

**ORDINANCE NO. 2016-01**  
**(Amended April 30, 2019)**

**WHEREAS**, I.C. § 5-11-1-27 requires each political subdivision to maintain a system of internal controls in order to promote accountability and transparency; and

**WHEREAS**, Vigo County will adhere to the accounts developed and published in the Uniform Internal Control Standards for Indiana Political Subdivisions in order to provide the basis of common understanding to assist public sector managers in complying with the internal control requirements; and

**WHEREAS**, the Uniform Internal Control Standards for Indiana Political Subdivisions Manual is available on the government website at [www.in.gov/sboa](http://www.in.gov/sboa) and contains the acceptable minimum level of internal control standards; and

**WHEREAS**, I.C. § 5-11-1-27(g) after June 30<sup>th</sup>, 2016 all Indiana Political Subdivisions must develop local policies regarding internal controls and insure that personnel receive training on internal controls; and

**WHEREAS**, the Vigo County Commissioners find that the policy set forth in this Ordinance regarding internal controls should be the Internal Control Standards as set forth by the Indiana State Board of Accounts Uniform Internal Control Standards for Indiana Political Subdivisions Manual; and

**WHEREAS**, the Vigo County Commissioners, as the legislative body, shall certify in writing that the Uniform Internal Control Standards have been adopted; and

**WHEREAS**, the Uniform Internal Control Standards require and mandate that the legislative body insures that personnel as defined in I.C. § 5-11-1-27 shall receive training concerning the Uniform Internal Control Standards for Indiana Political Subdivisions and that the Vigo County Auditor as the fiscal officer shall certify in writing that the personnel as defined by statute have received the required training.

**WHEREAS**, I.C. 5-11-1-27(j) requires erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the SBOA; and

**WHEREAS**, State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality; and

**WHEREAS**, Vigo County does not condone any erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property, but recognizes that relatively small items may not justify the cost of the involvement of the SBOA.

## **NOW THEREFORE, BE IT ORDAINED BY THE VIGO COUNTY COMMISSIONERS:**

The Vigo County Commissioners find that its mission as related to an internal control system is as follows:

### **Section I. Adoption of Minimum Standards & Procedures**

Vigo County hereby adopts as policy the Internal Control Standards as set forth by the Indiana State Board of Accounts Uniform Internal Control Standards for Indiana Political Subdivisions Manual as expressly written and published by the Indiana State Board of Accounts in September, 2015, and as amended from time to time.

### **Section II. Establishment of Materiality Policy**

Vigo County establishes the following Materiality Policy under I.C. 5-11-1-10, 5-11-1-21, and 5-11-1-27:

Materiality, In Vigo County Government, is hereby defined as \$500.00 per occurrence. That is, if one occurrence of a loss or shortage or other irregularity is equal or greater than \$500.00, it must be reported to the SBOA. This materiality definition is not limited to defalcations or suspicious activity involving only cash or cash transaction. If supplies, equipment or other fixed assets belonging to Vigo County are suspected of being misappropriated or stolen or used in a manner not authorized by Vigo County officials and the value of those supplies, equipment or fixed assets are approximately \$500.00, that misuse or series of misuse should be reported. That is not to say that if a loss or shortage is less than \$500.00 it should be ignored. If there is a series of events, within the same office or department that appears to be a structuring event to defraud or misappropriate Vigo county funds or property, that event or series of events should be reported to the SBOA.

### **Section III. Material Variances, Losses Shortages or Thefts**

All erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the SBOA. For all material variances, losses, shortages or thefts, the SBOA shall:

- (1) determine the amount of funds involved and report the amount to the appropriate government and law enforcement officials;
- (2) determine the internal control weakness that contributed to or caused the condition; and
- (3) make written recommendations to the appropriate legislative body or appropriate official overseeing the internal control system addressing:
  - (A) the method of correcting the condition; and
  - (B) the necessary internal control policies and internal control procedures

that must be modified to prevent a recurrence of the condition.

### **Section III. Notification of Fiscal Misconduct**

If any Vigo County employee knows or suspects that other Vigo County employees are engaged in fiscal misconduct, it is his/her responsibility to immediately notify their Supervisor or the Board of Commissioners or if the Supervisor or a County Commissioner is involved, then the County Attorney, or if the employee has concerns about informing the County Attorney, then the County Auditor and Prosecuting Attorney should be contacted with respect to such matter.

### **Section V. Certification of Internal Control Standards**

At the time the annual financial report is electronically filed, the Auditor as fiscal officer of Vigo County shall certify in writing that the Uniform Internal Control Standards for Indiana Political Subdivisions have been adopted and shall certify that the personnel have been trained as required by law

### **Section VI. Effective Date**

**BE IT FURTHER ORDAINED** that this Ordinance be in full force and effect from and after its, adoption, filing, notices and publications as required by law.

**FIRST PASSED AND ADOPTED** by the Vigo County Commissioners, Indiana, this 28th day of November, 2016.

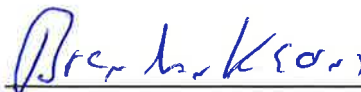
**AMENDED, PASSED AND ADOPTED** by the Vigo County Commissioners, Indiana, this 36<sup>th</sup> day of April, 2019.



Brad Anderson, Commissioner



Judith A. Anderson, Commissioner



Brendan Kearns, Commissioner

**ATTEST:**



James W. Bramble, Auditor