

INTERNAL CONTROLS

All employees, board members, consultants, vendors, contractors and other parties maintaining a business relationship with the school corporation shall act with due diligence in duties involving the school corporation's fiscal resources.

Per state law, the Board adopts the Uniform Internal Control Standards for Indiana Political Subdivisions in order to aid in the prevention and detection of fraud, financial impropriety, or irregularity.

The Superintendent shall be responsible to implement the internal control standards designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the school corporation and to recommend to the Board any policies or procedures required to carry out the standards.

Training shall be provided on the internal control standards and procedures to all school employees and newly hired employees whose duties include receiving, processing, depositing, disbursing, or having access to school and extracurricular funds. Such training should be given periodically to these employees whenever the standards have been changed or updated, including new school corporation policies and procedures relating to the internal control standards and training to refresh the employees on the standards requirements.

The internal control standards and procedures also must provide reasonable assurance that these transactions are executed in compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of the award that could have a direct and material effect on any grant or award, as well as any other Federal and State statutes and regulations that are identified in the compliance supplements issued by the U.S. Office of Management and Budget (OMB) and/or directives of the State Board of Accounts (SBOA).

Finally, the Corporation's internal control standards and procedures must provide reasonable assurance that all Federal and State funds, property, and other assets are safeguarded against loss from theft, fraud, or unauthorized use or disposition. Further, erroneous or irregular variances, losses, shortages, or thefts of any amount of Corporation funds or property whose source is a Federal grant or award are considered material and therefore are to be reported immediately to the SBOA as required by Federal and State law.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, any erroneous or irregular variances, losses, shortages, or thefts of Corporation funds or property in excess of \$1,000 in any fund, are considered material and therefore are to be reported immediately to the SBOA as required by State law.

The Corporation shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal awards, whether the funds are received directly from the Federal government or are distributed through the State Department of Education or another State agency or department;
- B. comply with State statutes and regulations related to the management and control of all funds received by the Corporation from any source;
- C. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal grants and awards, as well as all other funds received by the Corporation;
- D. investigate all variances, losses, shortages, or thefts of Corporation funds or property, document the investigation and its results, and maintain a record of the investigation and its results;
- E. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- F. report all misappropriations of Corporation funds or property to the SBOA, local police, and the county prosecuting attorney whenever a Corporation employee has actual knowledge of or reasonable cause to believe that a misappropriate has occurred;
- G. provide, upon employment and periodically thereafter, training concerning the internal control standards and procedures established for the Corporation for any personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the Federal government, State government, the Corporation, or other governmental entities; and
- H. take reasonable measures to safeguard protected "personally identifiable" information and other information the awarding agency or pass-through entity designates as sensitive or the Corporation considers sensitive consistent with applicable Federal, state, local, and Corporation policies regarding privacy and obligations of confidentiality.

LEGAL REFERENCE: IC 5-11-1-27

Federal OMB Circular A-21 Compliance Supplement
Federal OMB Circular A-110 Compliance Supplement
Federal OMB Circular A-133 Compliance Supplement

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