New York State Comptroller
THOMAS P. DiNAPOLI

Town of Rose

Supervisors' Records and Reports

August 2026 | 2026M-63
Prepared by the Division of Local Government and School Accountability

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Audit Results

Town of Rose

Audit Objective

Did the Town of Rose (Town) Supervisors (Supervisor) maintain complete, accurate and up-to-date accounting records and reports?

Audit Period

January 1, 2024 – April 21, 2026

We extended the audit period to review the Town's 2023 through 2025 Annual Financial Report (AFR) filings as of April 21, 2026.

Understanding the Audit Area

Complete, accurate and up-to-date accounting records and reports provide the foundation for sound financial management by helping ensure that all financial activity is properly recorded, assets are safeguarded and financial information is available to support informed decision-making. Accurate accounting records and timely financial reports enable a town board to effectively monitor a town's financial condition, evaluate budget-to-actual results, and identify financial trends. They also promote transparency and accountability by providing officials, taxpayers and other stakeholders with reliable information about how public resources are received, spent and managed.

The Town's budgeted appropriations for fiscal year 2026 totaled $2.5 million.

Audit Summary

The Supervisors[1] did not maintain complete, accurate and up-to-date accounting records and reports. Although the Supervisors assigned their duties for maintaining their accounting records and preparing disbursements and financial reports to the appointed Clerk to the Supervisor (bookkeeper), the Supervisors did not provide adequate oversight of these duties. As a result, the Town Board (Board) lacked reliable financial information to effectively manage the Town's financial condition and operations, increasing the risk that errors, irregularities and misuse of Town resources could occur and remain undetected.

The bookkeeper maintained the Town's accounting records and prepared financial reports. The former Supervisor did not adequately review and approve journal entries and online bank transfers, ensure monthly bank reconciliations were prepared and reviewed, verify the accuracy of monthly financial reports provided to the Board or adequately certify payroll before payment.

As a result, significant deficiencies existed in the Town's accounting records and reports. From January 1, 2024 through December 31, 2025, $4.9 million in revenues and $4 million in disbursements were not recorded in the computerized accounting software because only January 2024 and January 2025 activity was entered. Although the bookkeeper prepared monthly reports using a spreadsheet, the reports were inaccurate and overstated receipts by $14,095 and disbursements by $212,431 from January 1, 2024 through December 31, 2025. In addition, the reports did not include budget-to-actual information and monthly bank reconciliations were not prepared for the former Supervisor's review. As a result, these deficiencies and inaccuracies went undetected and uncorrected.

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1 The former Supervisor's term ended on December 31, 2025 and the current Supervisor's term started on January 1, 2026.

The Supervisors also did not ensure the AFRs were filed with the Office of the New York State Comptroller (OSC), as required by New York State General Municipal Law (GML) Section 30.[2] While the former Supervisor filed the 2023 AFR in October 2025, 580 days after the statutory deadline, the Town's 2024 and 2025 AFRs remained unfiled as of April 21, 2026.

Upon taking office on January 1, 2026, the current Supervisor retained the same bookkeeper and accounting processes. As of April 21, 2026, the Town's accounting records remained incomplete and not up to date.

Furthermore, while the Supervisors reviewed timecards, they did not perform an adequate payroll certification, such as reviewing the bi-weekly payroll records prepared by the bookkeeper and processed by a third-party vendor and verifying salaries and rates of pay for all employees paid. As a result, 18 employees were inaccurately paid a total of $611.

The report includes six recommendations that, if implemented, will help ensure the Town's accounting records and reports are complete, accurate and timely, improve financial oversight, accountability, transparency, and reduce the risk of errors and irregularities. Town officials generally agreed with our findings, and their response is included in Appendix B. Our comment on the Town's response is included in Appendix C.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and OSC's authority as set forth in Article 3 of the New York State General Municipal Law (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 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.

2 OSC's website provides more information on AFR nonfilers and the Town's current AFR filing status at: https://web.osc.state.ny.us/localgov/afr-non-filers/.

