

RESOLUTION No.: 25-2016

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, ADOPTING AN INTERNAL CONTROL PLAN

WHEREAS, Ind. Code § 5-11-1-27 *et seq.*, requires all Indiana political subdivisions including the City of Valparaiso, Indiana ("City"), to adopt the minimum levels of internal control standards developed by the Indiana State Board of Accounts as published in the Uniform Internal Control Standards for Indiana Political Subdivisions; and

WHEREAS, in conformance with the requirements of I.C. 5-11-1-27, *et seq.*, on August 8, 2016, the Common Council of the City of Valparaiso, Indiana ("Common Council") adopted Ordinance No. 16-2016 entitled "An Ordinance of the Common Council of the City of Valparaiso, Indiana, Establishing Internal Control Standards"; and

WHEREAS, subsequent to the Common Council's adoption of Ordinance No. 16-2016, the City's Finance Department (as defined in Ordinance No. 16-2016) has worked with City Staff to develop and draft the City's Internal Control Plan. A copy of the Internal Control Plan is attached hereto, incorporated herein and referenced as ***Exhibit "A"*** to this Ordinance; and

WHEREAS, the Internal Control Plan has been prepared in furtherance of the Indiana State Board of Accounts' internal control standards; and

WHEREAS, the Common Council has reviewed and considered the City's Internal Control Plan and is desirous of adopting this Resolution in order to formally approve and adopt the Plan as the City of Valparaiso official Internal Control Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, AS FOLLOWS:

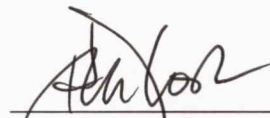
Section 1. Adoption and Approval of Internal Control Plan. The Common Council hereby formally approves and adopts the Internal Control Plan attached hereto, incorporated herein and marked as ***Exhibit "A"*** to this Resolution. The attached Internal Control Plan shall be the official Plan of the City of Valparaiso, Indiana.

Section 2. Repealer. Any resolutions inconsistent with or in conflict with the terms of this Resolution are of no further force and effect and are specifically repealed.

Section 3. Severability. If any part, clause or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause or portion of this Resolution.

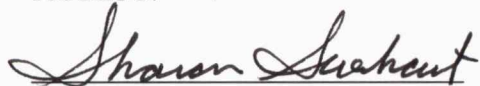
Section 4. Effective Date. This Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon the signature of the Mayor as the executive of the City.

PASSED AND ADOPTED by the Common Council of the City of Valparaiso, Porter County, Indiana, on the 12th day of December, 2016.



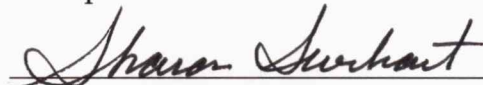
Jon Costas, Mayor

ATTEST:



Sharon Swihart, Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso, Indiana, this 12th day of Dec., 2016, at 7:08 o'clock p.m.



Sharon Swihart, Clerk-Treasurer

This Resolution approved and signed by me this 12th day of Dec., 2016, at 7:08 o'clock p.m.



Jon Costas, Mayor

Exhibit A Resolution 25, 2016

CITY OF VALPARAISO

INTERNAL CONTROLS

The City of Valparaiso has established the following methods of Internal Control in compliance with State of Indiana regulations and in keeping with current control methods i.e. Ethics Ordinance, Employee Handbook and department policies. The purpose for Internal Control is to:

- a. Have reasonable assurance that the mission and objectives of Valparaiso City Government will be achieved.
- b. Have a reduction of risk associated with fraud as well as a safeguard of resources against loss due to waste, abuse, mismanagement, or errors.
- c. Have check and balance system over operations, promoting operational effectiveness and efficiency.
- d. And, have reliable financial and management data; which insures accuracy and timeliness in reporting; and promotes compliance with laws.

Oversight Body, Legislative Body, and Management Body

Oversight Body = Legislative Body (council)

Management Body = Clerk Treasure and Department Heads (staff)

The Oversight and Management Bodies are tasked with developing operational plans for establishing, managing and insuring compliance with the IC Plan.

City staff have developed plans in conjunction with the purpose of the IC Plan and submitted the plan to the Oversight Body for approval. The plans as presented have been written by individual City departments after following defined guidelines.

Internal Control Training

As directed by the State of Indiana, All members of City government, including all elected officials, board members (compensated or not), and employees fulfill a role in the system of IC. Members, whose official duties include receiving, processing, depositing, disbursing, or otherwise have access to funds that belong to the federal government, state government, a political subdivision or another government entity. Training will occur by December 31, 2016. All new employees and members will receive Internal Control training during orientation, election or appointment to council, committees and commissions.

Training is available on the State of Indiana's website webinar at

<http://www.in.gov/sboa/5072.htm>. Certificates are also available on the same website.

DEPARTMENT POLICES

Small departments such as: Project Management, Building, Engineering, Planning and Human Resources have very few employees and do not handle money. In one case the department is one person but typically have three to five employees. All aspects of equipment, hiring, etc. are directly controlled by the Ethics Ordinance and Employee Handbook. All City employees receive Ethics training and a handbook during new hire orientation and are readily available on the City's website and hard copies are available in each department. All City employees receive ethics training every other year (even numbered years). Employees are reminded to conduct themselves in an ethical manner through training and ethic statements placed in the City employee newsletter.

Larger Departments i.e. Clerk Treasurer, Police, Fire, Public Works and Parks have specifically written policies that address money handling, equipment (asset management), and employee management. These five larger departments' policies are attached to this plan.

