

New York State Comptroller
THOMAS P. DiNAPOLI

Town of Whitestown

Inventories

June 2026 | 2026M-38

Prepared by the Division of Local Government and School Accountability

Table of Contents

Audit Results	1
Inventories: Findings and Recommendations	3
Finding 1 – The Superintendent did not properly safeguard and account for fuel and motor oil inventories.	3
Recommendations	4
Appendix A: Profile, Criteria and Resources	6
Profile	6
Criteria	6
Additional Resources	7
Appendix B: Response From Town Officials	8
Appendix C: Audit Methodology and Standards	10

Audit Results

Town of Whitestown

Audit Objective

Did the Town of Whitestown Highway Superintendent (Superintendent) adequately safeguard and account for diesel fuel, gasoline and motor oil inventories?

Audit Period

January 1, 2024 – March 26, 2026

Understanding the Audit Area

A Superintendent should adequately safeguard and account for diesel fuel, gasoline and motor oil inventories to ensure these valuable assets are protected from loss, theft, waste and misuse. Accurate inventory records and periodic monitoring help ensure fuel and motor oil are used for authorized purposes, facilitate timely detection of discrepancies and provide accountability for taxpayer resources. Without effective inventory controls, officials may be unable to identify inventory shortages, unauthorized usage or excessive consumption, increasing the risk of financial loss and operational inefficiencies.

For the period January 1, 2024 through October 31, 2025, the Town purchased diesel fuel, gasoline and motor oil totaling \$203,190.

Audit Summary

The Superintendent did not properly safeguard and account for diesel fuel, gasoline and motor oil inventories. As a result, fuel and motor oil purchases totaling \$172,588 or 85 percent of the total purchases made from January 1, 2024 through October 31, 2025 could not be accounted for because usage records were either not maintained or were incomplete and unreliable. In addition, the absence of procedures to monitor inventory usage and levels, combined with unrestricted access to diesel fuel, gasoline and motor oil inventories, significantly increased the risk that theft, misuse or inventory losses could occur and remain undetected.

The Superintendent did not ensure fuel pumps were turned off or that the gate securing the fuel area was locked when the highway garage was unattended. Furthermore, motor oil was stored in unsecured bulk drums and tanks accessible to Town employees, and the Superintendent did not address critical deficiencies in the fuel monitoring system. Specifically, the gasoline tank gauges and the electronic fuel card system were not functioning, limiting the Town's ability to accurately track fuel inventory and usage. As a result, officials lacked assurance that fuel and motor oil inventories were properly safeguarded, used for authorized purposes and available to support highway operations.

The report includes six recommendations that, if implemented, will strengthen inventory controls and improve accountability over diesel fuel, gasoline and motor oil inventories. Town officials generally agreed with our findings and recommendations and their response is in Appendix B.

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 Town Board (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 Town Clerk's office.

Inventories: Findings and Recommendations

A town highway superintendent (superintendent) is responsible for establishing controls over highway department consumable assets, such as fuel and motor oil, to ensure they are safeguarded against loss, waste and misuse. This includes implementing physical controls, limiting access, monitoring usage and performing inventory reconciliations.

Fuel and motor oil usage records should be detailed enough to determine whether usage was by an authorized individual and for an appropriate town purpose and whether usage was reasonable. Perpetual inventory records should also be maintained to show the amount of the beginning balance, additions, reductions and ending balance. These records should be periodically reconciled to the physical inventory in the tanks. Although the superintendent can delegate these tasks, the superintendent remains responsible for ensuring the tasks are properly carried out.

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 – The Superintendent did not properly safeguard and account for fuel and motor oil inventories.

The Superintendent did not maintain usage records or require Town employees to document the amount of gasoline and motor oil they used. As a result, there was no way for the Superintendent to monitor gasoline and motor oil usage for reasonableness. Furthermore, the gauge on the gasoline pump was broken and it did not show the number of gallons dispensed, which made it difficult to determine gasoline usage had the Superintendent required it.

