

Ordinance No 2016- 7

An Ordinance to Adopted Internal Control Standards for the Town of Cloverdale, Indiana. Putnam County

Whereas: IC 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 State Board of Accounts: For all material variances, losses, shortages or thefts, the State Board of Accounts 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 weakens that contributed to or caused the condition: and
- (3) Make written recommendation 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: and

Whereas, State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality: and

Whereas, The Town of Cloverdale Town Council will consider IC5-11-1-27(I), which requires public official who have actual knowledge of or reasonable cause to believe that there has been misappropriation of public funds to immediately send written notice of misappropriation to the State Board of Accounts and the Prosecuting Attorney: and

Whereas, The Town of Cloverdale does not condone any erroneous or irregular material variances, losses, shortage, or thefts of political subdivision funds or property but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts: and

Whereas, The Clerk-Treasurer has issued a directive, attached hereto as Appendix A, stating a policy on materiality and a process for reporting material items.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The Town Council hereby endorses the Clerk- Treasurer's directive, attached as Appendix A, regarding a policy on materiality and a process for reporting material items.

Section 2. The Town Council calls upon the Clerk- Treasurer, The Town Officials, employees and agents to enforce and comply with the policy on materiality and process

for reporting material items and to report noteworthy items to the State Board of Accounts.

Section 3. The Town Council directs the Clerk- Treasurer to monitor. As necessary, compliance with the policy on materiality and process for reporting material items and noteworthy items to the Town Council.

Section 4. The Town Council asks the Clerk-Treasurer to advise the Town Council of any changes in the policy on materiality and process for reporting material items.

BE IT FUTHER ORDAINED that this Ordinance shall be in full force and effect from and after its passage by the Town Council and publication in the newspaper of general circulation.

Passed and Adopted on this 19 day of MAY, 2016

Town Council of the Town of Cloverdale, Ind.


President


Clerk Treasurer

Attest:
date 05-10- 2016

Exhibit A

CLERK-TREASURER DIRECTIVE Policy on Materiality and Process for Reporting Material Items

Whereas, IC 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 State Board of Accounts and

Whereas, State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality: and

Whereas, the Cloverdale Town Council 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 State Board of Accounts:

NOW, THEREFORE, the Clerk Treasurer for the Town of Cloverdale directs as follows:

Section 1. All erroneous or irregular variances, losses, shortages, or thefts of the Town of Cloverdale funds or property, or funds or property the Town of Cloverdale hold in trust, shall be reported to the Clerk Treasurer or her/his designee promptly.

Section 2. It will be the policy of the Clerk Treasurer to report to the State Board of Accounts any erroneous or irregular variances. Losses, shortages, or thefts of cash in excess of \$100.00 except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Town of Cloverdale.

Section 3. It will be the policy of the Clerk Treasurer to report promptly to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of non-cash items in excess of \$500.00, estimated market value, except for those resulting from inadvertent clerical errors or misplacements that are identified timely and promptly corrected with no loss to the Town Of Cloverdale, and except for losses from genuine accidents.

Section 4. All town of Cloverdale elected officials are asked, and all Town of Cloverdale employees and agents are directed to comply with this policy, and the Town of Cloverdale Town Council is asked to endorse it.

Executed this 19 day of MAY 2016