Supervisors' Records and Reports: Finding and Recommendations

A town supervisor should maintain financial records that provide a complete, accurate and up-to-date accounting of all financial transactions. If a town supervisor assigns these duties to another official or employee (e.g., bookkeeper), the town supervisor should provide adequate oversight of their work, because the town supervisor is still responsible for the completeness and accuracy of the financial records. Supervisory review of reconciled bank account balances to the general ledger balances monthly is necessary to timely identify and correct any errors and deficiencies. It is also important for the town supervisor to review and certify payroll records to ensure the bookkeeper has adequately processed payroll and employees are paid accurately.

In addition, a town supervisor should provide the town board with complete and accurate monthly financial reports and file the required AFR with OSC so the town board can effectively manage the town's financial operations.

More details on the criteria used in this report, as well as resources OSC makes available to local officials that can help them improve operations, are included in Appendix A.

Finding 1 – The Supervisors did not maintain complete, accurate and up-to-date accounting records and reports.

The Supervisors did not ensure that their financial records and reports were complete, accurate and up to date because they delegated most of their financial responsibilities to the bookkeeper without providing adequate oversight. The bookkeeper collected, deposited and recorded revenues, prepared checks for signature, made online transfers between bank accounts, prepared and approved payroll for processing and disbursement by a third-party vendor, and provided monthly financial reports to the Board. While the Supervisors signed checks and reviewed timecards, they did not review the accounting records and reports, certify payroll, review and reconcile bank accounts, or review supporting documentation for disbursements before payment. Due to the Supervisors' lack of adequate oversight, deficiencies in the Town's accounting records and reports went undetected and uncorrected.

We determined the bookkeeper did not properly record all revenues, disbursements and transfers in the Town's computerized accounting software between January 1, 2024 and December 31, 2025. Specifically, we identified unrecorded revenues and transfers in, totaling $4.9 million and unrecorded disbursements and transfers out, totaling $4 million. The recording deficiencies occurred because the bookkeeper only recorded revenues and disbursements for January 2024 and January 2025 in the computerized accounting software. The bookkeeper told us that she was correcting errors in the 2023 accounting records made by the former bookkeeper and was unable to enter financial information for most of 2024 and 2025.

Although the bookkeeper recorded total revenues and disbursements in a spreadsheet to prepare and print the Supervisor's monthly report using information from the bank statements, abstracts and deposit records, she did not maintain historical information because she overwrote the spreadsheet file each month, when she created each new monthly report. In addition, from January 1, 2024 through December 31, 2025, the former Supervisor's monthly reports were inaccurate and overstated revenues totaling $14,095 and disbursements totaling $212,431 because the bookkeeper did not always record transfers appropriately, resulting in the Board not knowing the true financial position of the Town. The reports also did not include sufficient information for the Board's review of Town finances, including budget-to-actual amounts, to be able to track spending. The bookkeeper did not prepare monthly bank reconciliations and could not provide a reasonable explanation for these deficiencies.

The current Supervisor retained the bookkeeper and the same practices as the former Supervisor, including the spreadsheet file. As a result, financial transactions remained unrecorded in the computerized accounting software and the accounting records continued to be inaccurate and outdated and the monthly financial reports were unreliable.

In addition, the Supervisors did not prepare and file the Town's AFRs with OSC for fiscal years 2024 and 2025, as required by GML Section 30, and the AFRs remained unsubmitted as of April 21, 2026. The former Supervisor filed the 2023 AFR in October 2025, or 580 days late,[3] with the assistance of the Town's external accountant. The Supervisors and bookkeeper told us that they are working with the external accountant to update the 2024 and 2025 accounting records and file the delinquent AFRs.

Because of the Supervisors' lack of oversight and the bookkeeper's ability to disburse money and make bank transfers, we reviewed 100 disbursements totaling $68,196 to determine whether they were supported, approved and for an appropriate Town purpose. While six disbursements totaling $3,518 were not listed on an abstract (listing of claims to be paid), all 100 disbursements lacked evidence of Board audit and approval because the Board did not review the claims for disbursements. Three Board members told us that they did not review individual claims because they approved bills based on the abstract, which they thought was all that was necessary. Additionally, 25 disbursements totaling $9,976 did not have adequate supporting documentation. We were also unable to determine whether six of the 25 disbursements totaling $597 were for a reasonable Town purpose, as some of these were for mileage reimbursements with no documented purpose or purchases from vendors that could also be personal in nature without adequate supporting documentation or a documented purpose. For example, three of the six disbursements totaling $256 were payable to Town officials or employees for reimbursements without adequate supporting documentation or explanations. Additionally, we reviewed bank activity for all accounts from January 1, 2024 to December 31, 2025 and did not identify any transfers to non-Town bank accounts.

