

New York State Comptroller
THOMAS P. DiNAPOLI

Village of Unadilla

Disbursements

June 2026 | 2025M - 97

Prepared by the Division of Local Government and School Accountability

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Audit Results

Village of Unadilla

Audit Objective

Did Village of Unadilla (Village) officials ensure that disbursements were accurate, properly approved, supported and for proper Village purposes?

Audit Period

March 1, 2017 – March 31, 2022.

We extended our audit period back to January 1, 2017 to examine leave buybacks and forward to July 18, 2024 to examine credit card disbursements, updates to the employee handbook and updated information regarding Village Board (Board) audits of the Village Clerk-Treasurer's (Clerk-Treasurer's) records and reports.

Understanding the Audit Area

A village board must provide adequate oversight of disbursements to help ensure financial accountability, prevent the misuse of village funds, maintain compliance with legal requirements, promote transparency and build public trust.

During the audit period, the Village made nonpayroll disbursements totaling approximately \$3 million and payroll-related disbursements totaling approximately \$900,000.

Audit Summary

Village officials did not ensure that disbursements were accurate, properly approved, supported and for appropriate Village purposes. As a result, Village officials and taxpayers cannot be sure that all Village disbursements were necessary and for appropriate Village purposes.

Overall, because Village officials did not have adequate internal controls over disbursements (such as sufficient supporting documentation, a Board audit or approval and adequate oversight of employee reimbursements, credit card use and payroll-related payments), we identified one or more deficiencies within 249 disbursements (or 76 percent of the disbursements) totaling \$70,600, which we reviewed. When officials make disbursements without adequate supporting documentation, it undermines the transparency of Village financial operations and increases the risk that disbursements could be made for improper purposes and that individuals could be reimbursed for expenses for which they are not entitled.

We reviewed 328 disbursements totaling approximately \$115,800 – which included leave buybacks and separation payments, benefit reimbursements, credit card purchases, and disbursements to high-risk vendors¹ – that were made during the audit period. We identified the following:

- Of 155 employee benefit reimbursements totaling \$34,000, 145 disbursements totaling \$29,300 were not supported; not approved by the Board (or we could not determine whether the Board approved them); and/or were paid before the Board approved them. Of the 145 disbursements, 111 totaling \$16,100 benefited Clerk-Treasurer 2.²
- Of 22 leave buybacks and separation payments totaling \$44,200, 21 totaling \$33,200 were paid to ineligible individuals, did not have information that would allow us to determine eligibility, and/or were not properly charged to leave accruals. Also, the Board did not approve any of the disbursements. One former employee received \$13,000 of the \$33,200.

¹ High-risk vendors are those that sell goods and services that could also be used for personal use and not specifically for appropriate Village use, such as home goods, cleaning supplies and services and utility payments.

² Refer to Appendix A for further information on the three Clerk-Treasurers mentioned in the report.

- Of 133 credit card purchases totaling \$11,600, 83 purchases totaling \$6,100 were not properly supported.
- The Village paid nearly \$1,900 in 54 disbursements for data services that it did not need.
- Clerk-Treasurer 2 overpaid herself by \$1,215 over the course of her employment. As a result of our audit, in April 2024, Clerk-Treasurer 2 reimbursed the Village for the full amount of excess payroll disbursements that she received.

The report includes 13 recommendations that, if implemented, will improve the Village's oversight of disbursements to employees and officials.

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 C.

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

Disbursements: Findings and Recommendations

A village board is responsible for establishing internal controls (such as written policies and procedures) to help ensure that cash and other resources are properly safeguarded, transactions are properly recorded and financial duties are adequately segregated. A village board should provide proper oversight and monitoring when village officials cannot segregate fiscal responsibilities.

In accordance with New York State Village Law (Village Law) Section 5-524, a village board generally must audit all claims against the village before payment is made. A claim package should contain enough detail and documentation so that the village board has sufficient information to determine whether the claim is a legal village obligation and a proper charge against the village.