PUBLIC WORKS

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Purchasing Card

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Revenue Processing

Payroll Processing

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Back Up Critical Information

To safeguard critical information, save all electronic files to the city's server, not the computer's hard drive or removable media.

Check, Cash and Credit Card Handling

DPW collects revenue from the sale and delivery of city produced mulch and compost. Payment is accepted at two locations: Public Works office located at 1855 Joliet and the compost site located at 2150 W. Lincolnway. Acceptable forms of payment are personal check and a cashier's check; cash and credit cards are not accepted. Personnel are to adhere to the following process at both locations:

1. Using the pre-numbered receipt book assigned to each location, issue the remitter the white copy, retain the yellow and pink copy and payment. Receipts must be issued sequentially;
2. Checks are to be restrictively endorsed immediately upon receipt (e.g. "City of Valparaiso for deposit only");
3. Place yellow receipt and payment in provided bank bag. Bank bag to be balanced daily at the close of each shift. Over/short amounts are to be reported immediately to the direct supervisor and then to the department head that same day;

4. Compost site operator to return bank bag to Public Works by 3:00 p.m. A Public Works administrative assistant to deliver bank bag to city hall no later than 4:30 p.m. daily.
5. Money must be kept in a secure location in the department, such as a locked filing cabinet, locked box, or safe until it's deposited. Deposits must occur within 24 hours or receipt. Keys or combinations should only be given to those employees who really need them to perform their job duties and access should be limited to just two people (one serving as a backup). Keys should be collected and combinations changed when an employee with access leaves the employ of the department;
6. Office Manager and Operations Manager to oversee department employees who handle payments at the main campus and compost site respectively.

Computer Security

Departments rely heavily on information created, processed and stored on computers. Decisions made about the level of security should consider the value of the data being processed, the expense related to securing it, and the potential loss (both effort and dollars) if a security measure is not implemented. The security controls listed below help to protect against damage and theft:

1. Physical access to computers and media is limited to managers, working leaders and support staff.
2. Access to specific software, files and drives will be granted solely on an "as needed" basis as it relates to their job duties. Access requires department head approval.
3. Passwords are required to restrict access and are to be developed according to the following best practices. If you suspect that a password has been compromised, report it to the department head immediately.

Passwords should:

- be easy to remember
- be difficult to guess
- not be of a fixed length, but at least six (6) characters long
- not be displayed when inputted
- be changed periodically by the user
- be forced to change by the system administrator
- not be dictionary words, either forwards or backwards
- be made up of letters, numbers, and special characters
- not be shared with anyone (supervisor or other staff)
- not be used as a group of users' "generic" password
- not be posted or written down in an unsecured location, i.e., desk drawers
- be immediately changed if you suspect it was compromised
- be changed when a user leaves the department or changes job duties
- be complex proportionate to the data
- not be the same as your user ID

- not be names of your pets or children, phone numbers, street addresses
- 4. Log off computers that are unattended;
- 5. Maintain and update comprehensive inventory records of computer equipment, including purchase data, serial numbers, and warranty details (IT Director);
- 6. Maintain and update written documentation of logic and design for databases and spreadsheets used in critical functions.
- 7. Downloading of software from the internet and the use of disks, tapes, and CDs from unknown or unreliable sources is prohibited unless authorized by the IT Director.
- 8. The Office Manager shall inventory computer hardware semi-annually.

Computer Virus Protection Software

Computer virus protection software must be installed on every machine, set to run continuously, and update/upgrade automatically. If you suspect that it has become outdated, is not operating properly, or has quarantined a virus, contact the IT Director immediately.

Contracting Authority

Anyone signing contracts must have the proper authority to do so. Only the Board of Public Works and Safety and its assigns (namely department heads) have the authority to contract. When entering into agreements consult with the city attorney and adhere to Indiana's Public Purchasing Laws and local city ordinances.

Employee On boarding and Training

New employees shall receive training on internal controls and related departmental policies as part of the department's orientation program. Regular training on internal controls will be presented annually to all employees.

Employee Separation Checklist

Human Resources has created an Employee Separation Checklist. The form is to be completed by the supervisor and signed by the leaving employee.

Equipment

1. Capitalized equipment (i.e. valued at \$5,000 or more and with a useful life of at least 5 years – as required by city policy) must be tagged by the Maintenance Supervisor and physically

verified annually against department records. Capital Asset Notification form must be completed by administrative staff and submitted to Clerk Treasurer;

2. Public Works is to maintain its own inventory listings of the type of expendable equipment (non-capital) that could be easily misappropriated (e.g. small tools). Such records are to be physically verified annually by the Maintenance Supervisor;
3. Employees removing equipment (capitalized or expendable) from campus should complete a sign-out form acknowledging receipt and responsibility for its return. City owned equipment can never be utilized for personal benefit and must follow the policies outlined in the city of Valparaiso Employee Handbook;
4. The department head is solely responsible for determining whether unneeded or unwanted city property (e.g. materials or equipment) can be considered surplus or obsolete. Such equipment must be disposed of according to Indiana State Board of Accounts and city policy. Consult with the Clerk Treasurer as needed;

