

- Uncertainty regarding the deposit of \$161 in cash and check collections and delayed deposits of \$8,224 in cash collections,
- Deposits of \$5,806 that were not recorded in the records,
- Significant delays in submitting monthly reports and remittances to the Supervisor and other agencies,
- Untimely deposits and remittances of real property taxes totaling \$191,581,
- The absence of monthly bank reconciliations and accountability analyses, which contributed to a \$647 cash shortage and an unidentified \$4,375 balance in the tax bank account.

The Town Board acknowledges that these issues represent serious deficiencies in financial management and internal control. While the Board does not have direct supervisory authority over the Clerk's day-to-day operations, we would like to note that the Board has, on multiple occasions, offered training and additional resources, including staffing support, to help ensure the Clerk's Office had the capacity and support necessary to fulfill its financial responsibilities.

The Board remains committed to advocating for sound financial practices within the Clerk's Office to the extent of its authority. Moving forward, upon receipt of the same, the Board will

begin conducting an annual audit of the Clerk's records, as required by Town Law. This corrective measure will be reflected in the Town's forthcoming Corrective Action Plan, to be submitted upon receipt of the final audit report.

Again, we thank the audit team for its detailed work and believe the findings will serve as a critical tool in guiding improvements to financial oversight and compliance.

Best Regards,

Logan M. Eddy
Town Supervisor
Town of Rutland

Town of Rutland
Office of the Town Clerk/Tax Collector
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Black River, NY 13612

Town Clerk

Response to OSC Audit Report 2025M-19

Prepared by: Samantha E. Sawyer, Town Clerk/Tax Collector

Date: May 26, 2025

Introduction

This Corrective Action Plan (CAP) addresses the findings in the draft report from the Office of the State Comptroller (OSC), issued under Report Number 2025M-19. The Town Clerk/Tax Collector's Office recognizes the deficiencies noted and is fully committed to making operational improvements, increasing transparency, and strengthening internal controls.

1.

Timely Reporting and Remittance of Collections

Finding: Delays and inconsistencies in reporting and remitting collections to the Supervisor and County Treasurer.

Corrective Action:

- A strict bi-weekly remittance schedule has been implemented for all collected funds.
- A reconciliation checklist is now used to track deposit dates, amounts, and remittance deadlines.
- Payments are logged and initialized by the Clerk or Deputy to ensure verification.

2.

Failure to Prepare Monthly Bank Reconciliations and Accountability Analyses

Finding: Monthly bank reconciliations and cash accountability reviews were not completed.

Corrective Action:

- Monthly reconciliations are now conducted monthly and verified by my Deputy Clerk
- The Town Supervisor receives a monthly financial status report from the Clerk.
- OSC's training on reconciliation best practices has been completed as of September 30, 2024.

Town of Rutland
Office of the Town Clerk/Tax Collector
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Black River, NY 13612

3.

Unidentified Balances and Duplicate Payments

Finding: \$2,500 in duplicate water/sewer payments and unexplained excess balances in the tax bank account.

Corrective Action:

- Duplicate payments have been fully identified and are being refunded or credited to accounts.
- The tax account has been reviewed, and unidentified funds are in the process of being properly allocated or remitted to the Supervisor if unresolved.
- 4.

Credit Card System Oversight

Finding: Continued acceptance of credit card payments after the tax relevy cutoff.

Corrective Action:

The credit card system vendor has been contacted, and cutoff features are now configured correctly.

- A written procedure has been developed to verify system settings during each tax relevy period.

5.

DECALS Record Retention

Finding: DECALS (sporting license) transaction records were not retained.

Corrective Action:

DECALS monthly sales reports are now printed and digitally archived in the Clerk's office, effective January 2025.

6.

Annual Reporting to the Board

Finding: The Clerk failed to submit a comprehensive annual report to the Board.

Corrective Action:

Town of Rutland
Office of the Town Clerk/Tax Collector
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Black River, NY 13612

- An annual accounting of receipts and disbursements is scheduled for submission by January of each year.
- Fiscal year 2025 report is already in preparation and will be presented at the January 2026 Town Board meeting.

7.

Training and Oversight

Finding: Lack of oversight and training contributed to procedural issues.