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

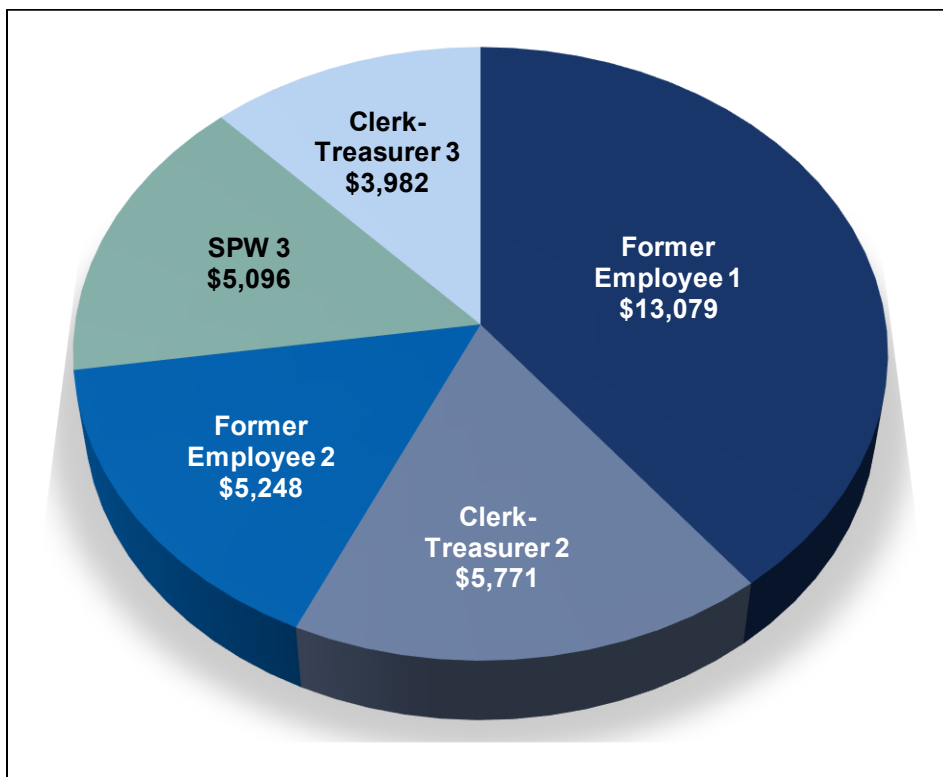
Finding 1 – Village officials did not properly oversee payroll-related disbursements.

We examined payroll-related disbursements to determine whether they were appropriate, properly calculated and approved by the Board. We identified deficiencies with disbursements relating to leave buybacks, disbursements made to employees when they left Village employment (separated from service) and payroll disbursements to Clerk-Treasurer 2.

Leave Buybacks and Separation Payments – We examined all 22 leave buybacks and separation payments totaling \$44,200 made to five employees and officials during the audit period and determined that none of the disbursements were approved by the Board. We identified 21 disbursements totaling approximately \$33,200 (18 leave buybacks totaling approximately \$25,400 and three separation payments totaling approximately \$7,800) that had one or more deficiencies. Disbursements made to Former Employee 1 and Clerk-Treasurer 2 accounted for 57 percent of these deficiencies (Figure 1). We identified the following³:

³ Some disbursements had multiple discrepancies.

Figure 1 - Disbursement Deficiencies by Village Officials and Employees



- Five leave buybacks totaling approximately \$11,800 made to three employees which included sick leave amounts that Clerk-Treasurer 2 did not deduct from the employees' balances. Therefore, due to inadequate recordkeeping of Village leave records, these employees may have had higher leave balances than they were allowed to have, and the employees could have used leave benefits to which they were not entitled.
- Four leave buybacks totaling approximately \$10,500 paid to Clerk-Treasurer 2 and Former Employee 1 did not identify the type of leave that was exchanged for compensation. Therefore, we could not determine whether the employees who received the payments were eligible for this benefit, or whether the leave was properly deducted from the employees' leave time.
- Three separation payments totaling approximately \$7,800 paid to Clerk-Treasurer 3 and Former Employee 2 were improper disbursements because they included payments for unused personal and sick leave accruals. These disbursements were not allowed by the Village (as stated in the handbook) or any employment agreement.
- Seven leave buybacks totaling approximately \$3,900 paid to Clerk-Treasurer 2 could be inaccurate because Clerk-Treasurer 2 may not have properly deducted 201 hours from her leave balances. For example, Clerk-Treasurer 2 applied 24 hours of vacation leave accruals to receive a 40-hour "week" of vacation leave. We determined that Clerk-Treasurer 2 interpreted the handbook to conclude that a "week" of vacation was equivalent to 40 hours, although Clerk-Treasurer 2 was required to be physically in the Village office only for 24 hours per week. Also, the handbook did not state a specific total number of working hours that the clerk-treasurer position should record on a weekly basis. As a result, the Village appears to have established a hybrid-type employment status for the clerk-treasurer position (i.e., earning leave accruals for specific hours worked as an elected official who receives a salary as an incident of their office). Due to this apparent hybrid arrangement, it is unclear how many hours the clerk-treasurer position is entitled to use for each "week" of vacation leave accrued. Because the handbook did not clearly define how many hours a "week" is for purposes of salaried employees accruing and charging vacation leave, the Village had an increased risk that it could pay former employees for leave benefits to which they are not entitled.

