

TOWN OF BERNE

TOWN BOARD RESOLUTION

Resolution No. _____ of 2026

A RESOLUTION ADOPTING THE TOWN OF BERNE PAYROLL AUDIT POLICY (04-2026)

WHEREAS, the Town Board of the Town of Berne is responsible for safeguarding public funds and ensuring that all compensation paid to Town officers and employees is lawful, accurate, and properly authorized; and

WHEREAS, New York State Town Law §§119 and 125, together with guidance from the Office of the State Comptroller, require the Town Board to audit and approve claims, including payroll, subject to limited statutory exceptions for fixed salaries and regularly recurring compensation; and

WHEREAS, the Town Board has reviewed the proposed **Town of Berne Payroll Audit Policy (04-2026)**, which establishes procedures for payroll certification, Board oversight, internal controls, reporting, corrective action, and limited authorization for payroll disbursement prior to audit with required post-audit review; and

WHEREAS, adoption of this policy will promote transparency, accountability, and consistency in payroll administration while ensuring compliance with applicable law and sound fiscal practices;

NOW, THEREFORE, BE IT RESOLVED, that the Town Board of the Town of Berne hereby **adopts the Town of Berne Payroll Audit Policy (04-2026)**, attached hereto and made a part of this resolution; and

BE IT FURTHER RESOLVED, that the Town Supervisor is authorized to approve payroll disbursements prior to Town Board audit only as provided for in the policy, and that all such payroll payments shall remain subject to subsequent review and post-payment audit by the Town Board; and

BE IT FURTHER RESOLVED, that this policy shall take effect immediately upon adoption and shall apply to all Town payroll activities, departments, officers, and employees; and

BE IT FURTHER RESOLVED, that the Town Clerk is hereby directed to maintain the adopted policy as an official Town record and make it available for public inspection; and

BE IT FURTHER RESOLVED, that the Town Board shall review this policy annually and amend it as necessary to ensure continued compliance with New York State law and best municipal practices.

Adopted this ____ day of _____, 2026

AYES NOES ABSENT

TOWN OF BERNE TOWN BOARD

Town Supervisor

Councilmember

Councilmember

Councilmember

Councilmember

ATTEST:

Town Clerk

MEMO to the Town Board

To: Town Board Members

From: J. Giebelhaus, Town Supervisor

Date: 1/1/2026

Subject: Introduction of Payroll Audit Policy 04-2026

Dear Colleagues,

In accordance with New York State Town Law §§ 119 and 125, and guidance from the Office of the State Comptroller, the Town Board has adopted **Payroll Audit Policy 04-2026**. The purpose of this policy is to ensure that payroll is administered with accuracy, transparency, and accountability, safeguarding public funds and maintaining compliance with statutory requirements.

Key aspects of the policy include:

1. **Town Board Oversight** – The Town Board retains ultimate responsibility for auditing payroll claims. While fixed salaries and regular wages may be disbursed routinely, all payments are subject to post-audit review.
2. **Certification of Payroll** – Department heads must certify hours worked, leave accruals, and compliance with contracts or agreements prior to payroll disbursement.
3. **Audit Procedures** – Payroll registers and supporting documentation will be reviewed at each regular Board meeting. Supporting materials include payroll summaries, time records, overtime approvals, and leave reports.
4. **Time Record Requirement** – Effective immediately, all employees must complete a timecard each pay period, signed by both the employee and their department head. Payroll cannot be certified or disbursed without properly approved timecards.
5. **Internal Controls and Reporting** – Duties are segregated to reduce errors or fraud, and monthly payroll reports will be submitted to the Town Board, including reconciliations to accounting records.

This policy represents a proactive step in strengthening our internal controls, enhancing transparency, and ensuring responsible use of Town resources. All employees and department heads are expected to comply fully with the new procedures.

Please review the attached **Payroll Audit Policy 04-2026** carefully. Department heads should ensure employees understand the requirements and submit accurate timecards by the established deadlines.

Thank you for your cooperation and commitment to good governance.

Town of Berne

Payroll Audit Policy 04-2026

Adopted by the Town Board on [Date]: _____

I. Purpose

This policy establishes clear procedures for the review and audit of payroll to ensure compliance with New York State Town Law, safeguard public funds, and provide accountability in the administration of employee compensation.

II. Authority

Pursuant to Town Law §§ 119, 125, and guidance from the Office of the State Comptroller (OSC), the Town Board has the responsibility to audit and approve claims prior to payment, except as otherwise permitted by statute for fixed salaries and regularly recurring compensation.

III. Policy

1. Board Oversight

- The Town Board retains ultimate responsibility for auditing payroll claims.
- The statutory exception allowing routine payroll disbursement without prior audit applies only to fixed salaries and regular wages, but all such payments remain subject to post-audit review (see IV. Pre-Audit Payroll Authorization)

2. Certification of Payroll

- All payroll registers must be certified by the appropriate department head, confirming accuracy of hours worked, leave accruals, and compliance with collective bargaining agreements, contracts, or Board resolutions.
- The Supervisor or designated payroll officer shall verify that certifications are received before any payroll disbursement is made.

3. Audit Procedure

- At each regular Board meeting, the Supervisor shall present payroll registers and supporting documentation for Board audit.
- Supporting documentation includes:
 - Payroll register or summary
 - Time records and attendance sheets

- Overtime authorizations, if applicable
 - Leave accrual reports
 - The Board shall review, question, and approve payroll claims as part of the audit of claims process.
4. **Internal Controls**
- Duties related to payroll preparation, certification, and disbursement shall be segregated to the extent practicable.
 - The Town Clerk shall maintain a permanent record of all Board payroll audits and approvals.
5. **Monthly Reporting**
- The Supervisor shall provide the Town Board with monthly reports including total payroll expenditures, by fund, and any variances from budgeted amounts.
 - Reports must be accompanied by reconciliations to bank statements and accounting records
6. **Corrective Action**
- Any errors, irregularities, or improper payments discovered during audit shall be promptly corrected and reported to the Board.
 - The Board may require additional controls or modify this policy based on audit findings or recommendations from OSC.
-

IV. Pre-Audit Payroll Authorization

1. The Town Supervisor is authorized to **approve and authorize payroll disbursement prior to Town Board audit** for:
 - Fixed salaries of elected or appointed officials,
 - Regularly recurring compensation of employees,
 - Payroll obligations previously authorized by contract or Board resolution.
 - Any payroll-driven benefit or deduction required by law, contract or CBA
 2. All payroll approved under this provision must be supported by:
 - Properly completed and approved time records in accordance with this Local Law,
 - Certification by the appropriate department head or supervisor.
 3. Payroll authorized by the Supervisor prior to audit shall be **subject to subsequent review and post-payment audit** by the Town Board to ensure compliance with all applicable laws, policies, and internal controls.
-

IV. Effective Date

This policy shall take effect immediately upon adoption by resolution of the Town Board and remain in force until amended or rescinded.