



Village of North Syracuse

Transparency of Fiscal Activities

S9-24-11 | December 2024

Contents

- Report Highlights 1**

- Transparency of Fiscal Activities 2**
 - How Should Village Officials Provide Transparency of Fiscal Activities? 2
 - The Board Did Not Provide For an Annual Audit of the CFO’s Records and Reports 3
 - The Board Did Not Ensure the CFO Prepared and Filed the AFR. 4
 - What Do We Recommend? 4

- Appendix A – Response From Village Officials 5**

- Appendix B – General Recordkeeping and CFO Checklist 6**

- Appendix C – Audit Methodology and Standards 9**

- Appendix D – Resources and Services 10**

Report Highlights

Village of North Syracuse

Audit Objective

Determine whether the Village of North Syracuse (Village) Board of Trustees (Board):

- Conducted an annual audit of the Village Chief Fiscal Officer's (CFO) financial records and reports,
- Filed the required Annual Financial Report (AFR) with the Office of the State Comptroller (OSC), and
- Reported the results of the Village's fiscal activities to the public in a transparent manner.

Key Findings

The Board did not:

- Conduct an annual audit, or cause to be audited, the CFO's 2022-23 financial records and reports, as required by New York State Village Law (Village Law) Section 4-408,
- Ensure the AFR was prepared and filed with OSC, as required by New York State General Municipal Law (GML) Section 30, or
- Report the results of the Village's fiscal activities to the public, as required by GML Section 30 and Village Law Section 4-408.

Although our review did not identify any significant fiscal concerns with the Village's general fund for the year 2022-23, the Board's ineffective oversight resulted in a lack of transparency with the public regarding the Village's fiscal activities.

Recommendations

The audit report includes six recommendations to help the Board and CFO improve the transparency of their fiscal activities. Village officials generally agreed with our recommendations and indicated they have taken or will take corrective action.

Audit Period

June 1, 2022 – October 1, 2023

We extended our review of the last filed AFR to September 2024.

Background

The Village is located in the Towns of Cicero and Clay in Onondaga County and is governed by the elected Board, comprising a Village Mayor (Mayor), Deputy Mayor and three Trustees.

The appointed Clerk-Treasurer is the Village's CFO and, in accordance with Village Law Section 4-408, is responsible for the custody of all Village funds, and must:

- Keep accounts of all receipts and expenditures,
- Deposit all funds received in a timely manner,
- Pay out all funds, and
- File a statement at the end of the fiscal year showing in detail all revenues and expenditures during the previous fiscal year and the outstanding indebtedness of the village as of the end of the fiscal year.

Quick Facts

2022-23 General Fund Appropriations	\$5.6 million
-------------------------------------	---------------

Population	6,739
------------	-------

As of September 30, 2024

Unfiled AFRs	Days Late
2022	762
2023	397
2024	31

Transparency of Fiscal Activities

The public has a fundamental right to know how village officials spend tax dollars to provide various services to the public, including general government support, street maintenance and improvement, snow removal, police and fire protection, refuse collection and sewer services. To this end, village officials have a responsibility to ensure comprehensive financial information supporting a village board's actions and village operations is readily accessible and available to the public in a transparent manner.

How Should Village Officials Provide Transparency of Fiscal Activities?

A village board is responsible for overseeing the village's financial operations and safeguarding its resources, and is required by Village Law Section 4-408 to annually audit, or cause to be audited, the village CFO's¹ books and records. These books and records include:

- Cash receipt and disbursement transactions,
- Cash reconciliations,
- Receivables,
- Investment records,
- Deposit protections,
- Indebtedness and property records,
- Payrolls, and
- Financial reports.

The audit of these records should be thorough and sufficiently detailed and helps to ensure that sufficient board oversight is being maintained over village operations. An audit of the CFO's records should determine that the following minimum concerns are met:

- Financial records are complete and up to date,
- Transactions are recorded properly,
- Reconciliations are performed monthly, and
- Required reports are made in a timely and accurate manner.

Appendix B includes a checklist and OSC guidance on conducting an annual audit excerpted from our Local Government Management Guide publication *Fiscal Oversight Responsibilities of the Governing Board*.² At a minimum, audits provide the village board with the opportunity to assess the effectiveness of financial operations. An annual audit also provides an independent verification that transactions are properly recorded, village money is properly accounted for and whether any significant fiscal concerns exist.