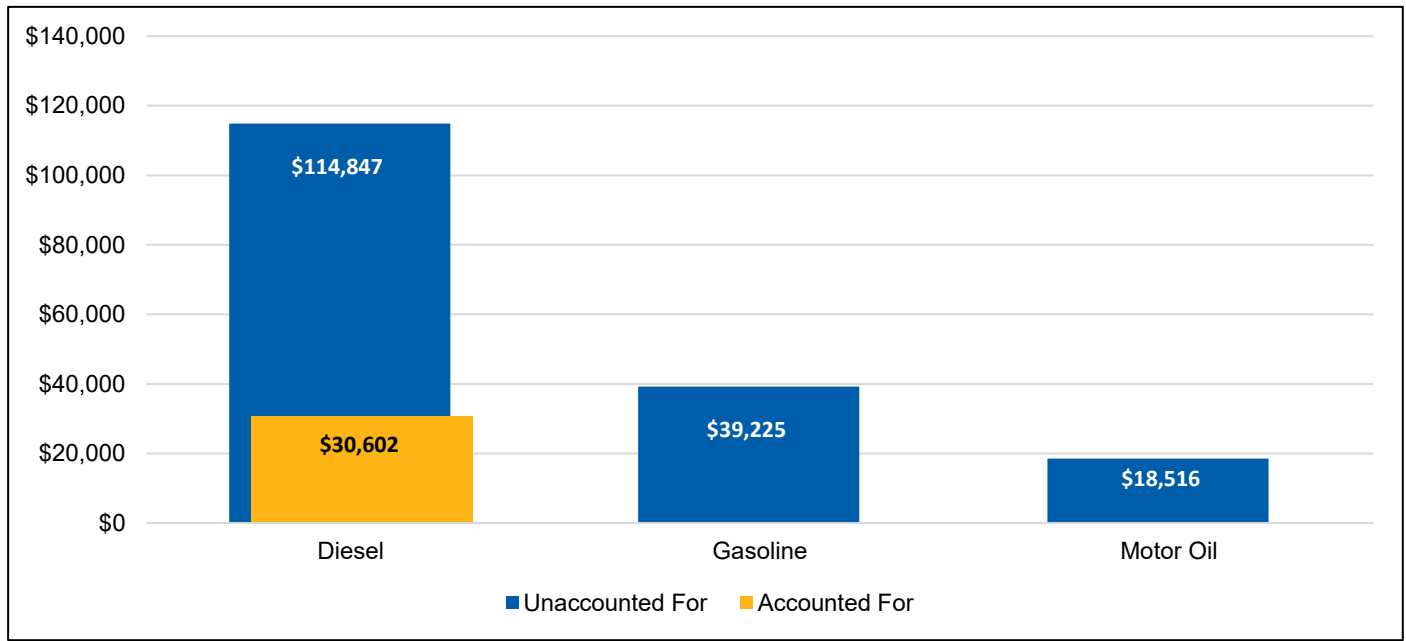
Although the Superintendent maintained a diesel fuel usage log (log) for Town employees to record the amount pumped into Town vehicles and equipment, the log was incomplete. The log only accounted for 11,709 gallons of the 55,040 gallons (21 percent) of diesel fuel purchased by the Town from January 1, 2024 through October 31, 2025.

The Superintendent told us he did not review the log to monitor usage. Also, the log showed the date, gallons pumped and vehicle, but it did not include the name of the employee who pumped the diesel fuel or the time of day when the fuel was pumped. Had the Superintendent periodically reviewed the log for reasonableness, he might have noticed that employees were not consistently updating the log.

