



Scarborough Fire District

Board Oversight

2025M-117 | January 2026

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Audit Results



Scarborough Fire District

Audit Objective	Audit Period
Did the Scarborough Fire District (District) Board of Fire Commissioners (Board) provide adequate oversight of the District's financial operations?	January 1, 2024 – February 28, 2025 We extended the audit period back to January 1, 2019 and forward to October 31, 2025, to review the timeliness of required Annual Financial Report (AFR) submissions, and forward to April 30, 2025, to review Commissioners' training certifications.
Understanding the Audit Area	
<p>The Board, responsible for the general management and control of the District's financial operations, must provide adequate oversight of the District's financial operations to ensure public funds are managed with accountability, transparency and integrity. This critical function can help maintain public trust, prevent mismanagement, waste, fraud and legal non-compliance.</p> <p>The elected five-member Board, including the Chairwoman and four Commissioners, is responsible for the District's general management and financial control, including establishing and adopting any policies. The Board-appointed Secretary-Treasurer (Treasurer) is the chief fiscal officer (CFO) and is responsible for receiving, disbursing and accounting for District funds and preparing financial reports.</p> <p>The District's budgeted appropriations for the 2024 and 2025 fiscal years were \$250,650 and \$259,250, respectively.</p>	

Audit Summary

The Board did not provide adequate oversight of the District's financial operations. As a result, the Board could not ensure that it was positioned to oversee the District's financial operations, policies were in place or that necessary reporting requirements were met. Further, when the Board does not ensure that AFRs are filed in a timely manner, it prevents the Board, taxpayers, the Office of the State Comptroller (OSC) and other interested parties from assessing the District's financial standing.

Specifically, the Board did not:

- Adopt written financial policies to establish a system of internal controls that ensure oversight of financial operations, including a code of ethics, investment policy or procurement policy, as required by New York State General Municipal Law (GML).
- Develop and adopt written multiyear financial and capital plans.
- Ensure all Commissioners completed the mandatory fiscal oversight training in a timely manner.
- Ensure that the Treasurer filed the District’s 2018 through 2024 AFRs. The 2024 AFR was 244 days late as of October 31, 2025 (Figure 1).

Figure 1: AFR – Number of Days Late as of October 31, 2025

Fiscal Year	Due Date	Date Filed	Days Late
2018	March 1, 2019	Not Filed	2,436
2019	February 29, 2020	Not Filed	2,071
2020	March 1, 2021	Not Filed	1,705
2021	March 1, 2022	Not Filed	1,340
2022	March 1, 2023	March 29, 2025	759
2023	February 29, 2024	May 11, 2025	437
2024	March 1, 2025	Not Filed	244

The report includes five recommendations that, if implemented, will improve the Board’s oversight of financial operations. District officials generally agreed with our recommendations and have indicated they planned to initiate corrective action. Appendix C includes our comment on an issue that was raised in the District’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. Pursuant to Section 181-b of New York State Town Law (Town Law), a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review.

Board Oversight: Findings and Recommendations

A fire district board is responsible for overseeing the district's financial operations to safeguard its resources. To fulfill this duty, it is essential to establish a system of internal controls that consists of clearly defined and enforced written policies and procedures. In addition, a fire district board should adopt multiyear financial and capital plans that identify long-term priorities and goals. Each commissioner is also required to attend and successfully complete training regarding their oversight duties within 270 days of their first day in office. The fire district board is also required to audit all claims against the fire district before payment and, by resolution, order the treasurer to pay the approved claims. Further, a fire district treasurer is required to file the fire district's AFR within 60 days after the end of each fiscal year. Lastly, the fire district board is required to obtain an annual audit by an independent certified public accountant (CPA) of its Length of Service Awards Program (LOSAP) within 270 days of the fiscal year end.

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 4), are included in Appendix A.

Finding 1 – The Board did not provide adequate oversight of financial operations.

While the Board fulfilled some of its oversight duties by auditing all District claims before payment and contracting with a CPA to perform an annual audit of the District's LOSAP, it did not perform other duties such as adopting policies and procedures, developing multiyear financial and capital plans, completing mandatory training and filing AFRs.