Furthermore, GML Section 30 requires a CFO to prepare and file an annual report of the village's financial position and results of operations, known as the AFR, with OSC within 90 days³ after the close of the fiscal year. The AFR provides detailed information about the village's finances and includes such items as revenues, expenditures, debt, cash reserves and fund balance.

¹ A village can appoint an individual to serve as both clerk and treasurer, or have separate individuals serving as Village Clerk, and as Village Treasurer. Generally, the clerk-treasurer position encompasses the main responsibilities of the treasurer's area of financial accountability and reporting.

² Available at <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>.

³ Villages with populations under 5,000 have 60 days to file, between 5,000 to 19,999 have 90 days, and populations with 20,000 or more have 120 days.

As part of its oversight responsibilities, a village board should ensure the CFO prepares and files the AFR as required. In addition, the AFR must be made available to the public in accordance with:

- Village Law Section 4-408 which requires the board to publish a notice in the village's official newspaper within 10 days that the AFR has been filed and is available to the public for inspection, and
- GML Section 30 which requires a village to make the AFR accessible to the public on its official website.

Gaps or delays in preparing records, completing annual audits and filing reports undermine transparency and create missed opportunities to identify fiscal concerns earlier when it might be more easily remedied.

The Board Did Not Provide For an Annual Audit of the CFO's Records and Reports

The Board did not audit, or cause to be audited, the CFO's records and reports for the fiscal year ending May 31, 2023. The Mayor told us he was aware of the annual audit requirement, and that the Board could audit the records on its own, but prefers a Certified Public Accountant (CPA) perform the annual audit because he does not have an accounting background. However, although he also told us the Board included audit services in the approved budget, the services were not engaged because the CPA lacked the staffing resources to schedule the Village's audit. The Deputy Mayor and one Trustee told us that they were unaware of the annual audit requirement.

Due to the Board's inaction, we performed an annual audit of the CFO's records for the year ending May 31, 2023, using OSC guidance available to, and for, Trustees of the Village. Although the CFO's records were generally adequate, we identified transactions recorded in an untimely manner, which resulted in delayed reporting of financial information to the Board including:

- Receipt and disbursement transactions occurring in the months of July 2022 through February 2023 that were recorded in the accounting records in March 2023, or up to eight months after the transactions occurred.
- Receipt and disbursement transactions for the months of April and May of 2023 which were recorded in the accounting records in September and October 2023, respectively.

If accounting records include untimely entries, reports to the Board would be incomplete or delayed until completed. Therefore, had an annual audit commenced after the fiscal year's end, the audit could not have been completed because the accounting records were not up to date at the time.

The Clerk-Treasurer told us she was on leave on multiple occasions during the audit period and was behind in posting the transactions into the accounting system. She further told us that she performs the bank reconciliations and provides financial reports to Board members for their monthly meetings after she enters transactions into the accounting system. Therefore, Board members were not provided timely financial reports.

The Mayor told us that he was aware that the Clerk-Treasurer was behind in her duties due to leave and recalled that the Board received several months' worth of financial reports when she was getting the accounting records caught up.

The Board Did Not Ensure the CFO Prepared and Filed the AFR

The Clerk-Treasurer has not prepared and filed the AFRs for the 2021-22 through 2023-24 fiscal years with OSC. As a result, there was no notification to the public of available annual financial information.

The Clerk-Treasurer told us that she prefers to have the financial records externally audited by a CPA prior to submitting the AFR because it provides them with a greater level of comfort that the records are in proper order. She added that the Village's external auditors also routinely supply adjusting journal entries to close the books at year-end. However, as described in the previous section, untimely recorded transactions would have prevented the annual filing on or before August 30, 2023.

The Mayor, Deputy Mayor and a Trustee said they knew that the AFR was not yet filed but agreed with the Clerk-Treasurer's request to have the CPA audit of the records prior to filing. After we explained to Village officials that they could file the AFR and later file adjustments if needed, the Clerk-Treasurer told us that the oldest non-filed fiscal year ending May 31, 2022, would be filed without a CPA audit.

Due to the Village's lack of transparency, taxpayers and other interested parties were not able to properly assess the Village's financial operations and financial condition using Village records to make informed decisions.

