



# Town of Chesterfield

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Town Clerk

2024M-110 | January 2025

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# Report Highlights

## Town of Chesterfield

### Audit Objective

Determine whether the Town of Chesterfield (Town) Town Clerk (Clerk) properly recorded, deposited, remitted and reported collections.

### Key Findings

The Clerk did not properly record, deposit, remit or report collections. As a result, officials do not have assurance that all collections are accounted for, and money could be lost or misappropriated. The Clerk and Deputy Clerk did not record and issue receipts for collections totaling \$18,289 received for 273 of 805 fees (34 percent). The Clerk also did not:

- Prepare accurate monthly reports and remit collections to the Supervisor and other agencies in the appropriate amounts.
- Prepare monthly bank reconciliations and accountability analyses which compare the amount of cash on hand and on deposit in the bank to detailed lists of amounts due to the Supervisor and other agencies.

Had the Town Board (Board), as a whole, fulfilled its fiscal oversight responsibilities by conducting a thorough annual audit of the Clerk's records, the deficiencies identified may have been detected and addressed sooner.

### Key Recommendations

- Ensure receipts are accurately recorded and issued for all collections.
- Submit a monthly report to the Supervisor containing all collections for the month and remit all collections to the Supervisor and other agencies in the appropriate amounts.
- Prepare monthly bank reconciliations and accountability analyses.

Town officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

### Audit Period

January 1, 2022 – May 31, 2024.

We extended our audit period forward to June 3, 2024 to conduct a cash count of the Clerk's undeposited money on hand.

### Background

The Town, located in Essex County, is governed by the elected five-member Board composed of the Supervisor and four Council members. The Board is responsible for the general oversight of Town operations and finances, including overseeing the elected Clerk's financial activities.

The Clerk collects fees for a variety of purposes, including, but not limited to, marriage licenses, certified copies of death certificates, dog licenses and renewals, sporting licenses (e.g., hunting and fishing) and games of chance and bingo licenses. The Clerk is responsible for remitting collections to the Supervisor and other agencies.

The Clerk is assisted by an appointed Deputy Clerk who performs limited duties, such as receiving collections in the Clerk's absence. The current Deputy Clerk was first appointed on February 8, 2022.

#### Quick Facts

Clerk Collections During Audit Period	
Total	\$29,932
Receipted	\$11,643
Unreceipted	\$18,289
2024	
Appropriations	\$3.6 million

# Town Clerk

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## How Should a Clerk Record, Deposit, Remit and Report Collections?

New York State Town Law (Town Law) Section 30 requires a clerk to keep a suitable record of all money received and to deposit all money collected no later than the third business day after total collections exceed \$250. It is also critical that collections be deposited intact (in the same amount and form – cash or check – as received) to reduce the risk of fraud.

A clerk should create and retain supporting documentation (e.g., duplicate press-numbered receipt), which includes the payer, purpose, amount, date of receipt and form of payment (i.e., cash, check, money order or credit card) for each payment received. Receipts and other supporting documentation help to ensure transactions entered in the accounting records are accurate and traceable from the point of collection to the bank deposits and monthly reports.

Town Law Section 27 also requires a clerk to submit a monthly verified statement of all money received and remit such money owed to the supervisor on or before the 15th of the month following receipt. A clerk also must report and remit collections to certain New York State (NYS) agencies (e.g., NYS Department of Agriculture and Markets and NYS Department of Health) in a timely manner.

## The Clerk and Deputy Clerk Did Not Properly Record Collections

The Clerk maintained a clerk software in which sequentially numbered receipts could be recorded for collections received for marriage licenses and dog licenses and renewals. In addition, the Clerk used the Department of Environmental Conservation Automated Licensing System (DECALS) to issue sporting licenses and record the corresponding collections. The Clerk and Deputy Clerk also maintained separate duplicate press-numbered receipt books to record collections received for other fees. The Clerk also maintained a cash receipts ledger that he used to record collections at the time of preparing the corresponding deposits.

We identified collections totaling \$29,932 that were recorded as being received and/or deposited for 805 fees during the audit period. However, the Clerk and Deputy Clerk did not record and issue receipts for collections totaling \$18,289 for 273 of the 805 fees (34 percent). This occurred because for collections that could not be receipted in the clerk software or DECALS, the Clerk and Deputy Clerk only issued a duplicate press-numbered receipt from their corresponding receipt book if the customer requested one.

