

## **TOWN OF BERNE**

### **TOWN BOARD RESOLUTION**

**Resolution No. \_\_\_\_\_ of 2026**

#### **A RESOLUTION ADOPTING THE TOWN OF BERNE TOWN BOARD ANNUAL AUDIT POLICY (15-2026)**

WHEREAS, the Town Board of the Town of Berne has a statutory duty to annually audit, or cause to be audited, the books, records, and reports of all Town officers and employees who receive, collect, hold, or disburse Town funds; and

WHEREAS, the Office of the New York State Comptroller (OSC) recommends that town boards adopt formal written policies to clearly define annual audit responsibilities, procedures, and documentation standards; and

WHEREAS, the Town Board has reviewed the proposed **Town of Berne Town Board Annual Audit Policy (15-2026)**, which establishes the scope, timing, assignment of responsibilities, minimum audit procedures, documentation requirements, and follow-up actions for annual audits of Town offices, including but not limited to the Town Supervisor, Bookkeeper, Justice Court, Tax Collector, Town Clerk, and Highway Superintendent; and

WHEREAS, adoption of this policy will strengthen fiscal oversight, promote accountability, and ensure consistent compliance with New York State law and OSC guidance;

NOW, THEREFORE, BE IT RESOLVED, that the Town Board of the Town of Berne hereby **adopts the Town of Berne Town Board Annual Audit Policy (15-2026)**, attached hereto and made a part of this resolution; and

BE IT FURTHER RESOLVED, that the Town Board shall annually designate, by separate resolution, the Town Board member(s) or audit committee responsible for conducting or overseeing each required audit, including the audit period and target completion date; and

BE IT FURTHER RESOLVED, that the Town Board may engage an independent audit firm or certified public accountant to assist with or conduct annual audits, provided that such engagement does not relieve the Town Board of its statutory oversight responsibility; and

BE IT FURTHER RESOLVED, that all completed annual audits shall be documented in writing, retained by the Town Clerk as official Town records, and noted in the Town Board meeting minutes; and

BE IT FURTHER RESOLVED, that this policy shall take effect immediately upon adoption and shall be reviewed periodically by the Town Board to ensure continued compliance with New York State law and OSC guidance.

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Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2026

**AYES NOES ABSENT**

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**TOWN OF BERNE TOWN BOARD**

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Town Supervisor

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Councilmember

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Councilmember

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Councilmember

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Councilmember

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ATTEST:

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Town Clerk

## **Memo to the Town Board**

**TO:** Town Board, Town of Berne

**FROM:** J Giebelhaus, Town Supervisor

**DATE:** 1/1/2026

**RE:** Adoption of Town Board Annual Audit Policy 15-2026

Dear Members of the Town Board,

I am pleased to present the attached **Town Board Annual Audit Policy**. The policy is to formally document and standardize the Town Board's annual audit responsibilities for Town officers and employees who receive, collect, or disburse Town funds.

Under New York State Town Law and guidance issued by the Office of the State Comptroller (OSC), the Town Board is responsible for ensuring that certain Town offices are **audited annually**. OSC audit findings frequently note deficiencies when governing boards either fail to complete required audits or do not adequately document their completion.

The attached policy reflects **best practices** recommended by OSC and is intended to:

- Clearly assign audit responsibilities to Town Board members
- Establish consistent timing and documentation standards
- Ensure independence and accountability in the audit process
- Protect the Town Board by demonstrating compliance with statutory duties

This policy specifically applies to the following Town of Berne offices, all of which handle Town funds:

- Town Supervisor
- Bookkeeper
- Justice Court
- Tax Collector
- Town Clerk
- Town Highway Superintendent

It is recommended that the Town Board designate Town Board members responsible for each required audit by resolution. Obviously, ethics preclude the Town Supervisor from taking a leading role in the audit process.

Making these assignments annually at the Organizational Meeting ensures:

- Timely completion of audits
- Clear accountability
- Consistency from year to year
- Strong internal controls

There is **no fiscal impact** associated with adoption of this policy, if the Town Board relies on solely on Town Board oversight and OSC-provided audit tools and checklists. Should the Town Board elect, an independent firm may be utilized to conduct audits on all or portions of the Town's fiscal operations and as such, may have a fiscal impact on the Town's fiscal resources.

I respectfully request the Board's formal adoption of this policy, with an effective date of January 1, 2026, and recommend that we review it annually to ensure it remains aligned with state law and best practices.

Thank you for your consideration.