- Two leave buybacks totaling approximately \$1,200 paid to Clerk-Treasurer 2 were improper because Clerk-Treasurer 2 did not have three years of Village employment and, therefore, was not eligible to exchange vacation leave for compensation.

These payroll-related disbursement deficiencies occurred because:

- Leave buyback and separation disbursements were paid through the payroll system. However, the Board did not oversee the payroll process or properly segregate payroll system duties.
- When employees ended their Village employment and received these disbursements, the Board did not have the opportunity to review or approve the disbursements before Clerk-Treasurer 2 made the payments.
- Clerk-Treasurer 2 had possession of the former Mayor’s signature stamp, which allowed Clerk-Treasurer 2 to make disbursements through the payroll system and circumvent the Village’s dual signature requirement (that required the Clerk-Treasurer and Mayor to sign checks) without the Board’s knowledge. As a result of our audit, the Mayor stopped using a signature stamp.
- The handbook did not clearly define procedures for exchanging leave accruals for compensation (such as the requesting, approving and disbursing payments for unused leave accruals). Also, the handbook did not require any approval or certification of payroll, including leave buybacks, and it had not been updated since 2011.

Without clear guidance in the handbook; accurate accrual tracking and monitoring; and prior Board approval of leave buybacks and separation payments, officials made improper payments to ineligible former employees, which ultimately increased costs to taxpayers. As a result of our audit, the Mayor properly segregated duties over the payroll process by having Clerk-Treasurer 1 process payroll and the Mayor certify it prior to payment.

Payroll Disbursements to Clerk-Treasurer 2 – We compared the budgeted salary for Clerk-Treasurer 2 to amounts paid and determined that Clerk-Treasurer 2 received \$1,215 more than the Board had approved during her employment (Figure 2). Payroll disbursements to Clerk-Treasurer 2 included several unexplained and unscheduled payrate changes. Although the handbook required the Board to approve all salary increments through a formal resolution, the Board did not pass any resolutions to increase pay rates during the audit period. As a result of our audit, Clerk-Treasurer 2 reimbursed the Village for the full amount of excess payroll disbursements received.

Figure 2 - Excess Payroll Disbursements to Clerk-Treasurer 2

Calendar Year (CY) ⁴	Calculated CY Salary	Actual CY Salary Received	Excess Pay
2017	\$28,335.00	\$28,675.39	\$340.39
2018	\$38,573.33	\$38,857.64	\$284.31
2019	\$39,824.60	\$39,961.32	\$136.72
2020	\$41,297.33	\$41,575.24	\$277.91
2021	\$43,035.42	\$43,210.98	\$175.56
Totals	191,065.68	\$192,280.57	\$1,214.89

Clerk-Treasurer 2 also paid herself early (by a week early, on average, and ranging from one to 51 days early) at least 17 times totaling \$27,300. These early payroll disbursements included one disbursement totaling \$5,100, which was triple Clerk-Treasurer 2’s normal biweekly amount, resulting in payroll amounts that were 23 and 51 days early. Clerk-Treasurer 2 did not pay herself for two later payrolls.

⁴ The Village processes salaries on a calendar year basis.

These deficiencies occurred because Clerk-Treasurer 2 processed payroll and certified it. Without proper segregation of duties or additional oversight for payroll-related disbursements, the Board cannot ensure that employees are paid proper amounts at the proper time or that unearned pay has not been disbursed.

Furthermore, the Board did not audit Clerk-Treasurer 2's records annually as required by Village Law, which is a failure to oversee disbursements in general. The Board did not audit Clerk-Treasurer 2's records because the Board members and former Mayor were unaware that it was required. Had the Board audited Clerk-Treasurer 2's records, it may have discovered the inappropriate disbursements that we identified. As a result of our audit, the Mayor began performing annual audits of Clerk-Treasurer 1's records beginning with the 2022-23 fiscal year.