In addition, 28 of the 464 receipts (6 percent) recorded in the clerk software during the audit period were not accurately recorded for various reasons. For example, collections for 14 fees totaling \$220 had corresponding receipts recorded in the clerk software that did not contain the correct form of payment received (i.e., cash, check, money order or credit card). Furthermore, for collections for 13 fees totaling \$510, the corresponding receipts recorded in the clerk software totaled \$370, or \$140 less than the collections. This predominately occurred because the default amount for a marriage license in the clerk software was \$30 instead of the actual fee of \$40, resulting in the Clerk recording receipts for \$30 for marriage licenses in the clerk software even if the customer paid the \$40 owed. The Clerk was not aware that he had the ability within the clerk software to change the default amount for a marriage license from \$30 to \$40.

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The Clerk also told us that if a customer saw the default amount of \$30 in the clerk software when he was preparing their marriage license, he charged them \$30 instead of the \$40 owed. Based on the Clerk's records, we identified four instances in which this occurred during the audit period, resulting in \$40 less in collections being received and deposited than were owed.

When receipts are either not recorded or not accurately recorded for all collections, there is an increased risk money collected could be lost or misappropriated.

### **The Clerk Did Not Properly Deposit Cash Collections**

All identified check and money order collections totaling \$19,530 and credit card collections totaling \$2,134 during the audit period were deposited. However, there was not a corresponding deposit for \$81 of the \$8,268 in recorded cash collections during the audit period.

In addition, because the Clerk and Deputy Clerk did not issue receipts or maintain other evidence of the date received for all collections during the audit period, we could not determine the date all collections were received. As a result, we could not determine when the Clerk and Deputy Clerk received cash, check and/or money order collections exceeding \$250 to determine whether the corresponding collections were deposited in accordance with Town Law Section 30.

### **The Clerk Did Not Prepare Accurate Monthly Reports and Properly Remit Collections**

While the Clerk prepared and submitted a monthly report for each month during the audit period in a timely manner, the monthly reports were not submitted to the Supervisor, as required, for his review. Instead, the Clerk submitted the monthly reports to the Supervisor's clerk so that she could record revenues in the accounting records for the Town's share of the corresponding collections received for the month.

We reviewed six monthly reports during the audit period.<sup>1</sup> Three of the six monthly reports (50 percent) were not accurate. This occurred because the Clerk either did not record or inaccurately recorded collections in his cash receipts ledger used to prepare the monthly reports. As a result, the total collections recorded for three months were understated by a total of \$90.

We also reviewed all 74 checks totaling \$27,925 issued by the Clerk for remittances of collections received during the audit period. Except for minor discrepancies which we discussed with Town officials, remittances were made in a timely manner. However, 16 of the 74 remittances (22 percent) were not for the appropriate amounts. For example, for 10 months the Clerk remitted less to the Supervisor than the amount owed for the Town's share of collections for the month ranging from \$1 to \$50, or a combined total of \$175.

Because monthly reports were inaccurate, the corresponding remittances were inaccurate to the same extent because no adjustments were made to correct errors in the monthly reports used to prepare remittances.

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<sup>1</sup> Refer to Appendix B for information on our sampling methodology.

## Why Should a Clerk Prepare a Monthly Bank Reconciliation and Accountability Analysis?

A clerk is responsible and accountable for all money received by their office. A clerk should prepare monthly bank reconciliations and accountability analyses which compare the amount of cash on hand and on deposit in the bank to detailed lists of amounts due to the supervisor and other agencies. These are critical procedures that serve to document the status of money held by a clerk, provide a means to verify the accuracy of financial records and ensure assets are sufficient to meet liabilities.

## The Clerk Did Not Prepare Bank Reconciliations or Accountability Analyses

The Clerk did not prepare bank reconciliations or accountability analyses comparing cash on hand and in the bank with known liabilities during the audit period. The Clerk also did not maintain a checkbook register with a running cash balance for the Clerk bank account. As a result, had the Clerk attempted to prepare a monthly bank reconciliation, he would not have had a recorded cash balance to reconcile against the adjusted bank balance.

We prepared accountability analyses at month-end for January 2022 and May 2024 (Figure 1). The Clerk's assets exceeded his known liabilities by \$70 as of January 31, 2022, resulting in a cash overage. The Clerk did not attempt to identify the source of the unidentified \$70 balance in the Clerk bank account, but instead remitted the balance to the Supervisor on April 2, 2022. We determined that the Clerk recorded \$70 in collections for seven certified copies of death certificates on the monthly report for March 2022 that were not recorded in his cash receipts ledger. However, there was no documentation to support that the Clerk issued the

certified copies or received and deposited corresponding collections. When we asked the Clerk about this transaction, he told us it was likely that he may have realized there was a \$70 cash overage in the Clerk bank account and recorded fictitious collections on the monthly report so he could remit the unidentified balance to the Supervisor without identifying it as an unidentified overage. However, if the