Although we reviewed the results of operations and analyzed changes in the components of fund balance for the Village's general fund for the year 2022-23 and did not identify any significant fiscal concerns, the Board's ineffective oversight of fiscal activities resulted in a lack of transparency with the public.

What Do We Recommend?

The Board should provide oversight and transparency by:

1. Conducting the annual audit of the CFO's records and reports or causing the audit to be performed.
2. Ensuring the CFO prepares and files the AFR.
3. Notifying the public that the AFR is available and posting the AFR to the Village's website.
4. Attending applicable and beneficial training sessions to obtain a better understanding of its duties. Training provided by OSC can be found at: www.osc.ny.gov/localgov/academy/index.htm

The Clerk-Treasurer, as the Village's CFO, should:

5. Provide timely financial reports to the Board.
6. Prepare and file the AFR with OSC as required.

Appendix A: Response From Village Officials



www.northsyracuse.ny.org

October 23, 2024

Office of the State Comptroller
Division of Local Government and School Accountability
████████████████████
110 State Street, 12th Floor
Albany, NY 12236

Dear ██████

This is a response to the report issued to the Village of North Syracuse regarding the transparency of fiscal activities.

I, as C.E.O., agree with your findings and agree with the six recommendations. The reason we fell behind on the AFR reporting was due to (3) medical leaves by our Clerk-Treasurer. We had no one capable of taking her place. She was doing some remote work but did not have access to full computer records at home.

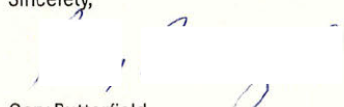
I reminded our Clerk-Treasurer that she needed to get caught up. She was trying to play catch-up while performing all current duties.

I knew we were not in fiscal difficulty but did realize we were delinquent with AFR reporting. We recently engaged our Audit Firm to come in and provide help to get us through the AFR process one year at a time.

We know we must submit the oldest AFR, then proceed as quickly as we get approvals back from you. It is our intent to clean up all the delinquencies in a timely fashion so our Clerk-Treasurer is back to working only on current activities.

Thank you.

Sincerely,


Gary Butterfield
Mayor
Village of North Syracuse

600 South Bay Road North Syracuse New York 13212 (315) 458-0900 Fax (315) 458-5079

Appendix B: General Recordkeeping and CFO Checklist

Determine the types of funds in use, and whether separate cash receipts and disbursements books are maintained for the various funds or whether a single cash receipts and single cash disbursements book is maintained. The following checklist can be used for each fund maintained and is excerpted from pages 26-28 of our publication Local Government Management Guide publication Fiscal Oversight Responsibilities of the Governing Board available at: <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>

Cash Receipts	YES	NO
Is the cash receipts journal up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose and the amount either individually or totals referenced to subsidiary receipt records (e.g., water rents receipts register)?	<input type="checkbox"/>	<input type="checkbox"/>
Are un-deposited cash receipts safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>
Are duplicate deposit slips kept?	<input type="checkbox"/>	<input type="checkbox"/>
Do deposit amounts agree with cash receipt amounts?	<input type="checkbox"/>	<input type="checkbox"/>
Are deposits made timely and recorded up-to-date? <i>Last Recorded Deposit: Date _____ Amount _____</i>	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash receipts journal totaled and summarized monthly?	<input type="checkbox"/>	<input type="checkbox"/>

Cash Disbursements	YES	NO
Is the cash disbursements journal up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash disbursements journal maintained in a manner to identify amounts disbursed either individually or totals referenced to abstracts or payrolls?	<input type="checkbox"/>	<input type="checkbox"/>
Are pre-numbered checks used for all disbursements (other than petty cash)?	<input type="checkbox"/>	<input type="checkbox"/>
Are all checks signed by the chief fiscal officer and co-signed if required?	<input type="checkbox"/>	<input type="checkbox"/>
If checks are signed electronically, is the signature stamp or software in the custody and control of the chief fiscal officer?	<input type="checkbox"/>	<input type="checkbox"/>
Are canceled checks or check images returned with bank statements and maintained on file?	<input type="checkbox"/>	<input type="checkbox"/>
Are all unused checks properly controlled (blank check stock)?	<input type="checkbox"/>	<input type="checkbox"/>
Are checks recorded up-to-date? <i>Last Recorded Check: # _____ Date _____ Amount _____</i>	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash disbursements journal totaled and summarized monthly?	<input type="checkbox"/>	<input type="checkbox"/>
Are payments supported by appropriate documentation? Consider comparing a sample of disbursements with supporting documentation.	<input type="checkbox"/>	<input type="checkbox"/>