Expenditures and Claims

1. Purchase requisitions up to \$500 must be approved by the Operations Manager. Requisitions more than \$500 must be approved by the department head or the Assistant Director in his/her absence;
2. Purchases made on account can only be performed by authorized individuals following the operations manager's approval. All purchases are to be verified by the responsible working leader. Former employees are to be removed immediately from accounts and permissions are to be reviewed annually by the Office Manager;
3. Supporting documentation for all expenditures is to be submitted to a manager and recommended to the administrative assistant (AA) for remittance on a timely basis. AA is to reconcile invoices to supporting documentation received from Manager. Office Manager is to review all claims for payment for accuracy and available funds. Director or Assistant Director is to conduct a final review before submitting claims to the Clerk Treasurer;
4. All timesheets are generated electronically via TimeClock Plus and compiled by the Office Manager or Administrative Assistant. Completed timesheets are to reviewed and recommended for approval by the Operations Manager and Maintenance Supervisor. The Director or Assistant Director in their absence to sign all timesheets and submit to the Clerk Treasurer Office for remittance;
- 4.5. Travel must be approved by the department head. Expense reports are to be reconciled to the supporting documentation by the Operations Manager or Maintenance Supervisor and recommended to the administrative assistant for payment. The prepared claim will be approved or denied by the department head or Assistant Director according to the city of Valparaiso Employee Handbook;
- 5.6. Notify vendors that the city is exempt from Indiana Sales Tax, and request refunds or take credits for Sales Tax improperly charged;
- 6.7. Ensure purchase invoices agree with contractual and order terms.

Fines, Fees and Revenue

Fines and fees may be charged by the department head or its assign as permitted in the city's ordinances. Revenue is collected for the sale of mulch and compost; disposal of assets through sale, auction, or recycling; and fines. All monies collected are to be handled according to the department's money policy.

Gifts and Gratuities

No city of Valparaiso Public Works employee shall solicit or accept a gratuity or anything of value that is of such character as to manifest a substantial or improper influence upon the employee with respect to that person's duties. For more information, refer to the department's full policy located in the *Policies* folder on the Public Works common drive.

Petty Cash and Change Funds

Since Public Works does not accept cash, petty cash is not kept on hand.

Purchasing Card

Purchasing cards should be handled the same way you handle cash: they should be secured (eg, carried by the cardholder, or locked in a desk, cabinet, or safe) and the account number should be carefully controlled.

Mailroom, Phone, Fax, Copier and Utilities Usage

Mailroom, phone, fax and copier charges should be reviewed for reasonableness. All city owned equipment and services are for conducting city business only. Personal use is prohibited. Refer to the city's handbook for more information.

Security Systems

Give keys or codes only to those employees who need them to perform their job responsibilities, but at least two people (one serving as backup). Collect keys and change codes when employees leave the department or their job duties change.

Separation of Duties

Segregation of duties is possible in any office containing two or more people. Departments should review revenue, payroll, expenditure, and credit card processing procedures to ensure adequate controls are in place. These processes provide adequate segregation of duties:

1. **Revenue Processing:** One person receives the revenue and creates the payment documentation (e.g., receipt, receipt log or copy of check). A second person prepares the deposit and reconciles the deposit amounts to the bank and general ledger accounts at least monthly. The first person receives the validated deposit slip from the cashier and

agrees it to the payment documentation s/he prepared originally. The second person reconciles the payment amount to the billing records (i.e., what should have been collected).

2. **Payroll Processing:** One person prepares the timesheets and gives them to a second person to review, approve and deliver to Payroll. The first person prepares the monthly account reconciliation and the second person reviews it for reasonableness. Also see Expenditures.
3. **Expenditure Processing:** One person approves expenditures and a second person receives deliveries and reconciles accounts. The first person reviews account reconciliations against supporting documentation. One person could be given authority to approve expenditures, receive deliveries, and reconcile accounts if a second person performs supervisory reviews of the statements and supporting documentation.
4. **Credit Card Processing:** The Operations Manager reconciles the monthly credit card statement to the supporting documentation. Accounts payable reviews the reconciled statement against supporting documentation.

Software Licenses

Most purchased software programs are copyrighted and/or patented, prohibiting the city or its employees from making copies of the software and/or restricting use of the program to a particular machine(s). Failing to comply with those restrictions voids our license to use the software, and subjects the city to charges of and penalties for software piracy (theft and fraud). Although you may have received computers already loaded with applications or you may have received software disks or CDs from a city employee, it may not be apparent what you are allowed to do with those programs.

As users and/or purchasers of software packages, departments have the responsibility to be aware of the various agreements pertaining to each. Making illegal copies of licensed software may result in an individual and/or the city being held liable.

When in doubt regarding software purchased assume the software is:

- not to be copied except for making a back-up
- designated for use with only one PC/Laptop at a time and is not to be used by multiple users on a local area network.
- not normally maintained and updated by the vendor unless the department paid an annual maintenance/support fee or paid for an updated version.

Additional control guidelines for consideration are:

1. Place the manufacturer's copyright notice on all copies of the software.

2. Maintain an updated inventory of all software used in the department, indicating the machine(s) on which it is loaded, the number of copies purchased and licenses obtained, the location of original and back-up disks or CDs (at least one should be off-site), and maintenance agreement details.
3. Do not allow employees to load personal software on city computers unless they can prove they have a license to do so and it is approved by the IT Director. Maintain that documentation in the department's files as evidence of legal use.
4. Prohibit the downloading of all software from the internet.

Travel

There are a variety of rules regarding travel expense reimbursements, and they are discussed in detail in the city's employee handbook. It is important to remember that the IRS can re-characterize travel expense reimbursements as compensation (subject to income taxation), if their rules are not strictly followed.

