

## NYS AUDIT

Late last year and the beginning of 2018 Kirkwood was notified by the Comptrollers Office that they would be conducting a financial audit of Kirkwood's business. There was no "red flag" that caused them to come to Kirkwood but in our belief they probably randomly audit municipalities throughout NYS.

This would be especially significant in Kirkwood's situation as municipalities in NYS are assessed by NYS as to their financial ratings. Kirkwood is rated non-stress which is the top rating indicating we are in good shape financially.

At our initial meeting Kirkwood stressed the opinion that audits are a good thing from time to time whether it be internally or externally. We are always open to comments, suggestions that could result in better serving our people whom we represent.

We recently were audited via our Court operations. There were suggestions in that audit and we complied. We always say that it is not a perfect world and there is room for improvement.

The subject audit has been completed. We met with NYS for the preliminary discussion of the audit findings. At that time we took no issue with their findings and expressed our appreciation for their recommendations.

Let us first state that there was no finding of mishandling of funds. However they recommended two important and significant items:

1. The Supervisor's Office should be more closely auditing our Financial Dept. on a regular basis.
2. Also that our Board should be auditing the Supervisor's Office on a regular basis.

We are considering at this time that these audits could be internal. We could comply internally without the expense of an external audit. After the initial meeting and our response we are given 90 days to respond with our corrective action. With the Board's approval we will comply with this time line.

I have met with our Finance Officer to discuss, consider, and recommend avenues for compliance with NYS findings. Once we have what we consider to be the appropriate response, we will discuss this with the Town Board at a regular Board meeting for their input and approval.