

Chapter 20 – Internal Control & Audit Tracking

20.30 Suspected Losses of Public Funds or Property

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20.30 Suspected Losses of Public Funds or Property

20.30.10 Why loss procedures are important

In the event of the suspected loss of public funds or property, it is important that correct procedures are followed in order to:

- Minimize the loss;
- Ensure that investigations are facilitated and not impeded;
- Ensure that only prudent settlements are made;
- Ensure that bond claims are protected;
- Ensure that only appropriate personnel actions are taken;
- Comply with Title 5, Chapter 11, Section 244-A to report losses to the State Auditor.
- Comply with Title 5, Chapter 143, Section 1541, Subsection 10-A to report losses to the State Controller.

20.30.20 What are the procedures an agency should follow upon suspicion of a loss?

Each agency should follow the appropriate procedures outlined in this section. Additionally, each agency should establish formal procedures to notify appropriate agency personnel when someone suspects a loss of public funds or property.

20.30.20.a Appropriate personnel not involved in the suspected loss should be notified prior to contacting the outside agencies. This may include the agency head or deputies, chief financial officer or internal auditor depending upon the circumstances.

20.30.20.b The agency's Assistant Attorney General (AAG) should be consulted on incidents involving the loss of public funds or property, when the nature or facts of the incident warrant such discussion for the purpose of acquiring legal advice. It is best to establish, in advance and in writing, with the agency's assigned AAG appropriate general procedures to follow upon

- learning of a loss of public funds or property.
- 20.30.20.c Report the suspected loss immediately to the Offices of the State Controller and State Auditor using established agency procedures.
- 20.30.20.d Report the suspected loss to the Division of Risk Management, Department of Administrative and Financial Services.
- 20.30.20.e If the suspected loss involves the health or safety of state employees or property or the agency is so advised either by the Attorney General's Office contact the appropriate local or state law enforcement officials.
- 20.30.20.f Protect any pertinent records from destruction.