Vendor Relations

Below are some reminders to help you handle relations with vendors.

GIFTS FROM VENDORS: Do not accept or solicit gifts from city vendors. It sounds simple, but following this directive can be difficult for the uninitiated. Some Q&A:

Q: IS IT OK THAT A SALES REP GAVE ME A PLASTIC BALLPOINT LOGO PEN?

A: A good practice for dealing with gifts of minimal value, that are given infrequently, is to put the pen or calendar (e.g.) in a public area rather than use it personally. Gifts of any significant value should not be accepted, nor should a pattern of gift-giving develop.

Here are some guidelines to use:

--When in doubt, say no. Contact a supervisor if you are uncertain how to proceed.

--Return gifts of value if they are sent to you. Let the vendor know that city employees cannot accept such gifts from city vendors.

Q: SHOULD I LET A SALES REP PAY FOR MY LUNCH AND/OR TAKE ME OUT TO AN ENTERTAINMENT EVENT?

A: No. Do not accept personal invitations. Pay your own way on business lunches and the like.

Q: IS IT OK TO TAKE A DISCOUNT BEING OFFERED TO CITY EMPLOYEES ON MY PERSONAL PURCHASE?

A: If the discount is being offered to all city employees, it can be accepted. NEVER accept a discount or gift being offered to you, particularly and personally, by a vendor hoping to influence your job-related decisions. NEVER accept, expect, or solicit special treatment or gifts from a vendor because you are in a position to help direct city business their way.

Analysis

<u>Identified Risk</u>	<u>Risk Level</u>	<u>Goal Statement</u>	<u>Responsible</u>	<u>Delegated Authority</u>	<u>Monitoring Frequency</u>
What is the risk? of documents saved to a computer's hard drive.	High/Med/Low Med	Define the objective All documents are stored on city servers.	Who? All employees with access to computers	Who? Each individual	Quarterly
Electronic files are deleted at time of separation.	High	Electronic files are safeguarded against intentional deleting.			
Loss or theft of revenue not accounted for.	Low; Cash is not accepted.	Revenue is accounted for and handled according to state law	Office Manager for admins and Ops Mgr for compost site	Admin. Assistants and compost site personnel. Director of PW	Daily
Transactions influenced by gifts and gratuities	Med	Duties are performed free of coercion with no appearance of wrong.	City Administrator		
Overpaying/underpaying for services rendered	Low	Payments match the service/material rendered.	Dept. Head	Asst. Director, Ops Mgr, Office Mgr.	Each trans- action
Failure to secure the highest price on public contracts	Low	Adhere to Public Purchase Laws	Dept. Head	Dept. Head	
Loss of items when employment is separated	Low	Recover all employee issued items at separation.	Asst. Director	Ops. Mgr.	
Vandalism or theft due to untended former employees.	Med	Barriers exist to prevent vandalism and/or theft of city property.			
Damage to equipment	High	All equipment reaches its maximum service life.	Asst. Director	Ops. Mgr.	
Employees use city accounts to purchase items for personal use	Med	All purchases are intended for business use only.	Asst. Director	Ops. Mgr.	
Employees use city owned equipment for personal purposes	Med	City owned equipment is used for city purposes only	Dept. Head		Annual

property (e.g. equipment, tools, parts, etc.)	Med	Inventory is accounted for annually	Asst. Director	Mechanic Supervisor	
Plans are approved for the purchase of items intended for personal use	Med	All purchases are approved and reviewed prior to creating a claim.	Asst. Director	Ops. Mgr. and Mechanic Supervisor	Annual Weekly

Internal Control Questionnaire

Component	Principle	Internal Control Consideration	Yes/ No/ NA/	Location of Control Document(s)
Internal Control Environment	Principle 1. The oversight body and management demonstrate a commitment to integrity and ethical values.	Does management convey periodic messages of philosophy and expectations to all employees?	Yes	City Hall
Internal Control Environment	Principle 1. The oversight body and management demonstrate a commitment to integrity and ethical values.	Has a confidential reporting system been established for individuals to report suspected fraud and abuse of local policies?	Yes	City Hall

ontrol ronment	Principle 2. The oversight body oversees the entity's internal control system.	Are there documented control processes?	Yes	"Internal Control" folder on PW Common Drive
ontrol ronment	Principle 3. Management establishes an organizational structure, assigns responsibility and delegates authority to achieve the political subdivision's objectives.	Does an organizational chart exist?	Yes	"Department" folder on PW Common Drive
ontrol ronment	Principle 4. Management demonstrates a commitment to attract, develop and retain competent individuals.	Has the unit created job descriptions and determined the skills necessary to perform jobs?	Yes	"Job Descriptions" folder on PW Common Drive
ontrol ronment	Principle 5. Management evaluates performance and holds individuals accountable for their internal control responsibilities.	Does management and the legislative or oversight body work together to address noncompliance with internal control procedures and take appropriate action to correct the noncompliance?	Yes	
sk Assessment	Principle 6. Management defines objectives clearly to enable the identification of risks and defines risk tolerances.	Does management have a subset of policies which address the safeguarding of assets?	Yes	"Internal Control" folder on PW Common Drive
sk Assessment	Principle 7. Management identifies, analyzes, and responds to risk related to achieving the defined objectives.	Does management analyze identified risks to estimate the affect of the risks on achieving defined objectives at the entity level and transaction level (due to likelihood of occurrence, complexity of issue, presence of possible fraud)?	Yes	"Risk Analysis" in the "Internal Control" folder
sk Assessment	Principle 7. Management identifies, analyzes, and responds to risk related to achieving the defined objectives.	Does management issue a report of Misappropriation of Funds to State Board of Accounts and Prosecuting Attorney under IC 5-11-1-27(l)?	Yes	
sk Assessment	Principle 7. Management identifies, analyzes, and responds to risk related to achieving the defined objectives.	Does management report material Variances, Losses, Shortages, or Thefts to the State Board of Accounts under IC 5-11-1-27(j)?	Yes	
sk Assessment	Principle 8. Management considers the potential for fraud when identifying, analyzing, and responding to risks.	Does management report incidents of fraud in accordance with IC 5-11-1-27(l) and IC 5-11-1-27(j)?	Yes	
sk Assessment	Principle 9. Management identifies, analyzes, and responds to significant changes that could impact the internal control system.	Do new employees receive training on internal controls and employee policies?	Yes	"Internal Control" folder on PW Common Drive
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are changes to a payroll disbursement approved by an individual other than the ones authorized to make the changes?	Yes	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are payroll checks/stubs periodically distributed by someone outside the normal payroll distribution function?	?	

ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are claims for payment reviewed and approved by the governing body prior to payment?	Yes	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is a review completed by an individual outside the disbursement process in which the claim amount is compared to the supporting documentation attached to the claim and the amount of the check?	Yes	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is the responsibility for making bank deposits segregated from those preparing the monthly bank reconciliation?	N/A	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are adjustments to customer accounts approved by the governing body only after a thorough review?	N/A	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is a periodic review completed of all adjustments made to customer accounts by an individual independent of the billing and accounts receivable processes to ensure that all adjustments made have proper approval from the governing body?	N/A	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is a reconciliation between the recorded cash balance and the bank balance completed monthly by an individual separate from the receipting and disbursing processes?	N/A	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is the monthly reconciliation between the cash balance and the bank balance thoroughly reviewed and approved by the governing body?	N/A	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Does an ordinance or resolution specifically state the purposes for which the credit card may be used?	??	
ontrol Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Does a designated person separate from disbursement process review transactions listed on the credit card statements for sufficient documentation and inclusion in claim to the Board?	Yes	"Internal Control" folder on PW Common Drive
ontrol Activities	Principle 11. Management designs the political subdivision's information system and related control activities to achieve objectives and respond to risks.	Is User ID and password sharing prohibited between employees?	Yes	"Internal Control" folder on PW Common Drive

Control Activities	Principle 11. Management designs the political subdivision's information system and related control activities to achieve objectives and respond to risks.	Is the authority to correct or make adjustments to the records on the system restricted to key employees or management?	Yes	"Internal Control" folder on PW Common Drive
Control Activities	Principle 12. Management implements control activities through policies.	Are internal control procedures written and available to all employees?	Yes	"Internal Control" folder on PW Common Drive
Information and Communication	Principle 13. Management uses quality information to achieve the political subdivision's objectives.	Are changes to current statutes, regulations, grant requirements and local ordinances communicated to management?	Yes	
Information and Communication	Principle 14. Management internally communicates the necessary quality information to achieve the political subdivision's objectives.	Are internal memos and reports maintained to document communication?	Yes	
Information and Communication	Principle 15. Management externally communicates the necessary quality information to achieve the entity's objectives.	Are communications with State Board of Accounts, other State agencies, grantor agencies, regulatory agencies documented by email, memos, letters and other correspondence?	Yes	
Information and Communication	Principle 15. Management externally communicates the necessary quality information to achieve the entity's objectives.	Are procedures established to retain public documents?	Yes	
Monitoring Activities	Principle 16. Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results.	Are periodic checks performed to determine if controls are in place and working effectively?	Yes	"Risk Analysis" in the "Internal Control" folder
Monitoring Activities	Principle 17. Management remediates identified internal control deficiencies on a timely basis.	Are regular meetings held to discuss internal control weaknesses and corrective action plans?	Yes	"Risk Analysis" in the "Internal Control" folder

POLICE

The Records Department is open from 7:00 AM until 6:00 PM, Monday through Friday, other than Holidays observed by the City. Cash, checks, and money orders are all accepted forms of payment at the Records Department for the following items:

- accident reports
- accident reconstruction
- VIN checks

- gun permits
- fingerprints
- background checks
- tow funds
- photos

For each service requested, each Records Department employee writes a receipt from a receipt book and fills out a Daily Log with the service, the amount of payment, and the form of payment. The receipt book is triplicate-copy (white, yellow, pink) and numbered. The customer receives the top (white) copy of the receipt.

At the close of each business day, the late shift Records employee totals everything on the Daily Log, and the cash box is totaled down to \$75 each business evening before closing. The cash box is locked inside the Records Department daily by Records personnel. Only Records Department personnel, the Public Information Officer, and Administrative staff have a key to the Records Department.

The early shift Records employee re-checks the balance in the cash box against the Daily Log for accuracy, prepares the deposit, and places it in the blue bank pouch to be taken over to City Hall. The deposit with the yellow receipts is brought over to City Hall by the Parking Enforcement employee or the Administrative Assistant, after the Daily Log is checked again for accuracy by the Administrative Assistant.

All cash, checks, and money orders received by the Records Department are kept in a blue cash box which is locked in the Records Department.