Policies and Procedures – The Board did not develop and adopt written policies and procedures for the District's financial operations for areas such as ethics, investments, procurements, credit cards, reserve funds and fund balance. GML requires the District to have a code of ethics and investment and procurement policies. Without a procurement policy, the District did not have official guidelines for seeking competition when procuring goods and services. As a result, there was an increased risk that the District could spend more than necessary when obtaining goods and services. Also, without a code of ethics, the Board and District officials have no written guidance to reference when ethics issues arise. In addition, although the District had money in an interest-bearing account, having an investment policy would provide guidance on how to maximize earnings.

Four Commissioners told us that they followed applicable rules and regulations and that written policies and procedures were not needed based on their small size and limited operations. While developing and adopting financial policies and procedures will not guarantee error-free financial operations, they are required and help to communicate the Board's role for oversight, expectations of District officials and members involved with financial operations. When followed, policies and procedures help to reduce the risk of potential errors or irregularities occurring and not being identified and corrected. Additionally, written policies and procedures provide guidance when District official and member turnover occurs.

Multiyear Financial and Capital Plans – The Board did not develop written multiyear financial or capital plans. The District’s truck and capital reserve account balances were \$640,815 and \$393,951, respectively, as of February 28, 2025. However, District officials did not develop written plans for the intended use of these funds. Four of the five Commissioners and the Treasurer told us that the District had no plans for any immediate future use of these funds except for the purchase of a fire engine before 2030. They also told us that they were not aware that they should have written multiyear financial and capital plans. The establishment of multiyear plans would help guide officials as they develop future budgets and provide more transparency to taxpayers on the District’s long-term financial and capital goals. The lack of written multiyear financial and capital plans limits the Board’s ability to effectively manage finances and address future needs.

Mandatory Fiscal Oversight Training – Of the five Commissioners, one was in office more than 270 days and did not complete the mandatory training and two did not complete the mandatory training within the 270 days deadline established by Town Law Section 176-e (Figure 2).

Figure 2: Commissioners Required Training Completion Status

Commissioner	Term Start	Training Deadline	Training Completion Date	Days Late as of April 30, 2025
#1	January 1, 2021	September 28, 2021	March 16, 2025	1,265
#2	January 1, 2023	September 28, 2023	March 13, 2025	532
#3	January 1, 2024	September 27, 2024	Not Completed	215 (re-elected)
#4	January 1, 2025	Training deadline is after the audit period end.		
#5	January 1, 2025	Training deadline is after the audit period end.		

In addition, Commissioners one and two completed the training after we engaged the audit. The Treasurer told us Commissioner three was re-elected, and they did not realize the training was required each time a Commissioner was re-elected to the Board. The District did not provide us with a response on why Commissioners one and two did not complete their training in a timely manner, as required by Town Law. Had all the members completed the mandatory training in a timely manner, they would have better positioned themselves to ensure the necessary policies were in place and the AFRs were filed in a timely manner.

Annual Financial Reporting – The Board did not ensure that the Treasurer filed the District’s 2018 through 2024 AFRs or applied for an extension in any of the years during the audit period (Figure 3). The Treasurer told us that the online reports were not filed because he could not match the account codes in the District’s financial software with the account codes in the AFR and all annual independent audits of the District’s financial records and LOSAP funds were performed and reviewed by the Board, and copies of these reports were filed with OSC as required. After we began our audit fieldwork, the Treasurer filed the District’s 2022 and 2023 AFRs.

Figure 3: AFR – Number of Days Late as of October 31, 2025

Fiscal Year	Due Date	Date Filed	Days Late
2018	March 1, 2019	Not Filed	2,436
2019	February 29, 2020	Not Filed	2,071
2020	March 1, 2021	Not Filed	1,705
2021	March 1, 2022	Not Filed	1,340
2022	March 1, 2023	March 29, 2025	759
2023	February 29, 2024	May 11, 2025	437
2024	March 1, 2025	Not Filed	244

The AFR can be a useful tool for the Board to review financial operations and provide oversight. When AFRs are not filed as required by GML Section 30, it results in diminished transparency and the Board, taxpayers, OSC and other interested parties cannot assess information in a timely manner about the District's financial standing.