Cash Reconciliations			YES	NO
Are bank accounts reconciled?			<input type="checkbox"/>	<input type="checkbox"/>
<i>By Whom?</i> _____				
<i>How Often?</i> _____				
<i>Who Reviews/Verifies Them?</i> _____				
Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash?			<input type="checkbox"/>	<input type="checkbox"/>
Is the bank reconciliation performed in a timely manner after the bank statement is received?			<input type="checkbox"/>	<input type="checkbox"/>
Last Bank Reconciliation for Each Bank Account				
Bank Account	Date Performed	Month Ending		
Are reconciliations documented and available for review?			<input type="checkbox"/>	<input type="checkbox"/>
Does the reconciled bank balance agree with the cash balance recorded in the accounting records?			<input type="checkbox"/>	<input type="checkbox"/>

Receivables	YES	NO
Are receivable control accounts maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Is there indication that the receivable control accounts are reconciled to the detail subsidiary records?	<input type="checkbox"/>	<input type="checkbox"/>

Investment Records	YES	NO
Is an investment record maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Is the record complete and up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>

Deposit Protection	YES	NO
Has the bank pledged adequate, eligible securities to protect deposits and investments (under the custody of the chief fiscal officer) that exceed FDIC insurance protection?	<input type="checkbox"/>	<input type="checkbox"/>

Indebtedness Records <i>(This record is maintained by the clerk in certain local governments)</i>	YES	NO
Is an indebtedness register maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Is the register complete and up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>

Property Records	YES	NO
Are property records maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Are the records up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
Are all fixed assets included in the records?	<input type="checkbox"/>	<input type="checkbox"/>
Are physical inventories taken and compared to the records?	<input type="checkbox"/>	<input type="checkbox"/>

Financial Reporting	YES	NO
Are interim reports (budget/actual; trial balances; etc.) prepared?	<input type="checkbox"/>	<input type="checkbox"/>
Are the reports distributed to the governing board and department heads?	<input type="checkbox"/>	<input type="checkbox"/>
Does total year-end recorded cash agree with that reported in the annual financial report?	<input type="checkbox"/>	<input type="checkbox"/>

Payrolls	YES	NO
Are payrolls certified/approved by the appropriate official?	<input type="checkbox"/>	<input type="checkbox"/>
Are pay rates in accordance with collective bargaining agreements and other lawful employment contracts, or board resolutions?	<input type="checkbox"/>	<input type="checkbox"/>
Is leave time accounted for?	<input type="checkbox"/>	<input type="checkbox"/>

Appendix C: Audit Methodology and Standards

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. 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 reviewed Board minutes and interviewed the Mayor, Deputy Mayor, Clerk-Treasurer and one Trustee to gain an understanding of the Village's operations and the Board's oversight regarding annual audits, filing of the AFR and review of financial reports.
- We performed an annual audit of the Clerk-Treasurer's records for the fiscal year ended May 31, 2023, using OSC guidance available to Board members.
- We identified the dates of when the cash receipt and disbursement transactions were entered into the accounting records for the transactions occurring in the months of June 2022 to May 2023. We also obtained the dates that the monthly financial reports were provided to the Board.
- We assessed whether the Village has experienced any significant fiscal concerns by reviewing the Clerk-Treasurer's records and reports showing composition of fund balance, operating results, and budgeted appropriations.

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 size of the relevant population and the sample selected for examination.

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 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.

Appendix D: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.ny.gov/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.ny.gov/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.ny.gov/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.ny.gov/local-government/academy

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

<https://www.osc.ny.gov/local-government>

Local Government and School Accountability Help Line: (866) 321-8503

STATEWIDE AUDITS – Dina M.L. Thompson, Chief of Municipal Audits

State Office Building, Suite 1702 • 44 Hawley Street • Binghamton, New York 13901-4417

Tel (607) 721-8306 • Fax (607) 721-8313 • Email: Muni-Statewide@osc.ny.gov

[osc.ny.gov](https://www.osc.ny.gov)