Parking Enforcement does accept credit cards for payment of parking violations. Records Department employees take the customer's credit card and a form of ID and hand enter the credit card information into the parking computer for payment. A printed receipt is given to the customer and a copy is also made for the Parking Enforcement employee. The Records Department employee initials and dates the ticket and notes the amount paid as well as the form of payment. The ticket and payment are then placed in the Parking Employee's drawer. \$40 cash is kept on hand in the Parking employee's drawer for the purposes of providing change to customers. The Parking Enforcement employee prepares her own deposit to be taken over to City Hall.

**Valparaiso Police
Squad Registration List**

**Updated 11-
08-2016**

SQUAD	OFFICER	YEAR	MAKE	MODEL	LIC#	VIN NUMBER	MARKED

<u>1</u>	BALON	2010	FORD	CROWN VIC	653SRA	2FABP7BV2AX129744	NO
<u>2</u>	CASTELLANOS	2008	DODGE	CHARGER	704LCA	2B3KA43RX8H215370	NO
<u>3</u>	BRICKNER	2014	FORD	EXPLORER	477NTB	1FM5K8AR1EGA70788	NO/AWD
<u>4</u>	SHEETS	2008	DODGE	CHARGER	766LCA	2B3KA43R48H153884	NO
<u>5</u>	ROCHON	2005	FORD	CROWN VIC	397ABX	2FAFP71WX5X128892	NO
<u>6</u>	McINTYRE	2007	DODGE	CHARGER	608ABV	2B3KA43R27H797656	NO
<u>7</u>	SPICER	2005	FORD	CROWN VIC	600ACP	2FAFP71W65X128890	NO
<u>8</u>	CHAYHITZ	2008	CHEVROLET	IMPALA	689BPF	2G1WB58N089186683	NO
<u>9</u>							
<u>10</u>	POOL	2010	FORD	CROWN VIC	7340	2FABP7BV4AX139918	YES
<u>11</u>	LAMOTTE	2011	CHEVROLET	CAMARO	962BPP	2G1FJ1EJ1B9147170	NO
<u>12</u>							
<u>13</u>	COTTON	2012	DODGE	CHARGER	14505	2C3DXAT8CH152695	YES
<u>14</u>	POOL	2010	FORD	CROWN VIC	16236	2FABP7BV6AX139919	YES
<u>15</u>	SPENCE	2015	FORD	EXPLORER	7322	1FM5K8AR2FGA46159	YES/AWD
<u>16</u>	POOL	2010	FORD	CROWN VIC	13502	2FABP7BV8AX139923	YES
<u>17</u>	PATSTON	2015	FORD	EXPLORER	16916	1FM5K8AR9FGA46157	YES/AWD
<u>18</u>	CHAPMAN	2017	FORD	EXPLORER	18702	1FM5K8AR2HGA44222	YES/AWD
<u>19</u>	WATSON	2017	FORD	EXPLORER	18703	1FM5K8AR8HGA44225	YES/AWD
<u>20</u>	CAIRNS	2012	DODGE	CHARGER	7344	2C3CDXAT1CH153428	YES
<u>21</u>	HALL	2015	FORD	EXPLORER	7337	1FM5K8AR0FGA46161	YES/AWD
<u>22</u>	TOBEY	2013	FORD	EXPLORER	8015	1FM5K8AR1DGA80560	YES/AWD
<u>23</u>	KOBITKA	2013	FORD	EXPLORER	8016	1FM5K8AR3DGA80558	YES/K9/AWD
<u>24</u>	SOBIERAJSKI	2013	FORD	EXPLORER	8014	1FM5K8AR5DGA80559	YES/K9/AWD
<u>25</u>	K. PEREZ	2012	DODGE	CHARGER	7335	2C3CDXATXCH152696	YES
<u>26</u>	COX	2012	DODGE	CHARGER	6421	2C3CDXATXCH153430	YES
<u>27</u>	HORN	2009	JEEP	CHEROKEE	14508	1J8HR48P89C557230	YES/4X4
<u>28</u>	PICKFORD	2012	DODGE	CHARGER	8171	2C3CDXAT1CH153431	YES
<u>29</u>	FISHER	2012	DODGE	CHARGER	8174	2C3CDXAT3CH153429	YES
<u>30</u>	S. KOBITZ	2014	FORD	EXPLORER	14483	1FM5K8AR3EGA70789	YES/AWD
<u>31</u>	MILLER	2014	FORD	EXPLORER	8009	1FM5K8ARXEGA70790	YES/AWD
<u>32</u>	BOVY	2014	FORD	EXPLORER	7342	1FM5K8AR1EGA70791	YES/AWD
<u>33</u>	ALLISON	2014	FORD	EXPLORER	13499	1FM5K8AR3EGA70792	YES/AWD
<u>34</u>	CORDOVA	2014	FORD	EXPLORER	7346	1FM5K8AR5EGA70793	YES/K9/AWD
<u>35</u>	DeHAVEN	2009	JEEP	CHEROKEE	14506	1J8HR48P19C557229	YES/4X4
<u>36</u>							
<u>37</u>							
<u>38</u>	JACKSON	2015	FORD	EXPLORER	7331	1FM5K8AR9FGA46160	YES/AWD
<u>39</u>	NUPPNAU	2017	FORD	EXPLORER	18701	1FM5K8AR4HGA44223	YES/AWD
<u>40</u>	CLIFFORD	2015	FORD	EXPLORER	7333	1FM5K8AR0FGA46158	YES/AWD
<u>41</u>	TRUEBLOOD	2015	FORD	EXPLORER	13500	1FM5K8AR2FGA46162	YES/AWD
<u>42</u>	YOKOVICH	2017	FORD	EXPLORER	18700	1FM5K8AR0HGA44221	YES/AWD