Recommendations

The Board should:

1. Adopt a code of ethics, required by GML Section 806, as well as policies for investments, required by GML Section 39, procurements, required by GML Section 104-b, credit cards, reserve funds and fund balance.
2. Develop, adopt, monitor and periodically update written multiyear financial and capital plans.
3. Ensure that all elected Commissioners complete the mandatory fiscal oversight training within 270 days of their first day in office, as required by Town Law Section 176-e.
4. Ensure the Treasurer prepares and files the District's AFR with OSC within 60 days of the end of each fiscal year, as required by GML Section 30.

The Treasurer should:

5. Prepare and file the District's AFR with OSC within 60 days of the close of the fiscal year, as required by GML Section 30.

Appendix A: Profile, Criteria and Resources

Profile

The District provides fire protection and emergency services to portions of the Town of Mount Pleasant in Westchester County. The elected five-member Board governs the District. The Board is responsible for the overall financial management of the District, including establishing appropriate internal controls over fiscal operations. The Treasurer also serves as the secretary and is responsible for receiving, disbursing and accounting for District funds; preparing financial reports; and keeping Board meeting minutes. The District's 2025 budget was \$259,250 and was primarily funded by real property taxes.

Criteria – Board Oversight of Financial Operations

A fire district board is responsible for overseeing the fire district's financial operations and safeguarding its resources. To fulfill this duty, it is essential that the fire district board establish a system of internal controls which includes adopting policies and procedures related to financial operations and ensuring they are implemented and complied with. These policies and procedures should include those required by law, including a code of ethics, investment policy and procurement policy as well as policies not required by law for credit cards, reserve funds and fund balance. The required policies should define how the fire district will conduct business and manage resources, for example:

- A code of ethics is required by GML Section 806 and is a guide for fire district officers, employees and members that sets a standard for the expected conduct in the discharge of official business. A code must provide standards of conduct with respect to disclosure of interests in legislation that is before the board, the holding of investments that conflict with official duties, private employment in conflict with official duties and future employment.
- An investment policy is required by GML Section 39 and provides guidelines on how to manage fire district investments. It should establish a prudent set of basic procedures to meet investment objectives; help ensure that investment assets are adequately safeguarded; establish and maintain internal controls and proper accounting records and provide accurate reporting and evaluation of investment results.
- A procurement policy is required by GML Section 104-b and provides guidelines for procuring goods and services not subject to the competitive bidding requirements set forth in GML Section 103. Procurement policies and procedures generally ensure that competition is sought in a reasonable and cost-effective manner for procurements that fall below the bidding thresholds and for other contracts not subject to the competitive bidding set forth in GML.

A fire district board should also develop written multiyear financial and capital plans. Planning on a multiyear basis allows fire district officials to identify developing revenue and expenditure trends, determine the appropriate funding and use of reserve funds, and address equipment and capital needs by setting long-term priorities and goals.

Town Law Section 176-e requires every elected and appointed commissioner to attend and successfully complete a specific OSC-approved training course within 270 days of their first day in office. Town Law Section 176-e requires the training course to cover the commissioners' legal, fiduciary, financial, procurement, ethical, and any other responsibilities, as may be prescribed by OSC. Commissioners are required to complete the training each time they are elected, re-elected, appointed or re-appointed to the office.

Town Law Section 176 (4-a) requires a fire district board to audit all claims against the fire district before payment and, by resolution, order the treasurer to pay the approved claims. The law provides that the fire district board may, by resolution, authorize payment in advance of audit for claims for public utility services, postage, freight and express charges. Such claims must be presented to the fire district board for audit at the next regular meeting.

A treasurer is required by GML Section 30 to prepare and file the fire district's AFR with OSC within 60 days after the end of each fiscal year. Fire district officials may request an AFR filing extension which, if granted, extends the fire district's filing deadline to 120 days after the end of the fiscal year. The AFR is an important fiscal tool that can provide a fire district board with necessary information to monitor district operations and provide taxpayers and other interested parties with a summary of the fire district's financial operations.

In addition, the fire district board, or its designated program administrator, is also required pursuant to GML Section 219-a to obtain an annual audit of the LOSAP. The annual audit should thoroughly examine the LOSAP's financial condition, actuarial assumptions, fiduciary investments, and asset allocations to assess whether current assets are adequate to fund future liabilities. Alternatively, the fire district may elect to include detailed disclosure notes of the LOSAP in the fire district's annual audit.

