

# FAC REPORT TO TOWN BOARD

March 17, 2024

The FAC conducted their March meeting as a combined training session and audit of the Town Clerk and Tax Collector. Members of the FAC in attendance were:

Steve Olyha, Chair

Will Weiss, Vice-Chair

Tom Grayson

Katrin Lange

Peter Scola

Members not in attendance were:

Carol Falcetti

Jim Miller (other HWY Training)

Additionally, the FAC invited Bob Patterson, the Town's Accountant, to attend and participate as he has been instrumental in assisting the FAC to better understand best practices and lawfully required Policies and Procedures that were not identified by the town's previous accountant. To date, none of the items that have been identified are particularly material in nature, but enough existed that an external Financial Statements Review would likely have identified a substantial number of gaps the town should address.

The audit lasted approximately 2hrs 45 minutes, substantially longer than previously as a result of the suggestions BP (Robert Patterson) made to the FAC to review in much greater detail than we have before various transactions and their relationships. For example, tracking tax collections through the entire process of mail receipt, collection, inputting into the software system, payment to the county etc. One example of the knowledge the FAC gained from BP's input was to review the past 3 years summary of interest and penalties and conduct an analysis of why substantial variances existed between 2024 and previous years. Detail on this example is available, but the short version is that it's the result of a higher interest rate the previous supervisor negotiated for our accounts, and a trend of many more taxpayers paying their taxes late. I note here the process the Tax Collector has instituted to retain possession of envelopes from taxpayers (this may be a process that results in scanning them in the future) that provides documentation that some taxpayers try to avoid penalties by dating their checks then not actually mailing them until later, so

the stamped date of the envelope shows they were paid late. This attention to detail and documentation results in a clear documentation trail to charge penalties to late payers.

Overall, it was a substantive training and learning experience for the FAC. There were 5 formal “findings” of changes that will be instituted, but they were relatively minor in nature. One example is the need to have the Town Supervisor issue a receipt to the Town Clerk when given money to deposit even though there is already a reconciliation process in place to ensure all collections are documented and bank deposits match collections. Overall the audit showed a diligent and thorough process managed by the Town Clerk and Tax Collector.

Because of the complexity of the Town Court audit and the formality and need for that audit being given to the state (something we learned) it is the recommendation of the FAC that the town hire Bob Patterson to annually conduct that audit, for a sum not to exceed \$2500.

Comments and questions welcome, but I thank the members of the FAC for their participation and interest in this audit and training, I believe the Town Board should be proud of their effort and appreciate their substantial commitment.

Respectively Submitted,  
Steve Olyha, FAC chair.