Furthermore, although the former Supervisor told us that he reviewed timecards, he did not compare the information to the payroll records, such as the spreadsheet of employee activity, used to summarize employee work hours for payroll processing, prepared by the bookkeeper and processed by a third-party vendor, review a payroll change report or certify payroll. We reviewed the payrolls for December 2024 and 2025 that included all pay frequencies (i.e., annual, quarterly and bi-weekly) to determine whether the amounts paid to 36 officials and employees were accurate. We determined that 18 employees were inaccurately paid a total of $611, including one zoning board member who was paid $369 without documentation indicating that the Board appointed the individual to the position and the amount to be paid, and 17 employees who were incorrectly paid a total of $242.

The bookkeeper could not provide a reasonable explanation for these deficiencies. Without an adequate payroll certification, including the review of supporting documentation used to process payroll, inaccurate payments were not identified in a timely manner.

Without complete, accurate and up-to-date accounting records and sufficient monthly reports, the Board's ability to effectively monitor the Town's financial operations is inhibited and there is an increased risk of fraud, waste and abuse. Furthermore, taxpayers, residents, and other interested parties could not properly assess the Town's financial operations and condition to make informed decisions.

3 Ibid.

Recommendations

The Supervisor should:

1. Provide effective oversight of the bookkeeper by reviewing accounting records, journal entries, bank reconciliations and other financial reports to ensure financial records and reports are complete, accurate and maintained in a timely manner.

2. Review and approve all online banking transfers before they are processed and retain documentation of the approval.

3. Ensure bank reconciliations are prepared and reviewed, and investigate any discrepancies in a timely manner.

4. Provide the Board with complete, accurate and timely monthly financial reports, that include reconciled cash balances, detailed bank activity and budget-to-actual financial information.

5. Prepare and file all outstanding AFRs and ensure future AFRs are filed with OSC by the required deadline.

6. Review supporting payroll documentation and verify that salaries, wages and pay rates are authorized and consistent with Board-approved compensation before certifying payroll for payment.

Appendix A: Profile, Criteria and Resources

Profile

The Town, located in Wayne County, is governed by the elected five-member Board which includes the Supervisor and four Board members. The Board is responsible for the general oversight of Town operations and finances. The Supervisor, as chief fiscal officer, is responsible for receiving, disbursing and retaining custody of Town money, maintaining accounting records, controlling all bank accounts and online transactions and providing financial reports to the Board.

The Town's fiscal year is from January 1 through December 31, and the Town has a population of approximately 2,300 residents.

Criteria

A town supervisor should maintain financial records that provide a complete, accurate and up-to-date accounting of all financial transactions. If a town supervisor assigns these duties to another official or employee (e.g. bookkeeper), the town supervisor should provide adequate oversight of their work because the town supervisor is still responsible for the completeness and accuracy of the financial records.

The town supervisor should ensure all receipts and disbursements are properly recorded by reconciling bank account balances with the accounting records or reviewing reconciliations prepared by the bookkeeper. Bank reconciliations allow for the timely identification and documentation of differences between a town's accounting records and bank account balances.

New York State Town Law (Town Law) Section 125 requires, at the end of each month, a town supervisor to submit a monthly report to a town board detailing all money received and disbursed during the month. The report should also include reconciled cash balances for each fund and comparisons of actual revenues and expenditures to amounts estimated in the annual budget (budget status reports).

GML Section 30 requires the town supervisor to file an AFR with OSC within 60 days following the close of the fiscal year and a 60-day extension may be approved. The AFR provides detailed information about the finances of a town and includes such items as revenues, expenditures, debt, cash reserves and fund balance. GML Section 30 also requires the town, to the extent practicable, to make AFR information available to the public on its official website.

Town Law Section 120 requires that all payrolls or other claims for compensation for personal services are certified by a town officer (such as the town supervisor) or direct supervisor of the employee to ensure accuracy and that services indicated on the payroll were performed.