GML Section 181-b requires fire districts with revenue of \$400,000 or more to obtain an annual audit of their records by an independent certified public accountant or an independent public accountant. The report must be presented to the fire district board, with a copy provided to town boards served by the district and the State Comptroller within 180 days following the end of the fiscal year audited.

Additional Board Oversight Resources

Figure 4: OSC Publications

OSC Local Government Management Guides available on our website to help officials understand and perform their responsibilities.		
Fiscal Oversight Responsibilities of the Governing Board LGMG	Multiyear Financial Planning	Multiyear Capital Planning
<p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p>Fiscal Oversight Responsibilities of the Governing Board</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>https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</p>	<p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p>Multiyear Financial Planning</p>  <p>Office of the New York State Comptroller Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>BUDGETING AND PLANNING SERIES</p> <p>https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf</p>	<p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p>Multiyear Capital Planning</p>  <p>Office of the New York State Comptroller Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>BUDGETING AND PLANNING SERIES</p> <p>https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-capital-planning.pdf</p>

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 District Officials

SCARBOROUGH FIRE DISTRICT

Of The

Town of Mt. Pleasant

One Union Street, Briarcliff Manor, N.Y. 10510

James L Latainer, Chief of Municipal Audits
Office of the State Comptroller, Newburgh Regional Office
33 Airport Center Drive, Suite 102
New Windsor, New York, 12533

December 29, 2025

Dear Mr. Latainer,

The Board of Fire Commissioners of the Scarborough Fire District thanks the Office of the New York State Comptroller and the audit staff for their time, professionalism, and diligence in conducting this examination of the District's financial oversight practices. We appreciate the State's efforts in identifying areas where improvements can be made and for bringing these matters to the Board's attention. We recognize the important role that the audit process plays in promoting accountability, transparency, and public confidence in local government operations.

The Board acknowledges the findings outlined in the audit report and agrees that compliance with statutory requirements—including mandatory fiscal oversight training, the adoption of required written policies, and the development of multiyear financial and capital plans—is critically important to the effective governance of the District. We recognize the shortcomings identified in these areas and agree that they must be addressed to ensure proper oversight, transparency, and accountability. The Board is committed to taking immediate corrective action to remedy these deficiencies and to establishing processes that ensure ongoing compliance going forward.

While the Board respects the audit findings and appreciates the areas identified for improvement, we do not agree with the conclusion that the Board did not provide adequate oversight of the District's financial operations. The Board reviews and approves the District's full budget annually and conducts a detailed review of individual expenditures on a monthly basis. As reflected in the District's financial records, expenditures were made in accordance with applicable State guidance and statutory limitations, including the use of approved State contracts where available, competitive bidding processes when required, and good-faith negotiations when permitted. All expenditures were incurred for the purpose of providing comprehensive fire protection and emergency services to enhance the safety of the people and property within the District. In addition, documentation supporting financial decisions—including meeting minutes, resolutions, abstracts, invoices, and

See Note 1 Page 11

SCARBOROUGH FIRE DISTRICT

Of The

Town of Mt. Pleasant

One Union Street, Briarcliff Manor, N.Y. 10510

receipts—was consistently recorded, maintained, and reviewed by the Board. This disagreement is narrowly limited to the audit’s conclusion regarding the adequacy of financial oversight and does not extend to the recommendations which the Board accepts and is committed to implementing.

With respect to mandatory fiscal oversight training, the Board acknowledges that not all Commissioners completed the required training within the timeframes prescribed by Town Law. The Board agrees that timely completion of this training is essential to fulfilling its fiduciary and oversight responsibilities. Steps are being taken to ensure all current Commissioners complete the required training, and procedures will be implemented to monitor and document compliance upon election or re-election.

Regarding annual financial reporting, the Board recognizes the importance of timely filing Annual Financial Reports (AFRs) to allow for appropriate oversight by the Board, taxpayers, and State agencies. The Board acknowledges that AFRs were not filed in a timely manner during the audit period. The Board is working with the Treasurer to complete outstanding filings and to ensure that future AFRs are prepared and submitted within statutory deadlines, including requesting extensions when appropriate.