Recommendations

The Board should:

1. Update the handbook to better define leave buybacks and leave accrual carryovers, especially concerning the Clerk-Treasurer's position.
2. Annually review and update the handbook, as necessary.
3. Formally pass resolutions for pay rate changes.
4. Consult with legal counsel regarding seeking recovery of overpayments or ineligible leave buybacks identified in this report.
5. Continue to perform annual audits of the Clerk-Treasurer's records.

The Clerk-Treasurer should:

6. Issue payroll checks on or after the approved payroll date.
7. Pay leave buybacks only after the Board has approved them and adhere to the handbook restrictions for leave buybacks and separation payments.
8. Implement changes in pay rates after the Board formally approves them.
9. Ensure that leave balances are properly charged to employees' leave balances when employees exchange leave time for compensation.

Finding 2 – The Board did not properly audit claims.

During our review of 306 claims totaling \$71,600 that were paid during the audit period, we identified several deficiencies with claims related to employee benefits, credit cards and high-risk vendors that should have been detected during the Village's claims audit process.

Employee Benefit Reimbursements – We examined 155 disbursements totaling \$34,000 related to health insurance reimbursements and other employee benefits that were paid during the audit period to Clerk-Treasurers, Superintendents of Public Works (SPWs)⁵ and deputy clerks. We identified 145 disbursements totaling \$29,300 with deficiencies that included⁶:

- 108 disbursements totaling \$21,400 were not properly supported. For example, disbursements did not always include itemized receipts and, instead, included only a credit card receipt with the vendor and dollar amount or a nonitemized statement. We also identified instances where an online shopping cart image was attached, but there was no indication that the order had been placed. This occurred because the former Mayors and Deputy Mayors did not verify that all claims had adequate support. However, we did not identify any improper disbursements in our sample.

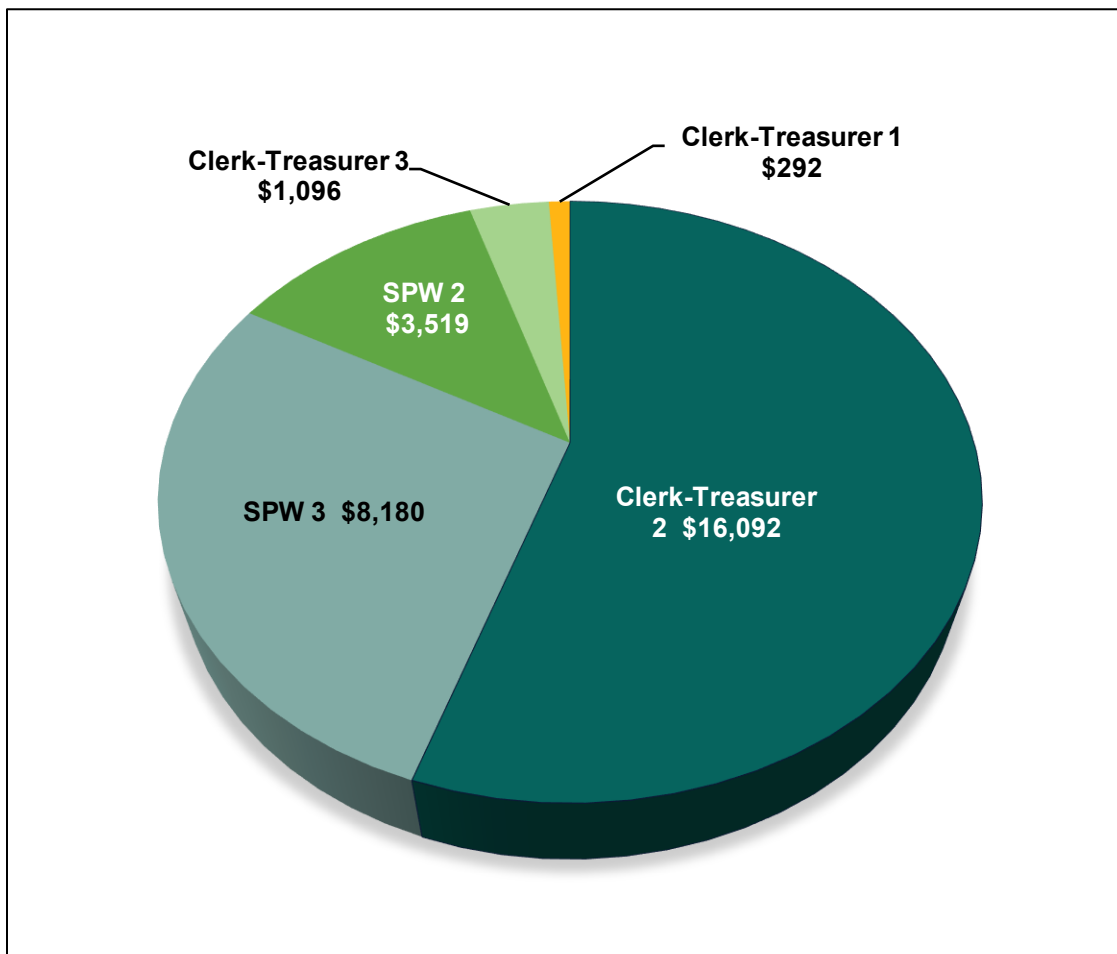
5 Refer to Appendix A for further information on the three SPWs mentioned in the report.

