Public Statement from the Mayor and Council

On behalf of Council, I want to speak directly to our residents. The appointment of an Acting CAO has pointed out areas where the Village of Munson must do better in managing finances and following bylaws. We take these findings seriously. Council is acting quickly to review past practices, strengthen our processes, and ensure full transparency moving forward. Our commitment is simple: we will protect public funds, follow the rules, and keep you informed every step of the way.

The Village of Munson has reviewed the independent audit findings from 2019 through 2024.

What the audits found

- Restricted grants were used for operations in multiple years. Auditors reported restricted funds not kept separate and, in some years, shortfalls versus what should have been on hand.
- Rates were charged which did not align with Village bylaws.
- Tax penalties were applied in 2024 based on dates that did not align with the Village's penalty bylaws.
- Assessment data did not match official assessment rolls.
- Posting and reconciliation weaknesses were identified, which caused missed or late payment postings.
- Other control/process issues were flagged, including a lack of segregation of duties and outdated reclamation liability estimates.

What we are doing about it

1. Independent review: Council has initiated a preliminary review (estimated $10,000) to define the scope and cost of a possible forensic audit (estimated to be $150,000–$250,000 to start). Findings will guide further action undertaken by the Village.
2. Penalty-pause for fairness: To avoid compounding issues while the independent review proceeds, Council intends to waive 2025 tax penalties and revisit penalties once its internal processes are verified and corrected.
3. Protecting restricted funds: All grant dollars and related interest will be held in separate accounts and tracked to specific projects.
4. Rates and bylaws alignment: Before any bill or penalty run, staff will cross-check amounts against current bylaws and obtain a documented supervisory review.
5. Accurate assessments: We are reconciling assessment values with official roll reports and will adjust the tax base where required.
6. Stronger reconciliations and postings: Council has directed timely daily/weekly posting controls, month-end reconciliations that balance to zero, and independent reviews suitable for a small administration.

7. Clear reporting: Administration will publish quarterly progress updates on audit remediation, including status of grant segregation, reconciliations, assessment alignment, and bylaw-rate compliance while we review our internal controls.

Our commitment

We acknowledge that these findings are concerning. The Mayor and Council believe that it is essential to the Village's operations to ensure its finances are accurate, compliant, and transparent. We strengthen controls moving forward and keep residents informed as we work through each item.

For questions or to provide input, please contact the Village Office. Thank you for your patience and trust as we complete this work.

— Mayor and Council, Village of Munson