**Figure 1: Accountability Analyses**

	January 31, 2022	May 31, 2024
<b>Assets</b>	<b>Amount</b>	<b>Amount</b>
Adjusted Bank Account Balance	\$1,226	\$909
Due from Supervisor	0	77
<b>Total Assets</b>	<b>\$1,226</b>	<b>\$986</b>
<b>Known Liabilities</b>	<b>Amount</b>	<b>Amount</b>
Due to Supervisor	\$1,048	\$959
Due to NYS Department of Health	0	23
Due to NYS Department of Agriculture & Markets	38	10
Due to NYS Department of Environmental Conservation	0	75
Due to Justice <sup>a</sup>	70	0
Due to Customers (Overpayments)	0	8
Unsupported Cash Deposits	0	32
<b>Total Known Liabilities</b>	<b>\$1,156</b>	<b>\$1,107</b>
<b>Cash Overage / (Shortage)</b>	<b>\$70</b>	<b>(\$121)</b>

a) A \$70 credit card payment for court fees was incorrectly deposited into the Clerk bank account on January 28, 2022 and then disbursed by the Clerk to the court on February 7, 2022.

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Clerk issued the copies recorded on the monthly report and received \$70 in corresponding collections, the unidentified balance in the Clerk bank account could have been used to conceal collections received and not deposited.

Because the Clerk's known liabilities exceeded his assets by \$121, as of May 31, 2024, the Clerk had a cash shortage. This occurred because during the audit period, the Clerk did not deposit \$81 in recorded cash collections and recorded collecting and depositing \$40 less than was owed for four marriage licenses. In addition, the lack of monthly bank reconciliations and accountability analyses being prepared contributed to the discrepancies not being identified in the Clerk's records and resulted in officials not identifying the cash shortage.

### **How Should a Board Provide Oversight of a Clerk's Financial Activities?**

Town Law Section 123 requires a clerk to submit an annual accounting to a board on or before January 20 for all funds received and disbursed during the preceding year and produce all books, records, receipts and canceled check images for inspection by the board, unless a certified public accountant or public accountant has been hired to complete an annual audit within 60 days after the close of the fiscal year. A thorough annual audit helps a board fulfill its overall fiscal oversight responsibilities by providing it with an opportunity to assess the reliability of the books, records and supporting documents, and to identify conditions needing improvement. While an audit of a clerk's records is required at least annually, more frequent monitoring of a clerk's financial activities helps reduce the risk that errors or irregularities could occur and remain undetected and uncorrected.

### **The Board Did Not Perform Proper Annual Audits of the Clerk's Records**

The Board, as a whole, did not audit the Clerk's records for 2022 and 2023, as required. Instead, the annual audits were performed by two Council members assigned by the Supervisor each year. For both years, the Board reviewed the checklists<sup>2</sup> completed by the assigned Council members to document their annual audit and then approved a motion accepting the annual audit at a Board meeting.

However, the Council members' checklists that were prepared for the annual audits included several inaccurate conclusions. For example, the Council members concluded that the Clerk prepared monthly bank reconciliations and maintained an up-to-date cash disbursements journal even though the Clerk never prepared bank reconciliations or maintained such a journal. When we informed the Council members of their inaccurate conclusions, they told us that some of their conclusions were based on statements made by the Clerk, but they did not always review supporting documentation to verify the accuracy of the statements made.

Had the Board, as a whole, fulfilled its fiscal oversight responsibilities by conducting a thorough annual audit of the Clerk's records, the deficiencies identified during the audit may have been detected and addressed sooner.

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<sup>2</sup> The assigned Council members each used the checklist in Appendix D of our publication entitled *Local Government Management Guide – Fiscal Oversight Responsibilities of the Governing Board* to perform and document their annual audit of the Clerk's records. This publication is available on our website at [www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf](http://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf)

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## What Do We Recommend?

The Clerk and Deputy Clerk should:

1. Accurately record and issue receipts for all collections.

The Clerk should:

2. Update the default amount for a marriage license in the clerk software to the correct amount and charge customers this amount.
3. Record all collections in the cash receipts ledger in an accurate manner.
4. Deposit all collections intact.
5. Submit accurate monthly reports to the Supervisor containing all collections received for each month.
6. Remit all collections to the Supervisor and other agencies in the appropriate amounts.
7. Maintain a checkbook register with a running cash balance for the Clerk bank account.
8. Prepare monthly bank reconciliations and accountability analyses where known liabilities are reconciled to available cash, and promptly investigate and resolve any discrepancies.

The Board should:

9. Take appropriate action to recover any money due from the Clerk.
10. Conduct a thorough annual audit of the Clerk's records and reports or contract with an independent public accountant to conduct the audit and consider providing more frequent monitoring of the Clerk's financial activities.