6 See supra, note 3.

- 111 disbursements totaling \$19,500 were paid before the Board approved the abstract (list of claims), ranging from one to 40 days early and averaging about 16 days before Board approval. This occurred because Clerk-Treasurer 2 did not wait for the Board to audit and approve the claims before she paid them. Also, the Board was unaware that Clerk-Treasurer 2 made the disbursements before the claims were audited because the Board never received or reviewed bank statements.
- 34 disbursements totaling \$6,500 did not have support to indicate whether the Board audited and approved them. Clerk-Treasurer 1 could not provide us with the Board’s meeting minutes for the period in which the Board would have audited and approved the claims, and electronic copies of these meeting minutes also were missing. This occurred because Clerk-Treasurer 2 did not keep physical copies of any of the Board’s meeting minutes and did not post electronic copies of the minutes for all Board meetings.
- 14 medical expense reimbursements totaling \$1,837 to Clerk-Treasurer 2 for the 2021-22 fiscal year exceeded the allowed amount by \$837. This occurred because the Board did not have a method in place to track the amounts claimed or paid to each employee.

Disbursements made payable to Clerk-Treasurer 2 (111 totaling approximately \$16,100) and the “former-former” SPW (SPW 3) (23 totaling approximately \$8,200) accounted for 83 percent of these deficiencies (Figure 3).

Figure 3 - Employee Benefit Disbursement Deficiencies by Village Official



Due to inadequate oversight, officials cannot be certain that the Village made only proper and appropriate disbursements.

Credit Card Disbursements – The Village used a credit card to make purchases from local stores and online vendors. All of the Clerk-Treasurers and SPWs were authorized users of the Village’s credit card, and each had a copy of the credit card that they used to purchase goods and services for the Village.

The Clerk-Treasurers’ and SPWs’ credit cards charged to the same credit card account. Therefore, charges made by each individual were indistinguishable from each other on the credit card statement. According to Clerk-Treasurer 1 and the deputy clerk, the purchaser was expected to submit sufficient support for each credit card purchase to the deputy clerk, who attached the support to the claim and submitted it to the Mayor and Deputy Mayor for the Board’s audit and approval. However, the claims for credit card purchases did not always include adequate support, such as itemized receipts.

We reviewed all 65 credit card statements totaling \$31,336 and examined 133 disbursements totaling \$11,600 from these statements that were made for travel expenses, and from popular online retailers and grocery and home improvement stores, to determine whether they were adequately supported and for appropriate Village purposes. We determined that 50 disbursements totaling \$5,498 were properly supported and for appropriate Village purposes. However, 83 disbursements totaling \$6,100 had one or more deficiencies:

- 83 purchases totaling approximately \$6,100 did not have proper support. We were able to verify that 46 purchases totaling approximately \$1,600 were likely for proper Village purposes, but 37 purchases totaling approximately \$4,500 did not have sufficient supporting documentation to indicate that the items were used only for the Village. The vendors that were paid for these 37 purchases included home improvement stores, a hotel and a grocery store.
- Nine purchases totaling \$600 were paid without Board approval.
- 17 credit card statements included late fees and interest charges totaling \$260. The late fees occurred because officials paid only new charges on monthly statements. Therefore, a small balance of \$24 was carried over for 11 months which caused some of the interest charges.
- One purchase for \$120 did not include documentation to clearly identify the items purchased, so we could not determine whether the items were for proper Village purposes.
- 38 purchases included sales tax totaling \$118 that should not have been paid because the Village is an exempt organization.

Some of the late fees occurred because Clerk-Treasurer 2 changed the billing address on the Village credit card to her home address for two months, so the Village did not receive or pay the statements for those two months. Current officials did not know why Clerk-Treasurer 2 changed the billing address to her home address. Furthermore, the former Mayors and Deputy Mayors did not verify that all purchases had proper support, and Clerk-Treasurer 2 did not ensure that all claims were on the abstracts provided to the Board for audit.

