

Internal Claims Audit

Application

This policy applies largely to the Board of Trustees in whole through their exercise of fiduciary responsibility for public funds. Public confidence in the fiscal management of the library, legal compliance and fraud liability management is supported through this strong internal control.

Statement of Purpose

Internal financial controls help to ensure accountability, to protect the assets of the library, to create reliable financial reporting, and to promote and ensure regulatory, legal and ethical compliance. This policy concerns the internal audit of claims, a control process identified by the NYS Office of the State Comptroller as a “super control”. Establishing the standards for procedures by which the library will exercise thorough scrutiny over the expense of public funds creates a high level of accountability. Audit of claims allows for stopping fraud before it occurs and for impartial reception of whistleblowers.

Policy

The full Board of Trustees audits a prepared Summary of Claims accompanying a Claims Packet comprising all claims against the library’s funds including bills, vouchers, and payroll due within seven or more days. Claimants and expenses noted in the Board approved list of authorized vendors may be paid prior to audit. Valid and legal claims (including those paid prior to audit) are approved, signified by signature or initial on each individual claim, corresponding item on the Summary of Claims, or the Summary as a whole. The Summary and Packet are then forwarded in turn to personnel responsible for preparing, signing, and distributing checks. The completed Summary and Packet are marked to prevent reuse and retained as stipulated in the Record Retention Schedule.

Responsibility

The Library Director or a designee is responsible for preparing the Claims Packet including the Summary of Claims. The Board of Trustees is responsible for conducting the Audit of Claims. An independent bookkeeping firm is responsible for preparing payments, though Board-authorized signatories on accounts may also prepare checks. Board-authorized signatories are responsible for signing checks other than those drawn on the Director’s Account. The Library Director is responsible for final preparation and distribution of the authorized payments.

The Library Director or a designee is responsible for providing documents related to the policy to concerned parties. The Library Director is responsible for training and supporting staff regarding this policy.

Approved Date: 5/11/2017

Revised: 7/8/2021

Reviewed by / on: 11/9/2023