The Superintendent also did not maintain any perpetual inventory records for diesel fuel, gasoline or motor oil. Therefore, he could not periodically reconcile inventory records with the amount of diesel fuel, gasoline and motor oil on hand to help identify discrepancies, such as unrecorded usage or disparities with deliveries. Because adequate usage and perpetual inventory records were not maintained, the Superintendent was unable to account for \$172,588¹ of the diesel fuel, gasoline and motor oil purchased by the Town during the period from January 1, 2024 through October 31, 2025 (Figure 1).

¹ See Appendix C for details about the methodology used to calculate the dollar value of unaccounted-for fuel and motor oil.

Figure 1: Diesel Fuel, Gasoline and Motor Oil Purchases January 1, 2024 through October 31, 2025



Although the Town had a security camera for the diesel fuel and gasoline pumps, the Superintendent did not take adequate measures to restrict access to the pumps. For example, he did not ensure the pumps were turned off or that the gate surrounding the fuel tanks was locked during the hours when the highway garage was not in use.

The fuel tanks were equipped with an electronic card system to help restrict access to the pumps. However, the Superintendent told us the system was no longer operational due to the lack of budgetary funds to repair the system. Consequently, there are no physical controls to prevent unauthorized individuals from using the pumps to dispense diesel fuel and gasoline. Additionally, motor oil was stored in bulk drums and tanks in the highway garage that were unsecured and accessible to Town employees. The Superintendent told us that the motor oil is stored in the mechanic's bay for ease of access.

Because access to diesel fuel, gasoline and motor oil inventories was unrestricted and there were no procedures to monitor usage and inventory levels, there was a significant risk that fuel and motor oil could be stolen or misused without detection.

Recommendations

The Superintendent should:

1. Repair or replace the gasoline fuel pump gauge that displays the number of gallons of gasoline dispensed.
2. Ensure usage records are maintained that contain sufficient information such as the transaction date and time, name of the employee dispensing diesel fuel or gasoline or using motor oil, gallons or quantity used, and the vehicle or equipment using the diesel fuel, gasoline or motor oil.
3. Periodically review usage records to ensure usage is reasonable and for appropriate Town purposes.

4. Maintain perpetual inventory records and periodically reconcile inventory records with the amount of diesel fuel, gasoline and motor oil on hand. Any material discrepancies discovered should be investigated.
5. Ensure that diesel fuel and gasoline pumps are turned off and the gate surrounding the diesel fuel and gasoline tanks is locked to restrict access to the fuel tanks when the highway garage is closed.

The Superintendent and Board should:

6. Consider repairing or replacing the electronic fuel card system to restrict access to the fuel pumps.

Appendix A: Profile, Criteria and Resources

Profile

The Town is located in Oneida County and governed by an elected five-member Board, which includes the Supervisor and four Board members. The Town uses diesel fuel, gasoline and motor oil to operate and service Town vehicles and equipment. The Town maintains a 2,500-gallon diesel fuel storage tank and a 2,000-gallon gasoline storage tank located behind the Town highway garage, and it stores motor oil in bulk drums and a bulk storage tank inside the garage.

The Board is responsible for general oversight of Town operations and finances. The Superintendent is responsible for overseeing the Highway Department and plans, prepares, implements, coordinates and reviews the activities and operation of the Highway Department, including maintenance and oversight of highway equipment and materials, including fuel and motor oil.

The Highway Department uses the Town's diesel fuel and gasoline for highway vehicles and equipment and the Parks and Recreation Department uses it to fill portable tanks for smaller equipment (e.g., mowers). The Parks and Recreation and Police Departments fuel Town vehicles at the Whitesboro Central School District (District) bus garage. The District invoices the Town for fuel used along with an administrative fee. The Town maintains motor oil inventories for use by two full-time mechanics who perform maintenance, including oil changes, for most of the Town's vehicles and equipment.