Without proper controls over credit card disbursements, the Village could continue to be charged sales tax, late fees and interest, and it has an increased risk that someone could purchase items for their personal use without detection.

Disbursements to High-Risk Vendors – We reviewed 18 disbursements totaling \$26,000 made to high-risk vendors and determined that all were supported and for legitimate Village purposes. However, when we identified that the Village was paying for data services it was not using, we examined all 56 invoices and determined the Village paid 54 disbursements that included almost \$1,900⁷ for data services which it did not use or need.

In August 2017, the Village purchased a tablet from a cell phone company for use by SPW 3. We examined all the phone bills from August 2017 through March 2022 and determined that no data was used on the tablet after September 2017. The former SPW (SPW 2) told us that the tablet was stolen from SPW 3’s car soon after he received it. However, the Village continued to pay these data charges for 54 months of data that was never

⁷ These 54 disbursements did not include the 18 disbursements in the original sample.

used after the tablet was stolen. As a result of our audit, Clerk-Treasurer 1 canceled the data plan for this tablet in June 2022.

These excess charges occurred because the former Mayors and Deputy Mayors did not examine the cell phone invoices close enough to notice that the Village was being charged for data that were no longer needed. Without proper controls over high-risk disbursements, the Village could continue to be charged for things that it does not owe or need. It also increases the risk that future purchases could be used for personal use.

Recommendations

The Board should:

10. Ensure that all claims are properly supported and accurate, and that purchased goods and services are necessary for Village operations, before approving them.
11. Implement procedures for tracking medical expense reimbursement amounts used and remaining for each employee that participates in the health insurance program.

The Clerk-Treasurer should:

12. Ensure that all claims are listed on the abstract and approved by appropriate officials and the Board before payment.
13. Pay all credit card invoices in full each month to avoid incurring interest charges and late fees.

Appendix A: Profile, Criteria and Resources

Profile

The Village is located in Otsego County and is governed by an elected Board, which includes the Mayor and four Village Trustees. The Board is responsible for overseeing and managing the Village's finances. The Village's fiscal year is June 1 through May 31.

The Mayor is the Village's chief executive officer and is responsible for overseeing all Village departments and carrying out all policies enacted by the Board. The current Mayor took office in April 2022. Former Mayors held the office before the beginning of the audit period through September 2020 and from October 2020 through March 2022. The Mayor and Deputy Mayor sign claims to authorize the Clerk-Treasurer to pay them.

The Clerk-Treasurer is appointed by the Board, serves as the Village's chief financial officer and is responsible for maintaining custody of all Village funds. The current Clerk-Treasurer (Clerk-Treasurer 1) was appointed in January 2022, replacing the former Clerk-Treasurer (Clerk-Treasurer 2) who was appointed in March 2017 and served through December 2021. The former-former Clerk-Treasurer (Clerk-Treasurer 3) left Village employment in March 2017.

The current SPW (SPW 1) was appointed in April 2025 to oversee street maintenance and water operations. SPW 2 served from January 2021 through April 2025 and was appointed when SPW 3 left Village employment in January 2021.

Criteria

A village board is responsible for establishing internal controls, such as written policies and procedures, to help ensure that cash and other resources are properly safeguarded, transactions are properly recorded and financial duties are adequately segregated. A village board should provide proper oversight and monitoring when village officials cannot segregate fiscal responsibilities.

Before village officials disburse payroll checks to employees, they should ensure that the employees' direct supervisors certify the payroll register, or other similar record, to verify that the employees' time worked and leave time accrued and used is correct. Comparing prepared payroll checks to the payroll register also can help detect unauthorized or erroneous payroll checks before they are distributed to employees.

A village board should periodically (e.g., on an annual basis) review all village policies and update them, if needed. Additionally, village officials must effectively communicate village policies to the employees who are responsible for complying with the policies. Village employees who perform payroll authorization duties should not process the payroll register and payroll checks. In addition, facsimile signatures⁸ should be secured in a locked location and controlled by, and used, only under the direct supervision of the official whose signature appears on the signature stamp. Furthermore, village officials and employees should accurately maintain leave accrual records.

In addition to established wages and salaries, a village board generally has the authority to make cash disbursements of the monetary value for all, or a portion, of an officer's or employee's earned but unused leave accruals when they leave village employment. The authority to make these disbursements may be pursuant to a collective bargaining agreement, individual employment agreement or, in some circumstances, a preexisting local enactment (such as an established policy). However, without a preexisting local enactment or agreement, courts have found that villages should not make these disbursements.