Corrective Action:

- The Clerk and Deputy Clerk completed fiscal training with OSC on September 30, 2024.
- The Board has been encouraged to implement an annual internal audit requirement for the Clerk's office.

Board Action

Recommendation for Town Board:

- The Board will begin conducting an annual audit of the Clerk's records starting with the 2025 fiscal year, with the goal of ensuring accountability and compliance going forward.

Clerk Response

I agree with the findings as presented. I recognize the importance of keeping accurate and timely [reporting/reconciliations/recordkeeping/etc. as required by New York State law. Corrective action is already underway to address this issue and ensure it does not recur.

Respectfully submitted,

Samantha E. Sawyer

Town Clerk/Tax Collector

Town of Rutland

[Email: Townclerk@townofrutland-ny.org | Phone: 315-788-3440

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 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 the Clerk and other Town officials to gain an understanding of internal controls over collecting, recording, depositing, remitting and reconciling funds collected by the Clerk, and to determine whether policies and procedures were in place for Clerk operations.
- We interviewed Board members and the Clerk to determine the extent of any Board oversight of the Clerk's collection activities and whether an annual audit of the Clerk's records was conducted.
- We conducted a cash count as of December 1, 2023, to establish cash on hand in the Clerk's office and performed an accountability analysis as of this date to determine whether current assets (cash on hand and on deposit) agreed to current liabilities (collections received that had not been remitted to the appropriate entities).
- We compared the total recorded activity in the Clerk records to the monthly reports, bank statements and canceled checks to determine whether the collections were reported and remitted in a timely manner from January 1, 2023 through December 1, 2023.
- We compared the total monthly activity in the Clerk records for water and sewer fees collected to the total recorded activity in the water and sewer records to identify any significant differences for additional follow up within the sample months selected for testing.
- We used our professional judgment to select a sample of eight months of water, sewer and clerk fees collected in 2023. Our sample included: January, February, March, May, June, September, October and November. We selected January through March as these months are high collection months for both water and sewer fees and taxes. We selected May, June and October because there were significant differences between the total recorded water and sewer fees in the Clerk records and the total amount recorded in the water and sewer records. Furthermore, we included September because this was the largest amount collected for DEC sporting licenses and there was a significant difference between what was recorded as collected and the amount swept by DEC. Finally, we selected November because the total amount remitted to agencies was different than the amount recorded in the Clerk records.
- We compared the Clerk's accounting records and supporting documentation including: cash receipts; dog license reports; water and sewer collection data and reports; DEC reports (obtained directly from DEC); deposit compositions, bank statements and canceled check images (obtained directly from the bank); and monthly Supervisor reports (obtained directly from the Supervisor's clerk) to determine whether all transactions were accurately recorded, deposited, reported and remitted.
- Due to the lack of supporting documentation for cash-related collections from September 1, 2023 through November 30, 2023, we compared total cash collected and recorded in the Clerk records to the total cash deposited.

-
- We reviewed recorded transfer site collection from January 1, 2023 through December 1, 2023, to determine the accuracy of deposits and remittances.
 - We compared all bank statement activity and check images to transactions in the Clerk's monthly reports for the audit period to determine whether the Clerk remitted fees to the Supervisor, County Treasurer and State agencies in a timely manner.
 - We reviewed the tax bank account as of January 1, 2022, to determine the amount of money the Clerk was accountable for when she took office on January 1, 2022.
 - We reconciled the tax collection activity for 2023 from the tax records to the tax bank account to determine whether all recorded collections were deposited intact and in a timely manner.
 - We reviewed the 2023 tax records, tax account bank statements, canceled check images and settlement report to determine whether tax collections, including interest and penalties, were accurately remitted to the Supervisor and County Treasurer in a timely manner.
 - We reviewed the Clerk's 2023 tax settlement with the County. We compared amounts levied from the collector's warrant to remittances to the Supervisor and County Treasurer and unpaid balances turned over to the County for collection to determine whether the Clerk accurately closed out the tax collection process.
 - We reviewed the initial settlement report and an updated settlement report between the Clerk and County Treasurer for 2024 taxes to identify changes and corrections made by the Clerk after the first settlement was performed.

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

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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Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

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

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

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