Criteria

A town highway superintendent (superintendent) is responsible for developing procedures to provide controls over highway department consumable assets, such as diesel fuel, gasoline and motor oil inventories, to ensure they are appropriately accounted for and protected from loss, waste and misuse. Although the superintendent can delegate these tasks, the superintendent remains responsible for ensuring the tasks are properly carried out. The superintendent should ensure:

- Physical controls such as gates, locks and/or fuel access cards are used to restrict access to inventories.
- Usage records are maintained and contain sufficient information such as the transaction date and time, employee dispensing the diesel fuel, gasoline or using motor oil, gallons of diesel fuel or gasoline dispensed or motor oil used, and the vehicle or equipment using the diesel fuel, gasoline or motor oil.
- Usage records are periodically reviewed to verify accuracy and help ensure usage is reasonable and for appropriate town purposes. Any material discrepancies discovered should be investigated and resolved.
- Perpetual inventory records for diesel fuel, gasoline and motor oil are maintained that clearly document the amount of beginning inventory, amounts added, amounts used (per usage records) and the remaining balance. These records should be periodically reconciled to the actual diesel fuel, gasoline and motor oil on hand as determined by taking a physical measurement. Any material discrepancies between actual and recorded inventories discovered during the reconciliation process should be fully investigated.
- Town employees comply with established procedures.

Additional Resources

OSC *Local Government Management Guide* that is available on our website to help officials understand and perform their responsibilities include:

- ***The Practice of Internal Controls***: <https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.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>

Appendix B: Response From Town Officials

The content below is a reproduced copy of the original response letter issued by Town officials and is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,² and may have included changes to spelling and grammar. The substance of the content was not changed.

Town of Whitestown

June 15, 2026

Rebecca Wilcox – Chief of Municipal Audits
Office of the New York State Comptroller – Syracuse Regional Office
State Office Building
333 E. Washington Street, Room 409
Syracuse, NY 13202

Re: Written Draft Audit Response – Town of Whitestown Inventories

Chief of Municipal Audits Rebecca Wilcox:

I am in receipt of the draft audit report, “Town of Whitestown Inventories,” which was completed by the New York State Comptroller’s Division of Local Government and School Accountability and emailed to the Town Board on June 5, 2026. As stated in the draft report, the “audit objective” was – “Did the Town of Whitestown Highway Superintendent (Superintendent) adequately safeguard and account for diesel fuel, gasoline and motor oil inventories?” The “audit period” was January 1, 2024, to March 26, 2026.

On behalf of the Town Board, I acknowledge the draft audit report’s “Finding 1” – “The Superintendent did not properly safeguard and account for fuel and motor oil inventories.” More specifically that, “the absence of procedures to monitor inventory usage and levels, combined with unrestricted access to diesel fuel, gasoline and motor oil inventories, significantly increased the risk that theft, misuse or inventory losses could occur and remain undetected.” I also acknowledge the draft audit report’s six recommendations – five directed towards the Superintendent and one directed towards the Superintendent and Town Board.

Upon review of the draft audit report and completion of the exit discussion, the Town Board does not object to any of the draft audit report’s findings and recommendations. The Town will prepare and submit a Corrective Action Report (CAP) to the Office of the State Comptroller within 90 days of the issuance of the final audit report.

Should anything else be required of the Town at this time, please do not hesitate to contact me.

Sincerely,

Shaun J. Kaleta
Town of Whitestown Supervisor

² <https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule>

cc: Deputy Town Supervisor/Councilman Michael Ciancaglini
Councilman Kevin Barry
Councilman Joseph Cirsuolo
Councilman David Glenn
Highway Superintendent Salvatore Granato
Director of Finance & Personnel Lisa Langdon
Town Attorney William Schmitt

