

ORDINANCE 06-01-16

ORDINANCE ESTABLISHING UNIFORM INTERNAL CONTROL STANDARDS FOR THE TOWN OF SILVER LAKE, KOSCIUSKO COUNTY, INDIANA

WHEREAS, the Silver Lake Town Council desires to implement uniform internal control standards in accordance with IC 5-11-1-27(g), developed by the Indiana State Board of Accounts and approved by the Audit and Financial Reporting Subcommittee of the Legislative Council established by IC 2-5-1.1-6.3, and is adopted and that the appropriate personnel under IC 5-11-1-27 are trained upon such;

WHEREAS, the minimum level of internal control standards and procedures of the Town of Silver Lake must include the following: (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication and (5) Monitoring;

NOW THEREFORE, be it ordained by the Silver Lake Town Council that the Uniform Internal Control Standards be defined and adopted as expressly written and approved by State Board of Accounts as stated herein;

SECTION 1:

- A) Control Environment** refers to the demonstration of a commitment of the Town of Silver Lake to (a) integrity and ethical values, (b) oversight of the internal control system (c) establishment of an organization structure that oversees the operations, reporting and compliance of the objectives of the internal controls system (d) attracting, developing and retaining competent individuals and (e) evaluating performance and holding individuals responsible for internal control duties and responsibilities.
- B) Risk Assessment** refers to the process that identifies and assesses internal and external risks and establishes tolerances of the Town of Silver Lake sufficient to (a) enable the identification of risks and the amount of risk

tolerated (b) identify, analyze and respond to risk (c) consider the potential for fraud in the risk assessment process and (d) identify, analyze and respond to significant changes impacting the internal control system;

C) Control Activities refers to the Town of Silver Lake actions and tools established through policies and procedures that go towards the detection, prevention or the reduction of identified risks of loss while still providing government operations by (a) designing control activities (b) designing information systems and (c) implementing policies;

D) Information and Communication refers to the internal and external communications needed to support an internal controls system that is valued and used by (a) receiving quality information (b) internally communicating quality information and (c) externally communicating quality information;

E) Monitoring Activities refers to the activities of the Town of Silver Lake officials to see that all of the components of the internal control system that meet or exceed the standards herein are functioning properly by (a) establishing and operating monitoring activities and then evaluating them on an ongoing basis and (b) the timely radiation of deficiencies;

SECTION 2:

The Town of Silver Lake finds that its mission as related to an internal control system is as follows:

- (1) Provision of democratic governmental structure at the grassroots level;
- (2) Provision of services as determined through the political process including but not limited to the police, fire, water utility, sewer utility and parks;
- (3) Promotion of Governmental efficiency, accountability, reliability and transparency;
and
- (4) Promotion of safeguards to reduce the risk of loss due to fraud, waste, abuse, mismanagement or errors.

SECTION 3:

The Town of Silver Lake adopts and directs the following principals in explanation of the pertinent standards above be followed at all levels of the Silver Lake government:

- 1) Control Environment
 - a) The oversight body and management demonstrates a commitment to integrity and ethical values
 - b) The oversight body oversees the Town' s internal controls system
 - c) Management establishes an origination structure, assigns responsibility and delegates authority to achieve the Town' s objectives.
 - d) Management demonstrates a commitment to attract, develop and retain competent individuals
 - e) Management evaluates performance and holds individuals accountable for their internal control responsibilities.
- 2) Risk Assessment
 - a) Management defines objectives clearly to enable the identification of risks and defines risk tolerance.
 - b) Management identifies, analyzes and responds to risk related to achieving the defined objectives.
 - c) Management considers the potential for fraud when identifying, analyzing and responding to risk
 - d) Management identifies, analyzes and responds to significant changes that could impact the internal control system.
- 3) Control Activities
 - a) Management designs control activities to achieve objectives and respond to risks
 - b) Management designs the Town' s information system and related control activities to achieve objectives and respond to risks.
 - c) Management implements control activities through policies.

- 4) Information and Communication
 - a) Management uses quality information to achieve the Town' s objectives
 - b) Management internally communicates the necessary quality information to achieve the Town' s objectives
 - c) Management externally communicates the necessary quality information to achieve the Town' s objectives
- 5) Monitoring
 - a) Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results
 - b) Management remediates identified internal control deficiencies on a timely basis

SECTION 4:

The personnel whether an official or employee whose official duties include receiving, processing, depositing, disbursing or otherwise having access to funds that belong to the federal government, state government, a political subdivision or another government entity shall be trained at least once during each calendar year and annually thereafter, unless on leave status, on the minimum internal controls and any other standards and procedures determined necessary by the Town of Silver Lake and coordinate with the Town of Silver Lake Fiscal Officer so that the fiscal officer can certify to the State Board of Accounts that the training was received annually by the personnel as provided by law.

SECTION 5:

The Silver Lake Town Council being the Legislative Body of the Town of Silver Lake shall oversee the internal controls standards but delegates the internal controls policies in the care of the Clerk-Treasurer. The Silver Lake Clerk-Treasurer with the assistance of the Silver Lake Town Council will manage the internal control standards.

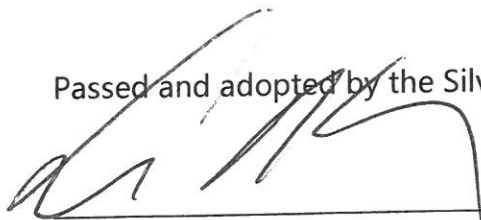
SECTION 6:

All elected and appointed officials and/or employees of the Town are directed to abide by and to cooperate fully in the implantation of the internal control standards. Failure of an employee to comply will result in the discipline, including termination of the employment. Elected or Appointed Officials failure to comply will result in the actions necessary for discipline according to Indiana Law.

SECTION 7:

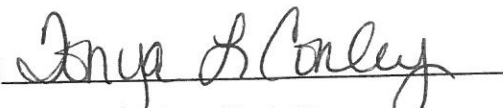
The Town of Silver Lake is intent on assuring the proper receipt and disbursement of funds entrusted to the Town. All job and responsibilities are to be done using ethics and integrity providing transparency and accountability to those served. The Silver Lake Town Council will oversee the procedures executed and will be responsible for job evaluations and hold individuals accountable for their internal control responsibilities. The objectives ensure that the public funds are handled in a trustworthy manner and the Silver Lake Town Council is using the five (5) major components when evaluating the job performance and the delegated duty of the employee or official and the responsible appropriate personnel are following the components and principals set forth.

Passed and adopted by the Silver Lake Town Council on this ^{18th.} 11th day of May, 2016.



Chad Miner, Council President

Attest:



Tonya Conley, Clerk-Treasurer



Phil Shalley, Council Member


Gale Owens, Council Member