Additional Resources

OSC's *Local Government Management Guides,* and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- *Accounting and Reporting Manual – Counties, Cities, Towns, Villages, Libraries, Soil and Water Conservation Districts*: https://www.osc.ny.gov/files/local-government/publications/pdf/arm.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

- *Information for Town Officials*: https://www.osc.ny.gov/files/local-government/publications/pdf/information-for-town-officials.pdf

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: https://www.osc.ny.gov/local-government

Appendix B: Response From Town Officials

The content below is a reproduced copy of the original response letter issued by Town officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[4] and may have included changes to spelling and grammar. The substance of the content was not changed.

Town of Rose

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August 6, 2026

Dear Stephanie Howes,
Chief of Municipal Audits and School Accountability

My name is Christine Rice, Town Supervisor for the Town of Rose. On July 29, 2026, the Town of Rose participated in an exit conference with the New York State Comptroller's Office. This letter serves as the Town of Rose's official written response to the audit findings discussed during that meeting.

At this time, the Town does not dispute the findings presented in the Comptroller's report. However, we have taken immediate and proactive steps to address the recommendations outlined by the Office of the State Comptroller (OSC). We have obtained the necessary training for our accounting software to ensure accurate data entry and timely completion of all overdue Annual Financial Reports (AFRs). Addressing these deficiencies will resolve the OSC's findings regarding unrecorded, inaccurate, and outdated financial records.

Prior to the July 29, 2026 exit conference, the Town Bookkeeper completed the 2024 AFR. The Bookkeeper is now entering and reconciling the 2025 financial records and is working diligently to submit the 2025 AFR within the coming month. While the accounting software records were not current, monthly Supervisor's Reports were prepared using spreadsheets to monitor the Town's finances. Although these spreadsheets may not have reflected the most current software data, the Bookkeeper maintained accurate financial accountability. In addition, while the Supervisor's Reports were not saved electronically on the Bookkeeper's computer, hard copies were printed each month and reviewed by the Town Supervisor and members of the Town Board [OSC Comment: See Appendix C, Note 1].

The Town Board and I are also closely monitoring the 2026 budget by maintaining budget-to-actual comparisons and cross-referencing all revenues and expenditures to ensure the Town's financial records remain accurate and current.

The audit also identified concerns regarding payroll oversight and employee overpayments. We were unaware that a miscalibration within the accounting system's payroll calculations had caused rounding errors, resulting in minor payroll discrepancies. This issue has since been corrected, and payroll calculations are now accurate.

I assumed the office of Town Supervisor on January 1, 2026. As I transitioned into this role, the OSC identified areas requiring improvement. I have taken the lead in implementing corrective actions to strengthen the Town's financial oversight and administrative practices. This includes ensuring that all financial documentation is properly completed, reviewed, and maintained. I personally review payroll submissions and supporting records to help ensure that employees are paid accurately and in a timely manner.

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4 https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule

In addition, the Town Board and staff are reviewing and updating our policies on an ongoing basis. We are revising outdated procedures, adopting new policies where needed, and strengthening our internal controls to improve overall operations. We are currently finalizing a revised policy governing the monthly internal audit of claims and vouchers.

As demonstrated above, the Town is actively addressing the audit findings and remains committed to continuous improvement. We view this audit as an opportunity to strengthen our financial management practices and better serve our residents. Town officials and staff are taking advantage of the training opportunities and resources provided by the Office of the State Comptroller, including both in-person and regional training sessions. These educational opportunities are helping us better understand our responsibilities and implement best practices that are appropriate for the needs of our rural community.

Thank you for the opportunity to respond to the audit findings and recommendations issued by the Office of the State Comptroller. The Town of Rose is committed to full compliance with OSC recommendations and to maintaining sound financial management practices for the benefit of our taxpayers.

Best Regards,

Christine Rice
Town of Rose Supervisor
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Appendix C: OSC Comment on the Town's Response

Note 1

The financial data maintained by the bookkeeper in the computerized accounting software and spreadsheets and reported to the Board was inaccurate, incomplete and not up to date. Therefore, the Board's ability to monitor Town operations was hindered.

Appendix D: Audit Methodology and Standards

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

- We interviewed officials and reviewed Board-adopted policies and various financial records and reports to gain an understanding of the Town's internal controls and procedures for maintaining accounting records, preparing bank reconciliations and reporting financial transactions.