To help ensure that employee benefits are applied as a village board intends, the village board should ensure that the village employee handbook effectively and clearly defines leave policies that are unambiguous and consistent with other village policies. The Board adopted a handbook that establishes a work schedule (i.e., workdays and hours) for all Village employees, including the clerk-treasurer position. The handbook describes

⁸ A facsimile signature is a mechanical reproduction of an individual's signature, such as a stamp, print or a digitally scanned copy.

types of leave accruals that employees earn (i.e., vacation, sick, holiday and personal leave), the rate at which each employee earns leave accruals, and the Village's rules and limitations for carrying over unused leave accruals or exchanging unused leave accruals back to the Village for compensation (i.e., "leave buybacks"). For example, the handbook allows employees to exchange a certain percentage of vacation leave accruals for an hourly straight time rate (i.e., the employee's normal hourly pay rate).

The handbook stated that after three years of service, an employee may exchange up to 50 percent of their eligible vacation leave for the hourly straight time rate. The handbook also indicated that the Village will not pay employees for unused personal leave and sick leave accruals when their Village employment ends.

The handbook stated that the Clerk-Treasurer is considered a full-time salaried employee and will maintain Village office hours (e.g., 9:00 am-4:00 pm), totaling 24 hours per week.⁹ The handbook also stated that the Clerk-Treasurer will regularly attend Board meetings, public hearings and special meetings. In addition, the handbook stated that full-time salaried employees are required to "work sufficient hours to complete their job." Furthermore, the handbook indicated that full-time salaried employees who work for the Village between one to five years are entitled to receive two weeks of paid vacation on an annual basis.

The Village reimbursed employees for a percentage of their medical expenses (up to \$1,000 per employee each fiscal year) for costs not covered by insurance. Also, the Village provided employee benefit reimbursements for other business-related expenses, such as for training events, business travel and boot allowances.

In accordance with Village Law Section 5-524, a village board generally must audit all claims against the village before payment is made. A claim package should contain enough detail and documentation so that the village board has sufficient information to determine whether the claim is a legal village obligation and a proper charge against the village. If original documentation is missing, the claim should be held until the supporting documentation is submitted. Also, sales tax should not be included on the claim. The Village's claims audit process required the Mayor and Deputy Mayor to audit and approve each claim to ensure they are accurate and appropriate Village disbursements. After the Mayor and Deputy Mayor approved the claims, the Board reviewed an abstract each month and voted on whether to approve the abstract.

All village board meetings should be documented and the meeting minutes should be filed in the village clerk-treasurer's office and posted online, when possible. The village board's meeting minutes should include the claims that have been audited and whether the claims were allowed or disallowed, in whole or in part. A village clerk-treasurer is required to maintain a complete and accurate account of all disbursements, using proper accounting procedures, to ensure that all transactions are recorded accurately and in a timely manner. This is necessary for managing village operations and ensuring that records properly reflect financial operations.

Additionally, Village Law Section 4-408(e) requires village boards to audit, or cause to be audited, the village clerk-treasurer's financial report and supporting records.

Additional Resources

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

- *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>
- *Improving the Effectiveness of Your Claims Auditing Process*: <https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.pdf>

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

⁹ According to the handbook, "lunch will be taken between Noon and 1:00 pm, if possible." Therefore, assuming the Clerk-Treasurer took lunch on days in which the Village office was open until 4:00 pm, we deducted one hour from the schedule of hours that the Clerk-Treasurer is required to maintain while in the Village office.

Appendix B: Response From Village Officials

The content below is a reproduced copy of the original response letter issued by Village officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*¹⁰ and may have included changes to spelling and grammar. The substance of the content was not changed.

06/17/2026

Dear New York Comptroller's Office,

After a very long, thorough audit, that I'm very thankful for, we have corrected all areas that were in discussion during our exit meeting.

There is no longer a signature stamp in the clerk's possession for stamping my signature. We have demonstrated good procurement policy procedures when making purchases. We have also provided all bank reconciliation documents to the board of trustees at monthly meetings. We are working with our lawyer to update our employee handbooks to better explain vacation and personal time buy backs. These were all areas that the amazing staff auditors addressed during their audit investigations. As the newly elected Mayor for the Village of Unadilla, I have helped ensure that all these areas that were mentioned in our exit meeting are addressed. This will ensure proper management of the village going forward. Thanks for the guidance of your office.

