

TOWN OF MONROE,  
STATE OF INDIANA

ORDINANCE: 2020 - 3

SHORT TITLE: An Ordinance to Adopt Internal Control Policies Pursuant to Ind. Code § 5-11-1-27 Regarding the Town of Monroe, State of Indiana and its Municipal Service Departments.

WHEREAS, the Town of Monroe is a political subdivision, which, as defined by Ind. Code § 5-11-10.5-1, includes, counties, townships, cities, towns, school corporations, library districts, fire protection districts, public transportation corporations, local hospital authorities or corporations, local airport authority districts, special service districts, special taxing districts, or other separate local governmental entities that may sue and be sued; and,

WHEREAS, the elected Town Board for the Town of Monroe, State of Indiana is the legislative body, as that term is defined at Ind. Code § 36-1-2-9, for the Town, State of Indiana; and,

WHEREAS, the Indiana General Assembly amended Ind. Code § 5-11-1-27, which mandates that the legislative bodies for all political subdivisions, including the Town of Monroe, adopt internal control standards and internal control policies, including the following elements: (i) Control Environment; (ii) Risk Assessment; (iii) Control Activities; (iv) Information and Communication; and, (v) Monitoring; and,

WHEREAS, Ind. Code § 5-11-1-27 requires that the legislative bodies for all political subdivisions, including the Town of Monroe, ensure that internal control policies are adopted and that personnel receive training concerning the internal control standards and procedures on or before June 30, 2016; and,

WHEREAS, the Town of Monroe, through inadvertence and oversight did not adopt the internal controls required by the Indiana General Assembly, as embodied in Ind. Code 5-11-1-27, on or before June 30, 2016, and now is curing this inadvertence through the adoption of this Ordinance; and,

WHEREAS, upon adoption of this Ordinance, the fiscal officer of the Town of Monroe shall certify in writing that: (i) the minimum internal control standards and procedures described by Ind. Code § 5-11-1-2 have been adopted by the Monroe Town Board; and, (ii) personnel, who are not otherwise on leave status, have received training as required by Ind. Code § 5-11-1-27; and,

WHEREAS, Ind. Code § 5-11-1-27 provides that all erroneous or irregular material variances, losses, shortages or thefts of the Town of Monroe funds or property shall be reported immediately to the State Board of Accounts;

WHEREAS, a public officer who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office, including: (i) information obtained as a result of a police report; (ii) an internal audit finding; (iii) another source indicating that

a misappropriation has occurred, shall immediately send written notice of the misappropriation to the State Board of Accounts and the Adams County Prosecuting Attorney; and

WHEREAS, the Clerk-Treasurer and the Deputy Clerk-Treasurer for the Town of Monroe, the Town Marshall and the Town Deputy Marshall, and the Superintendent for the Municipal services for the Town of Monroe (collectively referred to as the "Town Personnel"), each completed a questionnaire regarding each department's practices concerning internal control policies and procedures; and

WHEREAS, the Town Personnel for each department of the Town of Monroe have provided input into their respective departments' procedures and practices prior to the Town Board for the Town of Monroe adopting this Ordinance;

NOW THEREFORE BE IT RESOLVED AND ORDAINED that the Town Board for the Town of Monroe, State of Indiana, hereby adopts the following as its Internal Control Policy as required under Indiana Code §5-1-11-27.

Section 1. Definitions. The following terms, phrases and words have the meaning set forth herein only for purposes of this specific ordinance. The terms, phrases and words and their respective meaning can be incorporated into future ordinances and resolutions by reference to this ordinance and the corresponding term.

- A. "*Town Personnel*" means the persons employed in any department of the Town of Monroe government.
- B. "*Internal Control Form*" means the form identified and labeled as Internal Control Form and that Town Personnel shall complete on a monthly basis and file with the Internal Controls Oversight Committee.
- C. "*Internal Control Policy Oversight Committee*" means the Town Board for the Town of Monroe that has responsibility for overseeing, managing and implementing the Internal Controls.
- D. "*Internal Controls*" means Town of Monroe's efficient and effect safeguarding of assets and revenue that is regularly reported to the Internal Control Oversight Committee in order to comply with state law.
- E. "*Just Cause*" means a reasonable suspicion held by a member or members of the Internal Control Policy Committee that a loss or potential loss is material and that time is of the essence to address the material loss to avoid compounding future losses.
- F. "*Material*" mean: (i) Any daily receipt of cash or cash equivalent or the value of an item where there exists a variance, loss or shortage in excess of Ten and 00/100 Dollars (\$10.00) accounted for by the Town of Monroe or the Town of Monroe Municipal Services; (ii) Any weekly receipt of cash or cash equivalent or value of an item where there exists a variance, loss or shortage in excess of Fifty and 00/100 Dollars (\$50.00) accounted for by the Town of Monroe by the Town Personnel; (iii) Any monthly receipt of cash or cash equivalent or the value of an item there exists a variance, loss or shortage in excess of One Hundred Fifty and 00/100 Dollars (\$150.00) accounted for by Town of Monroe by the Town Personnel shall be considered material.

Section 2. Establishment of the Internal Control Policy Oversight Committee. The Town Board for the Town of Monroe, State of Indiana, hereby authorizes the creation of the Internal Control Policy Oversight Committee (the "Committee") for purposes of implementing, managing and

overseeing the Town of Monroe's Internal Control Policy. The Committee shall be comprised of the three (3) members of the Town Board for the Town of Monroe, State of Indiana.