<u>43</u>	THURMAN	2015	FORD	EXPLORER	299LSG	1FM5K8ARXFGA66465	NO/AWD
<u>44</u>	PEREZ	2009	JEEP	CHEROKEE	14507	1J8HR48PX9C557231	YES/4X4
<u>45</u>	BLAKLEY	2013	FORD	TAURUS	8013	1FAHP2L88DG134706	YES
<u>46</u>	POOL	2013	FORD	TAURUS	8008	1FAHP2L8XDG134707	YES
<u>47</u>	(MORRIS)	2016	FORD	EXPLORER	13496	1FM5K8AR7GGA78283	YES/AWD
<u>48</u>	(KODICEK)	2016	FORD	EXPLORER	13498	1FM5K8AR3GGA78278	YES/AWD
<u>49</u>	GRENNES	2013	FORD	TAURUS	8011	1FAHP2L81DG134708	YES
<u>50</u>	HAMILTON	2013	FORD	TAURUS	8012	1FAHP2L81DG134709	YES
<u>51</u>	SIMPSON	2016	FORD	F-150	TK539NCM	1FTEW1EF1GFC90280	NO/4X4
<u>52</u>	SMITH	2016	FORD	EXPLORER	7356	1FM5K8AR5GGA78279	NO/AWD
<u>53</u>	(KOSTELNIK)	2016	FORD	EXPLORER	7348	1FM5K8AR3GGA78280	NO/AWD
<u>54</u>	(RICHARDSON)	2016	FORD	EXPLORER	7349	1FM5K8AR7GGA78281	NO/AWD
<u>55</u>	(MCDONALD)	2016	FORD	EXPLORER	13501	1FM5K8AR5GGA78282	NO/AWD
<u>56</u>	KENYON	2010	FORD	MUSTANG	139VAB	1ZVBP8CH5A5155620	NO
<u>57</u>							
-							
-							
-							
-							
-							
<u>63</u>	ZIMMERMAN	2017	FORD	EXPORER	18699	1FM5K8AR6HGA44224	YES/AWD
-							
-							
-							
-							
<u>68</u>	K9 TRAILER	2008	TRAIL WIND		5689	5NHUTW4288N054164	YES
<u>69</u>	POOL	2008	DODGE	CHARGER	7357	2B3KA43G78H299596	YES
<u>70</u>	PICK UP	1996	DODGE	DATOKA	TK157LAC	1B7FL26X7TW709611	NO

FIRE

The internal control processes is to put in place controls for fixed assets of the Valparaiso Fire Department, including acquisition, disposal, and tracking, as well as safeguarding practices. The program also confirms the physical existence of fixed assets and whether fixed assets were properly recorded. The scope of the program also includes all fixed assets for the Valparaiso Fire Department maintained in the Asset Management module of Fire Programs. The methodology included developing an understanding of processes and controls surrounding fixed assets used in Fire Department operations.

To evaluate the processes and controls are met the objectives includes process walk-through, inspection of relevant control documentation, tests of controls, and substantive (detail) testing. Procedures and tests conducted included evaluating internal controls related to accounts payable and disposal processes, reviewing access to the Fire Programs maintenance tracking system for adequate controls, analyzing physical security processes, and performing an independent physical inventory to confirm the existence of a sample of fixed assets. Information obtained and reviewed included internal operating and capital budget tracking, revenue and expense account queries spreadsheet, the Fire Programs system user list and security roles, invoices, control group registers, internal mobile and portable radio inventories. The objectives of the program are to:

- Evaluate whether VFD fixed assets were appropriately acquired and disposed;
- Verify assets owned or used in VFD operations are represented in Fire programs

Assess the adequacy of VFD policies and procedures for tracking fixed assets and performing physical inventories; and determine whether VFD fixed assets are adequately safeguarded. The fire department will use the following to insure internal control is being met:

- Operation Manual
- Department SOP's
- Agreement between Local 1124 and the City of Valparaiso
- Progressive policy
- Internal control forms

II Organization and Fiscal Impact

The Valparaiso Fire Department, consisting of approximately 67 firefighters, 3 fire stations, 3 engines, 1 truck, 3 paramedic units, and serves the residents of Valparaiso and Unincorporated Center Township, making up the Territory.

- 1) The department is organized into three Divisions:
- 2) Operations,
- 3) EMS,
- 4) Training, Inspection, Prevention

The department head, administration assistants, and City Clerk's office are responsible for accounts payable, accounts receivable, advanced life support patient refund payments, payroll administration, budget preparation and reporting, monitoring department operating and maintenance accounts, as well as capital appropriations and expenditures to ensure that the department operates within the limits established by the adopted budget.

III Capital Assets

The Fire Chief should maintain Capital asset information and verify the accuracy of their departmental fixed asset records with the City Clerks' Office on an annual basis. The systems and procedures utilized to acquire, dispose, track, and safeguard fixed assets are adequately designed and operating effectively.

