



NASSAU COUNTY COMPTROLLER
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**Nassau County Comptroller's Office Announces Audit Results for
*Town of Hempstead Sanitary District No. 7***

Results and Recommendations Will Guide District Leadership Toward Better Management

MINEOLA, NY – The Nassau County Comptroller's office has completed an audit of Town of Hempstead Sanitary District No. 7 (the District), a special improvement district that provides refuse and recycling pickup to residents and some commercial properties in the District and surrounding areas.

The results of the audit, which covered 2018 through 2021, were published in four reports:

- *Budgeting and Financial Management*
- *Hiring Process, Personnel Records, Payroll Processing and Health Benefits Administration*
- *Procurement, Purchasing, Vendor Payments and Cash Controls*
- *Fuel Inventory Management, Usage and Storage*

Key findings included that District management:

- Failed to establish policies and procedures to effectively manage the District's budget, fund balances, reserve funds and the District's accounting system;
- Did not routinely monitor budget-to-actual activity and initiate budget transfers on a timely basis, which contributed to multiple years of operating losses;
- Did not establish written policies and procedures concerning procurement and purchasing, claims review, vendor payment processing or managing cash receipts;
- Did not effectively or efficiently manage its hiring process, personnel records, payroll processing and or health benefits administration; and
- Did not effectively monitor fuel inventory, purchases, usage, and storage.

The audit did not review or identify any issues with the adequacy of the curbside garbage collection services being provided.

The District provides curbside garbage collection, recycling, and special pickup services to more than 13,000 households and 950 commercial businesses throughout Oceanside and parts of Baldwin and East Rockaway. The District is governed by an elected five-member Board of Commissioners. The Board is responsible for establishing and overseeing the District's policies and procedures, annual budget, and its fiscal and day-to-day operations. In 2021, the District took in \$9,042,206 in revenue (primarily from property taxes) and had \$9,400,138 in expenses, (89% of which was salaries and benefits) resulting in a deficit of \$357,932.

In its formal response to the audit reports, Board Chairman John Mannone said: “For far too long the District was run by a group of people who ran the District without regard for the taxpayers’ concerns and the concerns of the employees of the District, as was found in prior audits.”

Mannone continued, “This board believes the Comptrollers' recommendations are appropriate, important to implement, and in some cases have already been implemented. If the recommendation has not already been implemented, it will be done so shortly by the District.”

The audit function is among the top priorities of the Nassau County Comptroller’s Office. Audits have the power to help local municipalities, agencies, and departments manage government resources efficiently and effectively. By auditing these agencies, the Comptroller’s Office provides accountability for the use of tax dollars.

For more information about the audit, visit The Comptroller’s Field Audit webpage at <https://www.nassaucountyny.gov/2377/Field-Audits>, call (516) 571-2386 or email nccomptroller@nassaucountyny.gov.

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