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January 27, 2012

Mr. Robert Snider, Town Supervisor  
Members of the Board  
Town of Clifton  
7171 St. Highway 3  
PO Box 684  
Clifton, NY 12927

Report Number: 2007M-117-F

Dear Mr. Snider and Members of the Board:

One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. Further objectives are to develop and promote short-term and long-term strategies to enable and encourage town officials to reduce costs, improve service delivery and to account for and protect their town's assets. In accordance with these objectives, we conducted an audit of Town of Clifton (Town) to assess the financial operations of the Town. As a result of our audit, we issued a report, dated August 2007, identifying certain conditions and opportunities for Town management's review and consideration.

To further our policy of providing assistance to local governments, we revisited the Town in October 2011 to review the Town's progress in implementing our recommendations. Our follow-up review was limited to interviews with Town personnel and inspection of certain documents related to the issues identified in our report. Based on our limited procedures, it appears that the Town has not implemented our two recommendations.

### **Recommendation 1 – Conflicts of Interest**

The Board should establish controls to ensure that the Town does not enter into contracts in which an officer or employee has a prohibited interest and all interests or prospective interests are properly disclosed.

Status of Corrective Action: Not Implemented

Observations/Findings: The Town Supervisor continues to have a prohibited conflict of interest in contracts with the Town. The Town made purchases totaling \$16,617 from January 2010 through September 2011<sup>1</sup> from Little River Sales and Service, a hardware and auto supply parts store owned by the Supervisor. Although the Supervisor disclosed

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<sup>1</sup> \$9,188 in 2010 and \$7,429 from January through September 2011

his interest in this business at the 2010 and 2011 annual organizational meetings, these disclosures did not remedy the prohibited conflict of interest.

During our last audit, a Board member also had a prohibited conflict of interest in contracts with a business that leased golf carts to the Clifton-Fine Municipal Golf Course.<sup>2</sup> We were informed that this Board member no longer has an interest in this business.

## **Recommendation 2 – Awareness of Statutory Requirements**

The Board should establish procedures to ensure that officers and employees are aware of statutory requirements pertaining to conflicts of interest.


### Status of Corrective Action: Not Implemented

Observations/Findings: In the Town's written response to our prior audit and its corrective action plan, the Supervisor wrote that the Board will reissue its code of ethics and require all newly elected officials to attend training. Although the 2010 and 2011 organizational meeting minutes indicated that the Board approved a code of ethics, the Town Clerk was unable to provide us with a recent copy. She could only find a copy of the Town's code of ethics dated December 11, 1970 and a copy of St. Lawrence County's code of ethics, which she believes the Board had intended to modify and adopt as its own. The Supervisor confirmed that this was the Board's intention, but he also stated that the Board had never adopted a new code. Furthermore, the Board does not review its old code of ethics when it readopts it at the annual organizational meetings. The Supervisor said he does not believe that the Board has taken any other action to establish procedures to ensure that officers and employees are aware of statutory requirements pertaining to conflicts of interest.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage you to review our prior audit report and take action to implement our recommended improvements in your fiscal management.

I trust that our follow-up review was of assistance to you. If you have any further questions, please contact Rebecca Wilcox, Chief Examiner of our Syracuse Regional Office, at (315) 428-4192.

Sincerely,



Steven J. Hancox  
Deputy Comptroller  
Office of the State Comptroller  
Division of Local Government  
and School Accountability

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<sup>2</sup> The Town participates in a joint activity with the Town of Fine to run this municipal golf course.