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 the Superintendent, Director of Parks and Recreation and Director of Finance, and reviewed available fuel-related documents and records to gain an understanding of the Town's practices for restricting access to diesel fuel, gasoline and motor oil, tracking inventory levels and monitoring usage.
- We toured the highway garage to observe the storage tanks, pumps and fuel pump shut offs and assess the current security practices and operations.
- We reviewed all 94 diesel fuel, gasoline and motor oil invoices totaling \$203,190 for the period January 1, 2024 through October 31, 2025 to quantify the amount of the purchases and the number of gallons of fuel and motor oil purchased.
- We reviewed the log for diesel fuel to determine whether it contained adequate information for officials to help ensure usage was authorized, appropriate and reasonable.
- For the period January 1, 2024 through October 31, 2025, we compared diesel fuel, gasoline and motor oil purchases to available usage records to determine the amount of unaccounted-for diesel fuel, gasoline and motor oil. To calculate the dollar amount for gasoline and motor oil unaccounted-for, we used the total amount paid by the Town on invoices, as there were no usage or inventory records maintained to account for any of the purchases. To determine the cost of unaccounted-for diesel fuel, we determined the average fuel price per gallon the Town paid in 2024 and 2025 (through October 31) and multiplied the average price by the difference between number of gallons purchased and the gallons recorded in the log.

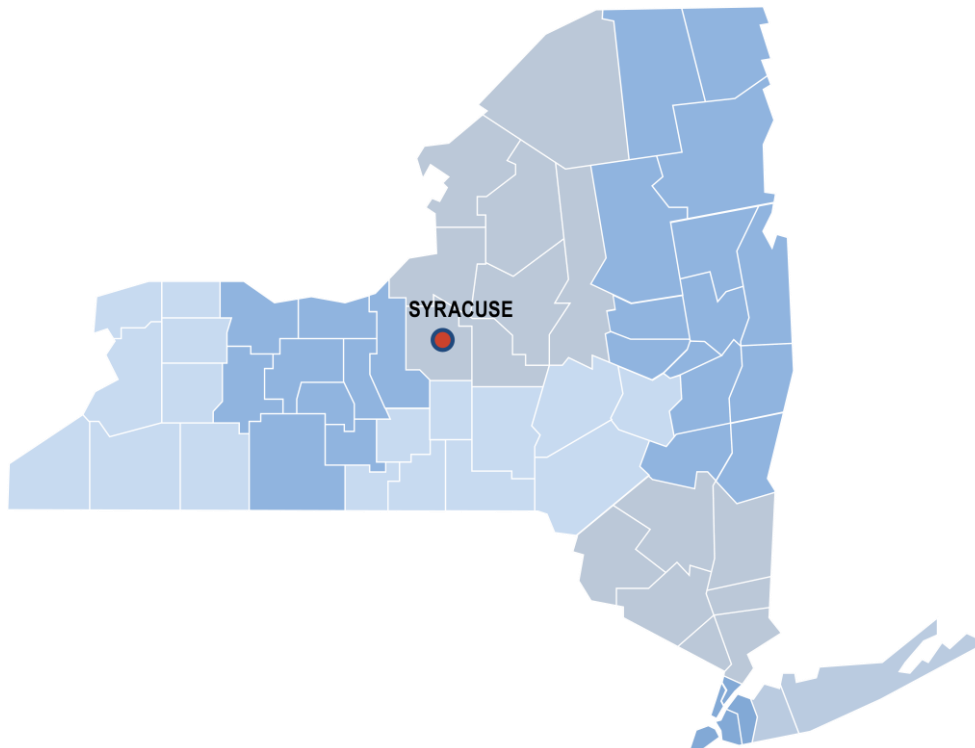
We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective.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

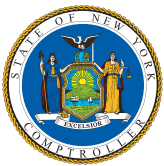
Questions?

SYRACUSE REGIONAL OFFICE

Rebecca Wilcox, Chief of Municipal Audits
State Office Building, Room 409 • 333 E. Washington Street
Syracuse, New York 13202-1428
Tel (315) 428-4192 • Fax (315) 426-2119
Email: Muni-Syracuse@osc.ny.gov

Serving: Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence counties





Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4044

www.osc.ny.gov

Prepared by the Division of Local Government and School Accountability

 FOLLOW US: osc.ny.gov/subscribe