The Board also agrees with the audit’s findings regarding the absence of certain written financial policies and long-term planning documents. The Board is committed to adopting all policies required by General Municipal Law, including a code of ethics, procurement policy, and investment policy, as well as additional financial policies and written multiyear financial and capital plans to strengthen governance and provide greater transparency to District residents.

The Board is in the process of preparing a Corrective Action Plan (CAP) that will address each recommendation contained in the audit report. The CAP will identify specific corrective actions, responsible parties, and anticipated completion timelines and will be submitted within the timeframe required by law. The Board views this audit as an opportunity to strengthen its governance practices and enhance its oversight processes in service to the residents of the Scarborough Fire District.

Respectfully submitted,

Sonya J. Greaves, Chairwoman
Board of Fire Commissioners

cc: via email, muni-newburgh@osc.ny.gov

Appendix C: OSC Comment on the District's Response

Note 1

Although the Board performed certain oversight duties, the Board did not fulfill the following duties which are also necessary to provide adequate Board oversight:

- Adopting policies and procedures,
- Developing and adopting written multiyear financial and capital plans,
- Completing mandatory oversight training, and
- Filing AFRs in a timely manner, as required by GML.

Appendix D: Audit Methodology and Standards

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 Commissioners and the Treasurer to gain an understanding of District operations, internal controls, the Treasurer's job duties and responsibilities for filing the AFR, any policies or procedures for financial operations and the Board's oversight of the Treasurer's duties, including the financial recording and reporting process.
- We interviewed Commissioners and reviewed abstracts to determine whether the Board performed an adequate audit of claims before payment. The District paid 237 claims totaling \$223,041 during the audit period. We selected 30 claims totaling \$67,267 for review which included payments to higher risk vendors such as credit card vendors and District officials and various types of goods and services. We included all categories of payments such as professional services, insurance, supplies, food, annual payments to the Treasurer, credit card and gas card purchases and utilities.
- We interviewed District officials and obtained a copy of the most recent CPA report to determine whether the District LOSAP was audited by a CPA, as required by GML Section 219-a.
- We reviewed the Board meeting minutes to gain an understanding of financial procedures and processes and determined what financial records and reports were prepared, provided and reviewed.
- We reviewed the Treasurer's accounting records to determine whether reserves existed and the amounts reserved. We interviewed officials to understand the District's plans for these reserves.
- We requested and reviewed training information and certificates to determine whether Commissioners completed the mandatory fiscal oversight training within the required deadline.
- We reviewed OSC records and interviewed the Treasurer to determine whether the District filed AFRs and calculated the number of days they were late.

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.

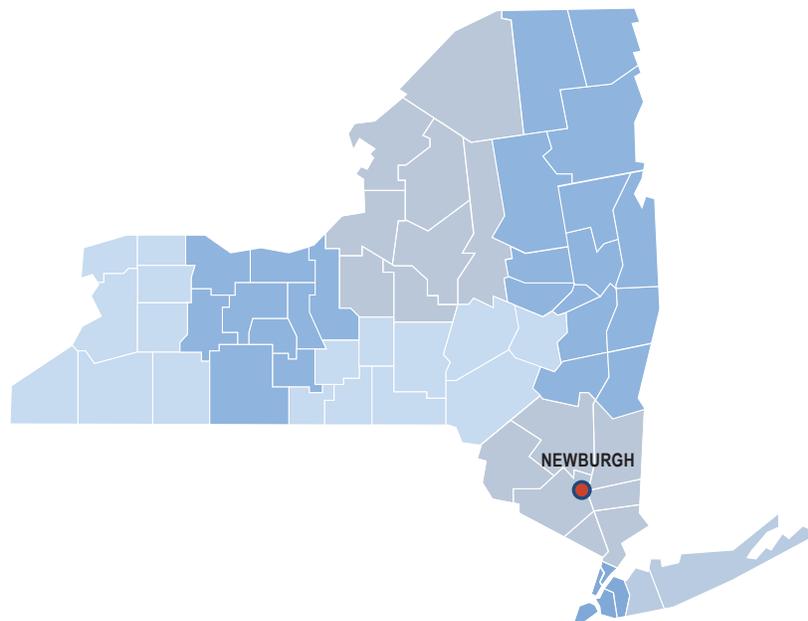
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