Mayor Jake Cotten

¹⁰ <https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule>

Appendix C: 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 Village officials to gain an understanding of the payroll and disbursements processes.
- We evaluated Village policies and procedures related to payroll and benefits.
- We used our professional judgment to select Clerk-Treasurer 1, Clerk-Treasurer 2, SPW 2 and SPW 3, and we selected a Public Works Department employee and a trustee through random sampling by four-sided dice rolls. For the Clerk-Treasurers, we examined all payrolls in the audit period, and for the other three employees, we examined the 2021 calendar year of pay to determine whether payroll disbursements were authorized and properly calculated according to salaries set by the Board.
- We used our professional judgment to select all nonpayroll disbursements made to each Clerk-Treasurer and each SPW who was in office during the audit period, which resulted in a sample of 155 disbursements totaling \$34,000. We reviewed the 155 disbursements to determine whether they were properly supported and approved by the Board before they were paid. For the same employees, we also examined claims relating to the health insurance reimbursements to determine whether they complied with Board policy.
- We examined all 22 leave buybacks totaling \$44,200 that took place during the audit period to determine whether they were appropriate according to the handbook, correctly calculated, properly charged to leave balances and approved by the Board.
- We examined all 65 credit card statements and used our professional judgment to select 80 credit card purchases totaling \$9,500 made to vendors that appeared frequently in the Village's credit card statements. We also reviewed all 53 credit card purchases totaling \$2,000 that were made to an online vendor during the audit period. We examined these purchases to determine whether they were properly supported, for legitimate Village purposes and approved by the Board.
- We used our professional judgment to select vendors that were paid \$26,000 through 18 disbursements, which were processed through the claims processing system during the audit period, and that would be considered highest risk for an employee to use for their personal benefit. Using our professional judgment, we determined whether the claims were supported, for appropriate Village purposes and approved by the Board. We also examined all bills from a phone vendor to calculate the amount of data used for a specific tablet during the audit period.

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.

Questions?

BINGHAMTON REGIONAL OFFICE

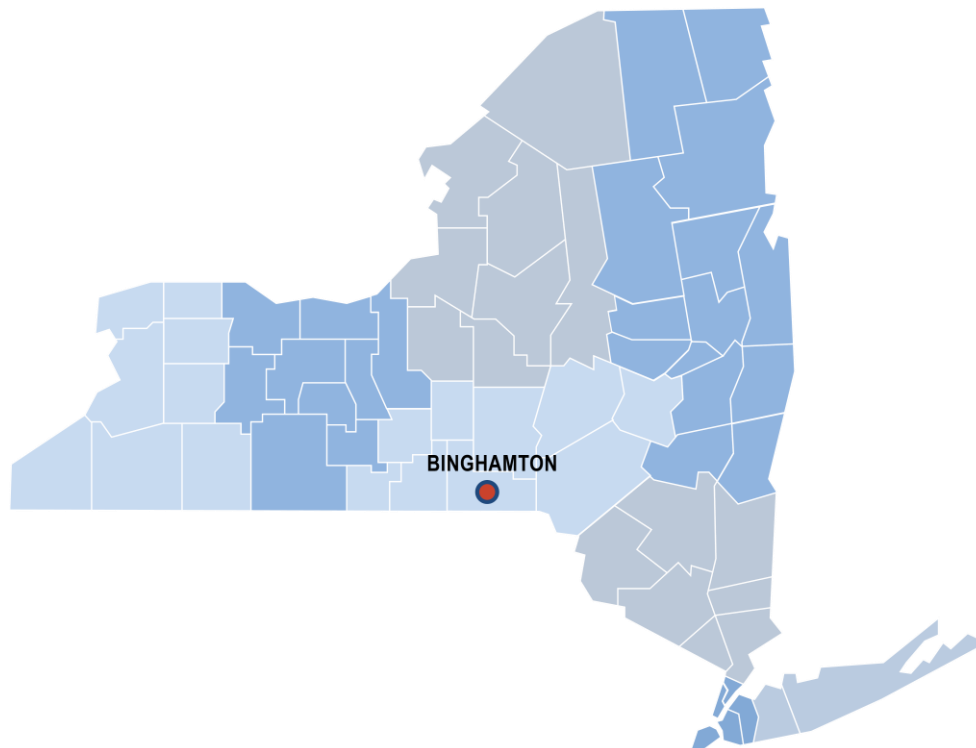
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