



TOWN OF WEST SENECA

TOWN SUPERVISOR

Gary A. Dickson

TOWN COUNCIL

William Bauer

Joseph J. Cantafio

Jeffery A. Piekarec

William P. Hanley

William Bauer
Town Councilman

December 13, 2021

Dear Fellow Town Board members,

Submitted for your review and consideration is the annual report of the West Seneca Internal Audit Committee, as required by the Resolution passed by the West Seneca Town Board on October 26, 2020

Respectfully Submitted

William J Bauer

William J. Bauer

Chairman

West Seneca Internal Audit Committee

December 13, 2021

**Town of West Seneca
Internal Audit Committee
2021 Annual Report**

On October 26, 2020, the Town Board approved the Resolution establishing the Internal Audit Committee (IAC) to provide additional oversight, transparency, and internal control over town finances. The Town Board charged the IAC with several duties over the course of the year. Item 6 of the Resolution requires the IAC to furnish a written report annually on its activities to the Town Board and public.

Outlined below are the duties with specific deliverables and outcomes, as required by the Resolution.

I. Resolution Item 4 – Review of Vendor 6-12 months of Invoices or Budget Line-Item Transactions.

A. Chudy Paper

The committee selected vendor Chudy Paper for review because the town routinely buys various items for use in all town departments. The town has multiple transactions with this vendor annually, so this vendor provides a good sample size for review.

The committee requested responsive invoices in accordance with the procedure set forth in Item 4 of the resolution, and the Finance Department provided the information electronically to the committee chair, Town Board Member William Bauer, who disseminated the information to the committee.

The committee audited invoices for mathematical accuracy. In addition, the committee reviewed the procurement process and compliance with town purchasing procedures. The committee found the invoices accurate and that town employees complied with purchasing policy. The committee did determine that inventory controls & obtaining better pricing annually from vendors could yield cost savings for the town.

B. Modern Disposal – Residential & Bulk Waste Collection

At nearly \$1 million, the Modern Disposal sanitation contract cost is a significant expense in the town budget. Given the magnitude of resources necessary for providing sanitation services, the committee felt that examining both the financial

aspects of sanitation and the procedural aspects of sanitation services was important for this vendor.

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1. Standard Waste Collection Routes

The committee attempted to study the waste collection process, including the equipment, staffing, and routes, to determine whether reorganizing, reducing or a combination of waste collection routes would result in cost savings for the town. The committee compared daily weight tickets for each truck used to see if the trucks were operating at maximum capacity.

The fact that no physical maps of the routes were available for the committee, made making a valid comparison of routes difficult. The committee used tons per truck as a measure, but the total tonnage a truck could carry was estimated based on the specifications available.

Ultimately, the committee recommended reducing the number of routes and personnel through attrition to save costs in sanitation. The committee reiterates that any amounts or figures put forth in the recommendation were based on the data collection as outline above, so those amounts are very rough.

2. Residential Recycling

The committee has not finished its in-depth review of the recycling contract in the same way it examined the waste contract; however, the committee informally identified areas for further study for cost savings and efficiency. The committee discussed possibly changing the items accepted for recycling collection, changing vendors, and handling recycling internally. The committee researched New York State requirements for changing a municipal recycling program and require further time to consider whether changing the town recycling plan will be feasible or effective in reducing recycling costs.

The committee debated other means of reducing sanitation costs including looking for additional vendors & engaging the public to reduce waste overall. The costs and benefits of these other mechanisms is a topic for further study.

The committee identified areas of opportunity for outreach and resident engagement, including promotion of proper recycling, ways to reduce overall waste put in the trash, and alternative disposal methods like composting. These practices reduce cost to the town by reducing overall weight charges & recycling sort fees.

3. Residential Bulk Collection

The committee reviewed a sample of the weight tickets for bulk collection. The committee identified possible ways the bulk collection service can be reorganized to be more efficient and cost-effective while still providing the service residents expect. The committee has not yet made a recommendation for bulk collection but is considering best practices in similarly situated towns in Western New York.

II. Resolution Item 5

The committee must review all town credit card activities every sixty days. Before an adequate review of credit card activities could take place, the committee had to identify all town credit cards in all departments.

The committee was able to review credit card activity in latter months and found that all complied with established town policy.

III. Resolution Item 6

The committee discharged this duty with the work performed to accomplish resolution item four. The committee spent considerable time in reviewing vendor materials for Modern Disposal, including weight tickets, invoices, credit card statements, and contract documents and found no evidence of noncompliance with town procurement policy.

IV. Resolution Item 7

The committee members were contacted by the outside auditor by email both before and after the outside audit was completed. This was done for the purpose of answering questions concerning the external audit report for the fiscal year 2020.

V. Resolution Item 8

The committee has made meeting time and place available to the public on the town's website. The website contains minutes and agendas for every meeting held. Members of the public attended one meeting in 2021. The committee complied with all the requirements of the NYS Open Meetings Law.

VI. Resolution Item 10

All committee members have filed appropriate social media policy acknowledgements and required conflict of interest disclosures.