Section 3. Meetings of the Internal Control Policy Oversight Committee. The first meeting of the Committee shall be held prior to the regularly scheduled October 2019 Town Board meeting. Thereafter, the Committee shall meet prior to the January, April, July and October regularly scheduled meetings for the Town Board for the Town of Monroe (hereinafter referred to as the "Quarterly Meetings") to review the quarterly reports submitted by Town Personnel for the previous quarter.

Section 4. Powers of the Internal Control Oversight Committee. The Committee, at its Quarterly Meetings, shall receive and review quarterly reports submitted by each of the Town Personnel for the Town of Monroe. The Committee shall have the following powers:

- A. *Interrogatories.* To issue interrogatories to each Town Personnel whose department has any daily, weekly or monthly material variance, loss or shortage identified on the Internal Control Policy Forms filed with the Committee for the quarter under review by the Committee. The Town Personnel shall have twenty-four (24) hours to produce answers to the Committee's interrogatories. Answers submitted to the Committee by Town Personnel receiving interrogatories shall be reviewed by the Committee and, if there is a logical explanation for the material variance, loss or shortage, the Committee shall file a written report to the State Board of Accounts and the Adams County Prosecutor with the logical explanation provided. Any answer to an interrogatory not produced to the Committee within twenty-four (24) hours will be deemed a matter of non-compliance and the Committee will notify the State Board of Accounts and the Adams County Prosecuting Attorney of the material variance, loss or shortage.
- B. *Call Emergency Meetings.* The Committee, for Just Cause, may call emergency meetings by providing Town Personnel with forty-eight (48) hours written notice prior to an emergency meeting. The Committee, at an emergency meeting shall have the power to make direct inquiries to Town Personnel concerning material variances, losses or shortages.
- C. *Reports to Town Clerk Treasurer.* The Committee shall be responsible for filing written quarterly reports to the Clerk-Treasurer for the Town of Monroe who shall maintain the quarterly reports for review by the State Board of Accounts.
- D. *Recommendations.* The Committee shall make record of its of one of the two (2) findings which shall be recorded in minute format: (i) No findings of material variance, losses or shortages; or (ii) Findings of material variances, losses and shortages and identify the Town Personnel in which said findings were made and the measures taken by the Committee to investigate the material variance, shortage or loss and be report said findings with the Indiana State Board of Accounts and the Adams County Prosecuting Attorney.

Section 5. Reporting Material Variances, Losses or Shortages.

- A. *Department Head to Report to Committee.* Each Department Head shall complete the Internal Control Policy Form and be responsible for certifying the funds it receives in on a daily, weekly and monthly basis. If any receipt of funds of a department is material, as that term is defined herein, for any day, week or month, the department head for the respective department shall provide written notice of the material loss to the Committee

within twenty-four (24) hours of discovery of said material variance, loss or shortage. Thereafter, the Committee shall, pursuant to Section 4.B., call an emergency meeting and the reporting by the department head of the material loss shall be deemed just cause.

- B. *Committee to Report to State Board of Accounts and Adams County Prosecutor.* The Committee shall conduct an Emergency Meeting and issue Interrogatories as permitted in Section 4.A. and B. of this ordinance. Within twenty-four (24) hours following the Emergency Meeting, the Committee shall file its written findings of fact with the Indiana State Board of Accounts and the Adams County Prosecutor for further administrative and/or criminal proceedings.

Section 6. Forms. The Committee shall develop an Internal Control Form, as well as other forms, that allow the Town Personnel to complete and verify the funds of the Town of Monroe and the Monroe Municipal services. These forms will comprise the reports that the Town Personnel file with the Committee on a quarterly basis. The forms will certify that the funds for the Town of Monroe and the Monroe Municipal services were properly accounted for and that any variance, loss or shortage has been noted, whether or not said variance, loss or shortage is material. Copies of the Internal Control Forms will be distributed to the Town Personnel. Any updates to the Forms must be approved by the Committee.

Section 7. Maintenance of Committee Records. The Clerk-Treasurer for the Town of Monroe shall maintain the Committee's records and documents, including quarterly reports filed by the Town Personnel with the Committee. Said records shall be maintained for the period of time prescribed by Indiana law and said records and documents shall be available for public inspection and review.

Section 8. Compliance With Internal Control Policies. The Town of Monroe will comply with the Internal Control Policies prescribed in Ind. § 5-11-1-2 through Town Personnel completing Internal Control Forms on a monthly basis and filing the forms quarterly with the Committee. In the event a Town Personnel reports a material loss, the Committee shall have the responsibility to conduct an Emergency Hearing and to report its written findings of fact to the Indiana State Board of Accounts.

Section 9. Further Reporting Requirements. Any Town Personnel, Committee Member, Town Board Member has just cause or reasonable belief of any material loss cash or cash equivalent or the value of an item of the Town of Monroe or a misappropriation of public funds or assets, then that person shall immediately notify the Committee of the misappropriation and the Committee shall convene an Emergency Meeting to conduct a hearing and issue interrogatories herein. The Committee shall have the obligation to file its written findings of fact with the Indiana State Board of Accounts and the Adams County Prosecutor.

Section 10. Effectiveness. This ordinance shall be in full force and effect from the date of its adoption and after as provided by law.

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ADOPTED, by the Town Board for the Town of Monroe, County of Adams, State of Indiana, this 7 day of May, 2020 at 7 PM by a vote of 3 ayes and 0 nays.

TOWN BOARD, TOWN OF MONROE,  
COUNTY OF ADAMS, STATE OF  
INDIANA

  
Debra Geissler

  
Mike Geels

  
Jeffrey L. Johnson

ATTESTED TO BY:   
Rachel Tague, Clerk-Treasurer