# Appendix A: Response From Town Officials

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## Town of Chesterfield



**Supervisor Barber - Councilman Mitchell - Councilman Gload  
Councilman Casey - Councilman Klages**

1 Vine Street, P.O. Box 456, Keeseville, New York 12944

[chesterfieldny.com](http://chesterfieldny.com)

518-834-9042

January 21, 2025  
Office of the State Comptroller  
Division of Local Government and School Accountability  
Gary G. Gifford, Chief of Municipal Audits  
Glens Falls Regional Office  
One Broad Street Plaza  
Glens Falls, NY 12801

Dear Mr. Gifford, The Board and Town Clerk have reviewed the findings of the OSC Audit Report "2024M110- Town Clerk" for the audit period January 1, 2022 through May 31, 2024 that was completed by your audit team. The Board has made several changes based on the recommendations in your report and have familiarized ourselves with our required audit responsibilities. Please accept this letter as the Town's official response.

1. The Town Clerk has started making monthly reports of all collections and copies of all collections showing monthly bank reconciliations, which the board will review with accountability analyses to match with what cash on hand and deposits made to the bank. The software had not been updated as needed to properly document all collections and change fees as collected to the proper amount. The software has been updated. To ensure proper fees are being charged they must be recorded by the Town Clerk in a monthly report and must be reviewed and matched up with collections and deposits in a timely and accurate manner by the board.

2. The full board did not perform a proper annual audit of the Town Clerk's records. The board performed annual audits as they were done in previous years. Now moving forward proper monthly reports of bank statements of deposits and collections are being reported and documented as the computer software has been updated along with full board audits with updated check lists for the full year. Take all actions recommended in the report. By reviewing monthly reports, making sure all documents of collections are labeled correctly, amounts are correct for all collections in an accurate manner, and reviewing in a monthly manner. Hiring an independent public accountant to conduct a quarterly audit of all records of the Town Clerk's financial activities.

The Town of Chesterfield is an equal opportunity employer and provider. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with USDA, Director, Office of Civil Rights, Room 326-W, Whitten Bldg., 1400 Independence Ave, SW, Washington, DC 20250-9410

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# Town of Chesterfield



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3. The board has made the decision to not recover what was due from the Town Clerk as it was a small amount that was misplaced.

The board has reviewed this response and feels that the appropriate actions are being taken from here on out in order to correct the recommendations given from the State audit.

Town Supervisor \_\_\_\_\_

Town Clerk \_\_\_\_\_

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## Appendix B: Audit Methodology and Standards

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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 interviewed officials and reviewed various records and reports to gain an understanding of the Town's procedures related to collecting, recording, depositing, remitting and reporting Clerk fees, and preparing and reviewing bank reconciliations and accountability analyses. We documented any associated effects of deficiencies in those procedures.
- We reviewed all recorded collections and corresponding deposits made into the Clerk bank account during the audit period to determine whether collections were supported by adequate documentation, accurately recorded in the clerk software or DECALS (if applicable) and deposited in a timely manner and intact.
- We reviewed all receipts that were voided in the clerk software during the audit period to determine whether they were for appropriate purposes.
- We reviewed all monthly reports during the audit period to determine whether the Clerk prepared and submitted a report to the Supervisor for each month and whether the reports were submitted in a timely manner.
- We randomly selected six monthly reports during the audit period (June and October 2022, May and August 2023, and January and April 2024) to determine whether the collections recorded on the reports were accurate.
- We reviewed all checks issued from the Clerk bank account during the audit period to determine whether they were issued in sequence and signed by the Clerk.
- We reviewed all checks issued and non-check disbursements made from the Clerk bank account for remittances of collections received during the audit period to determine whether the remittances were made to the Supervisor and other agencies in a timely manner and for the appropriate amounts. We also reviewed all other checks issued and non-check disbursements made from the Clerk bank account during the audit period to determine whether they were for appropriate purposes and amounts.
- We used our professional judgment to select a sample of two months and prepared accountability analyses at month-end for the Clerk bank account to determine whether the corresponding assets agreed with the known liabilities. We investigated and documented any differences disclosed. Our sample included the first and last month of the audit period.
- We conducted a cash count of the Clerk's undeposited money on hand on June 3, 2024 to determine whether the amount agreed with the recorded collections and/or petty cash.
- We interviewed officials and reviewed Board meeting minutes and annual audit documentation to determine whether the Board audited, or obtained an audit, of the Clerk's records and reports for the 2022 and 2023 fiscal years.

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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's office.

## Appendix C: Resources and Services

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### **Regional Office Directory**

[www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://www.osc.ny.gov/local-government/academy)

## Contact

Office of the New York State Comptroller  
Division of Local Government and School Accountability  
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Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: [localgov@osc.ny.gov](mailto:localgov@osc.ny.gov)

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

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

**GLENS FALLS REGIONAL OFFICE** – Gary G. Gifford, Chief of Municipal Audits

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