# **Town of Berne**

## **Town Board Annual Audit Policy 15-2026**

**Adopted by the Town Board on: \_\_\_\_\_**

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### **I. Purpose**

The purpose of this policy is to formalize the Town Board of the Town of Berne's responsibility to **annually audit, or cause to be audited**, the books, records, and reports of Town officers and employees who receive, collect, hold, or disburse Town funds. This policy establishes clear **annual audit responsibilities of Town Board members** in accordance with guidance issued by the New York State Office of the State Comptroller (OSC).

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### **II. Authority**

This policy is adopted pursuant to the Town Board's statutory responsibility to require annual accounting and examination of the financial records of Town officers and employees who handle public funds, including but not limited to those offices identified in this policy. The Town Board retains ultimate responsibility for ensuring that required annual audits are completed, documented, and acted upon.

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### **III. Scope – Offices Subject to Annual Audit**

The Town Board shall annually audit, or cause to be audited, the following Town of Berne offices and positions:

1. **Town Supervisor**
  - Including all Supervisor financial records, bank accounts, and reports related to Town funds.
2. **Bookkeeper**
  - Including accounting records, journal entries, bank reconciliations, abstracts, payroll processing records (excluding collective bargaining compliance determinations), and supporting documentation.
3. **Justice Court**
  - Including the Justice Court Fund, bail accounts, trust funds, monthly and annual reports, and compliance with OSC Justice Court accounting requirements.

4. **Tax Collector**  
– Including all tax collection records, deposits, bank accounts, settlements, and final accounting reports.
5. **Town Clerk**  
-Including all Supervisor financial records, bank accounts, and reports related to Town funds
6. **Town Highway Superintendent**  
-Including all Supervisor financial records, bank accounts, and reports related to Town funds

The Town Board may expand the scope of audits to include any additional funds, accounts, or activities as deemed necessary.

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## **IV. Annual Audit Timing**

### **A. Frequency**

Each office listed above shall be audited **at least once per fiscal year**.

### **B. Justice Court Deadline**

The annual Justice Court audit shall be completed **no later than June 30** following the close of the fiscal year, unless otherwise permitted by law or OSC guidance.

### **C. Transition Audits**

When an officer or employee who handles Town funds leaves office or employment, the Town Board shall ensure that an audit of the outgoing period is conducted as soon as practicable.

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## **V. Assignment of Town Board Member Responsibilities**

### **A. Audit Responsibility**

The Town Board shall conduct annual audits either:

- as a **committee of the whole**, or
- by appointing an **Annual Audit Committee** consisting of at least two (2) members of the Town Board.
- A audit firm or CPA may conduct audits however this does not eliminate the board's oversight duty.

### **B. Designation by Resolution**

Each year, the Town Board shall, by resolution, designate:

- the Town Board member(s) assigned to audit each office,

- the audit period to be reviewed, and
- a target completion date.

#### **C. Independence and Objectivity**

No Town Board member shall audit an office or function in which they have day-to-day operational involvement or responsibility that would impair independence.

#### **D. Lead Auditor Responsibilities**

The designated lead auditor or committee chair shall:

- coordinate with the audited office to obtain records,
- ensure OSC audit checklists and guidance are used,
- document audit procedures and findings, and
- present results to the full Town Board.

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## **VI. Minimum Audit Procedures**

At a minimum, each annual audit shall include procedures sufficient to verify:

1. Cash receipts agree with deposit records and bank statements
2. Disbursements are properly supported, authorized, and recorded
3. Bank accounts are reconciled and reconciling items are reasonable
4. Funds are properly accounted for and safeguarded
5. Required reports are timely, accurate, and complete

Justice Court audits shall be conducted using OSC's **Justice Court Annual Audit Checklist**.

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## **VII. Documentation and Recordkeeping**

#### **A. Written Audit Report**

Each audit shall be documented in writing and shall include:

- audit period covered,
- procedures performed,
- findings or exceptions (if any),
- recommended corrective actions,
- signatures of Town Board members conducting the audit, and
- date of completion.

**B. Town Records**

Completed audit reports and checklists shall be retained by the Town Clerk as official Town records.

**C. Board Minutes**

Completion of each annual audit shall be noted in the Town Board meeting minutes.

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## **VIII. Findings, Corrective Action, and Follow-Up**

If deficiencies or concerns are identified:

- the Town Board may require a written corrective action response from the audited office,
- deadlines for corrective action may be established, and
- follow-up reviews may be scheduled to ensure resolution.

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## **IX. Relationship to Claims Auditing**

This Annual Audit Policy is separate from the Town's claims auditing process. Adoption of this policy does not alter the Town Board's responsibilities related to the auditing and approval of claims for payment.

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## **X. Effective Date and Review**

This policy shall take effect immediately upon adoption by the Town Board of the Town of Berne and shall be reviewed periodically to ensure continued compliance with applicable law and OSC guidance.