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January 2026

Bryan Walton, Chairman
Members of the Board of Fire Commissioners
Upper Jay Fire District
161 Valley Road
Upper Jay, NY 12941

Report Number: 2023M-24-F

Dear Chairman Walton and Members of the Board of Fire Commissioners:

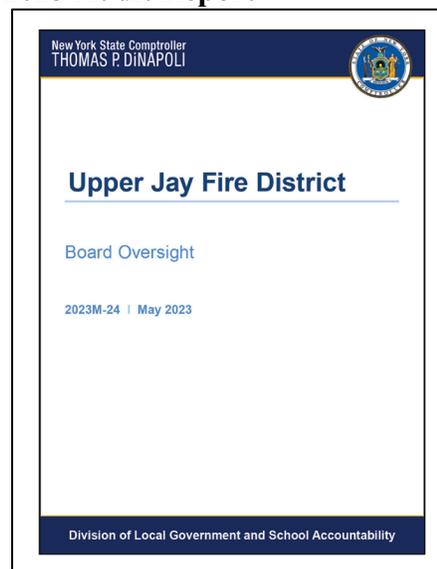
One of the Office of the State Comptroller's (OSC) primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and to account for and protect their fire district's assets.

In accordance with these objectives, we conducted an audit of the Upper Jay Fire District (District) to determine whether the Board of Fire Commissioners (Board) provided adequate oversight of District financial activities. The Board consists of five members (Commissioners) including one who serves as Chairman.

As a result of our audit, we issued a report, dated May 2023, identifying certain conditions and opportunities for the Board's review and consideration (Figure 1). In response to the audit, District officials filed a corrective action plan (CAP) with our Office in May 2023. The CAP identified the actions the Board planned to take to implement the audit recommendations.

To further our policy of providing assistance to local governments, we revisited the District on October 29, 2025. Our follow-up review was limited to interviews with Commissioners and the

**Figure 1: Upper Jay Fire District
2023 Audit Report**



<https://www.osc.ny.gov/files/local-government/audits/2023/pdf/upper-jay-fire-district-2023-24.pdf>

District's Secretary-Treasurer (Treasurer) and inspection of certain documents related to the issues identified in our report and a review of the District's CAP.¹

Based on our limited procedures, the District fully implemented five recommendations, partially implemented one recommendation and did not implement one recommendation. Until all recommendations are implemented, the Board cannot ensure District assets are fully safeguarded.

Recommendation 1 –Treasurer's Budget Status Reports

The Board should ensure the Treasurer prepares and provides it with a monthly budget status report comparing actual revenues and expenditures to amounts estimated in the annual budget.

Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District's CAP stated: *“Annual budget input into the accounting system and budget status report comparing actual revenues and expenditures to the budget is included in monthly financial reports beginning with the March 8, 2023 commissioners meeting.”*

Observations/Findings: We reviewed the Treasurer's 21 monthly reports to the Board from January 2024 through September 2025. We determined that although the Treasurer provided monthly reports to the Board that included the prior month's revenues and expenditures compared to the monthly budgeted amounts, they did not include year-to-date totals compared to the annual budget.

The Chairman, two other Commissioners and the Treasurer told us that they thought the monthly budget status report with monthly comparisons was sufficient. However, to properly monitor the budget and prevent overspending, the Board should ensure the Treasurer provides it with year-to-date comparisons of revenues and expenditures to budgeted amounts and not just the prior month. District officials told us they understood the importance of including the yearly totals and the Treasurer indicated she would start including this information at the Board's next meeting.

Recommendation 2 – Audit Claims Before Payment

The Board should audit and approve claims, as a whole, before they are paid by the Treasurer.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District's CAP stated: *“All claims are being approved by the commissioners before being paid by the Treasurer. This was implemented between the February 8, and March 8, 2023, commissioners' meetings.”*

Observations/Findings: We reviewed three months of claims which included 34 claims totaling \$41,990. We determined that all 34 claims were audited and approved by the Board, as a whole, prior to payment by the Treasurer.

¹ See Appendix A for the District's CAP to the OSC audit report.

Recommendation 3 – Claims Approval Resolutions

The Board should ensure the Board minutes include resolutions specifying the number and dollar amounts of the claims authorized for payment.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated: “*Effective with the February 8, 2023 meeting, the number and dollar amounts of claims were included in the minutes. Effective with the May 10, 2023 meeting, a resolution by the Board to approve payment of the claims will be included in the minutes.*”

Observations/Findings: We reviewed the Board meeting minutes from January 2024 through September 2025 and determined that each month included a resolution specifying the number and total dollar amount of claims audited and approved by the Board for payment.

Recommendation 4 – Claims Prepayment Resolution

The Board should consider adopting a resolution allowing eligible claims to be paid in advance of audit and ensure only those claims are paid before audit and then subsequently audited and approved.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated: “*Have elected to hold off on this resolution for the time being and only pay claims after they have been submitted and approved. Do not intend to do any eligible claims in advance at this time.*”

Observations/Findings: The Chairman, two other Commissioners and the Treasurer told us that rather than adopting a resolution allowing payment of eligible claims in advance of audit, the Board instead audited and approved all claims prior to payment. From our sample of the 34 claims we reviewed in Recommendation 2, we determined that the Board audited and approved all claims prior to payment.

Recommendation 5 – Print Checks After Audit and Approval

The Board should ensure the Treasurer prints checks only after it has audited and approved claims.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated: “*Checks are being printed after claims are audited and approved. This was effective with the February 8, 2023 board meeting.*”

Observations/Findings: Using the sample we reviewed in Recommendation 2, we determined the Treasurer printed the checks for all 34 claims after the Board’s audit and approval.