- We reviewed Board meeting minutes to determine the financial information provided to the Board and Board authorizations related to our audit objective.

- We reviewed the bank statements to determine deposited revenues, disbursements and transfers and compared them to the abstracts, payrolls and monthly Supervisor's reports to determine whether the accounting records were complete, accurate and up to date from January 1, 2024 through December 31, 2025.

- We reviewed 24 monthly financial reports the Supervisor provided to the Board from January 2024 through December 2025 to determine whether these reports were complete, accurate, provided to the Board in a timely manner and included any appropriation accounts which were overspent.

- We reviewed the Town's AFR filings from 2023 through 2025 to determine whether the Supervisors submitted AFRs to OSC within 60 days of the close of the fiscal year.

- We reviewed all 100 non-payroll cash disbursements totaling $68,196 from the bank statements for November 2024 and November 2025, based on our professional judgment. We selected the first completed month before starting the audit, as this would provide for the most current operating effectiveness of the Town's disbursement processes, and the same month in the prior year of the audit period to assess consistency. We reviewed supporting documentation, such as vouchers, invoices and receipts, to determine whether all were adequately supported, approved and for an appropriate Town purpose.

- We reviewed bank activity for all bank accounts from January 1, 2024 to December 31, 2025 to identify whether transfers were made to any non-Town bank accounts.

- We used our professional judgment to select two months of payroll (December 2024 and December 2025) to review, ensuring we reviewed months that included all pay frequencies (annual, quarterly and bi-weekly). We reviewed payroll reports, Board-approved salaries or hourly rates and other supporting documentation to determine whether employees were paid accurately.

OSC auditors conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Auditors believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the 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.

Questions?

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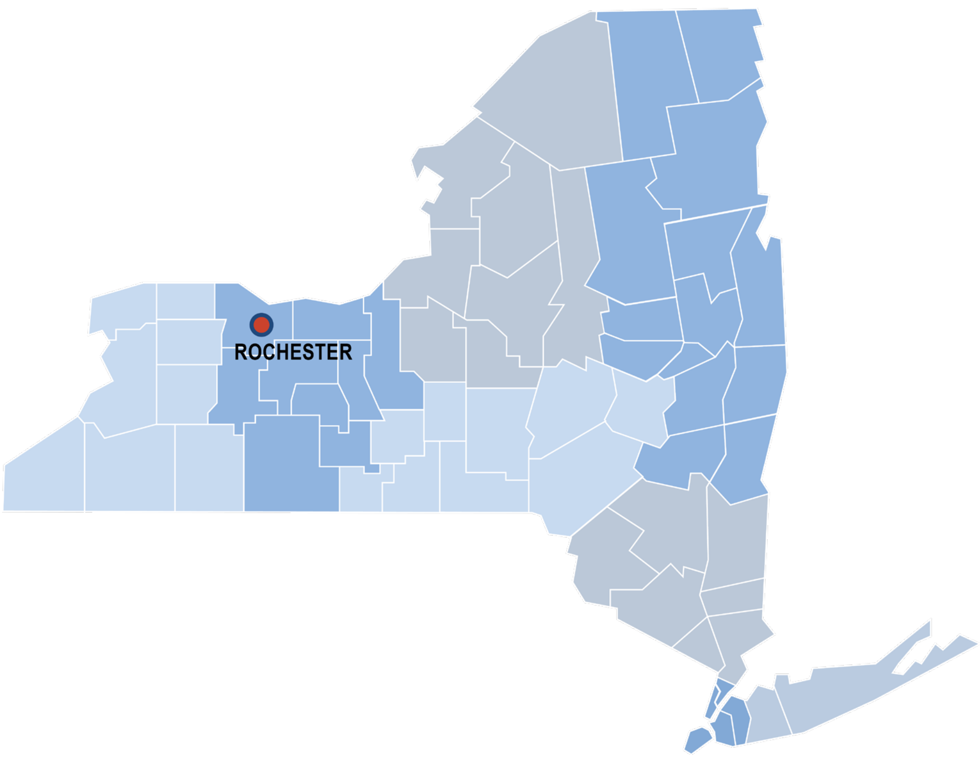

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Prepared by the Division of Local Government and School Accountability