Recommendation 6 – Checks Signed by the Treasurer

The Board should ensure all checks are signed by the Treasurer and, if it elects, countersigned by a designated official.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated: “*All checks are being signed by the Treasurer effective with the February 8, 2023 board meeting.*”

Observations/Findings: Using the sample we reviewed in Recommendation 2, we determined the Treasurer signed the checks for all 34 claims.

Recommendation 7 – Annual Audit of the Treasurer’s Records

The Board should annually audit the Treasurer’s records.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP stated: “*Although the current procedure allows for a monthly review of Treasurers records as part of the monthly minutes, an annual audit will be performed by the board beginning with the January 2024 board meeting.*”

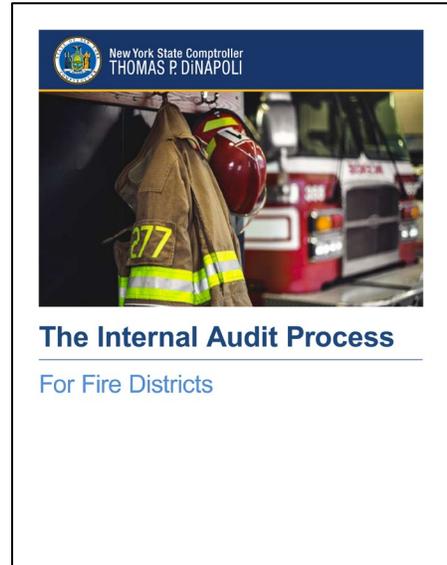
Observations/Findings: Since we issued our audit report in May 2023, the Board has not conducted an annual audit of the Treasurer’s records. We asked the Chairman and one Commissioner why the Board did not implement the planned corrective action. Even though the Chairman and the Commissioner were on the Board at the time we issued our report, and were aware of the recommendation, they did not have valid reasons for why the Board did not implement it.

Nevertheless, an audit provides assurance that public money is handled properly (e.g., money received is deposited in a timely manner, transactions are recorded properly, accountability is maintained) and identifies conditions that need improvement. Because the Treasurer performs nearly all financial duties (e.g., receives and disburses cash, maintains the accounting records and performs reconciliations), it is essential for Board members to take a more active role in providing oversight to help ensure the integrity of the District’s financial operations. Implementing a strong internal audit function is a key component of this oversight.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage District officials to continue their efforts to fully implement our recommended improvements. For additional guidance, District officials should refer to guidance available on the Office of the State Comptroller’s web page, including our publication *The Internal Audit Process for Fire Districts* (Figure 2).

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Nicole Tomsen, Chief of Municipal Audits of our Statewide Audit Unit at (716) 847-3647.

Figure 2: OSC Publication: *The Internal Audit Process for Fire Districts*



<https://www.osc.ny.gov/files/local-government/resources/pdf/internalauditprocess.pdf>

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

Appendix A – Fire District’s CAP to the OSC Audit Report

May 10, 2023

Upper Jay Fire District
Board Oversight - Report of Examination
Report Number: 2023M-24

Please consider this correspondence our response to the audit as well as our corrective action plan.

In regards to the above referenced audit, we, the board of commissioners of the Upper Jay Fire District, agree with the recommendations put forth and have addressed or will address all recommendations as detailed below.

Recommendation:

1. The Board should ensure the Treasurer prepares and provides it with a monthly budget status report comparing actual revenues and expenditures to amounts estimated in the annual Budget.

Response:

Annual budget input into the accounting system and budget status report comparing actual revenues and expenditures to the budget is included in monthly financial reports beginning with the March 8, 2023 commissioners meeting. Implemented by the Treasurer.

Recommendation:

2. The Board should audit and approve claims, as a whole, before they are paid by the Treasurer.

Response

All claims are being approved by the commissioners before being paid by the Treasurer. This was implemented between the February 8 and March 8, 2023 commissioners meetings. Implemented by the Treasurer and board.

Recommendation

3. The Board should ensure the Board minutes include resolutions specifying the number and dollar amounts of the claims authorized for payment.

Response

Effective with the February 8, 2023 meeting, the number and dollar amounts of claims were included in the minutes. Effective with the May 10, 2023 meeting, a resolution by the board to approve payment of the claims will be included in the minutes. Implemented by the Treasurer and board.

Recommendation

4. The Board should consider adopting a resolution allowing eligible claims to be paid in advance of audit and ensure only those claims are paid before audit and then subsequently audited and approved.

Response

Have elected to hold off on this resolution for the time being and only pay claims after they have been submitted and approved. Do not intend to do any eligible claims in advance at this time.

Recommendation

5. Ensure the Treasurer prints checks only after it has audited and approved claims.

Response

Checks are only being printed after claims are audited and approved. This was effective with the February 8, 2023 board meeting. Implemented by the Treasurer and board.

Recommendation

6. The Board should ensure all checks are signed by the Treasurer and, if it elects, countersigned by a designated official.

All checks are being signed by the Treasurer effective with the February 8, 2023 board meeting. Implemented by the Treasurer and board.

Recommendation

7. The Board should annually audit the Treasurer's records.

Response

Although the current procedure allows for a monthly review of Treasurers records as part of the monthly minutes, an annual audit will be performed by the board beginning with the January 2024 board meeting. All of the above approved by resolution by the board of the Upper Jay Fire District on May 10, 2023.

Sincerely,

Bryan D. Walton
Chairman of the Board of Commissioners
Upper Jay Fire District