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	5,000	Document
Land Improvements	5,000	Document
Site Improvements	5,000	Document
Buildings	5,000	Document
Building Improvements	5,000	Document
Machinery and Equipment	5,000	Document

Recording Capital Assets

- 1) Record the fixed asset by using to existing fixed assets spreadsheets located on Adim. file under Capital asset
- 2) Fill out Cities' Capital asset form, and place copy in capital asset folder.

- 3) Notify the City Clerk Office when a fixed asset has been acquired or disposed, by submitting capital asset form.
- 4) Assign, record, and affix identification tag numbers to all vehicles, machinery, and equipment meeting capitalization criteria.
- 5) The report also includes an observation for the MFD relating to the approval of vouchers, and an observation for the City Clerk Office.

IV The purchasing process

The Valparaiso Fire Department has established a SOP on how purchases will be made within the fire department. Only the following Officers shall make purchases;

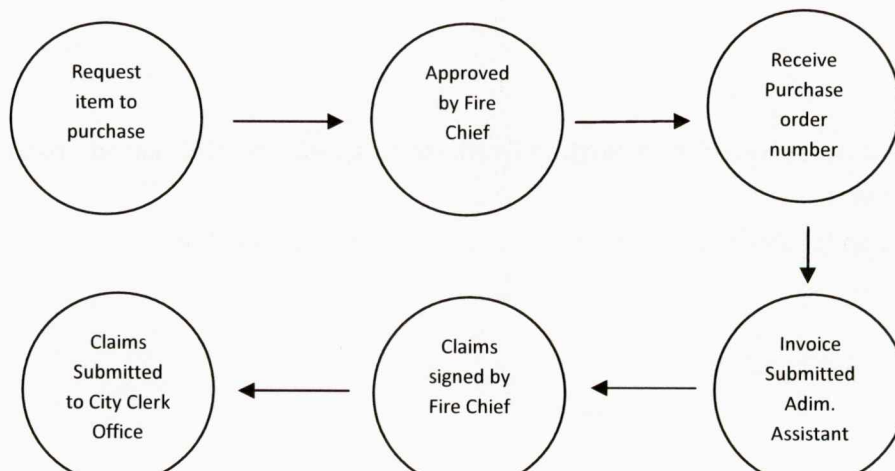
- 1) Chief
- 2) Assistant Chief
- 3) Division Chief
- 4) Battalion Chiefs
- 5) Captains

All purchases must have a purchase order number given by Administrative Assistant. If Administrative Assistant is out of office, contact Fire Chief for purchase order number. All receipts from purchases must be given to Administrative Assistant immediately after purchase with a note attached a describing what was purchased and where it is being used. This will help determine the account the payment is to come from. Upon receipt of the item, the invoice is approved for payment by Fire Chief and Administration Assistant. The purchases are then entered in the appropriate budget tracking spreadsheet utilized to monitor expenditures.

When purchase item has been received:

- 1) Enter item into inventory log (Fire Programs), and/or Capital Asset.
- 2) Assign number it item, and inventory tag on item, if acceptable.

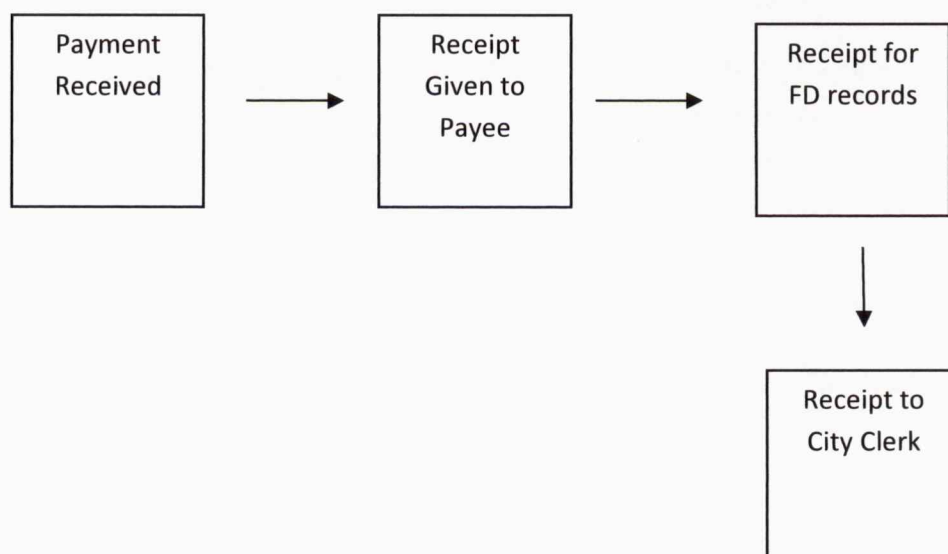
Purchasing flow chart



VI Accounts Receivable

The Valparaiso Fire Department will not accept cash has a payment for any service rendered. The fire department when receiving payment will provide a three receipt process. The first receipt will going payee, second for fire department records, and third to the city clerk office.

Accounts Receivable Flow Chart



VII Inventory Tracking

The Valparaiso Fire Department will tracking inventory internally. The capital assets will be assigned an individual inventory, and records will be kept on hand within the Administrator Assistants office. All other inventory within the fire department will be tracked using Fire Programs software. The EMS inventory will be monitor by in-house data based managed by Assistant Chief of EMS.

The internal control program for the City of Valparaiso Fire Department will be a working document, and shall be review continuous thought the calendar year.

The Valparaiso Fire Department is entrusted by the City administration; along with it citizens to hire the most qualified candidates. This ensures excellence and a dire to serve our community. The requirements to become a Valparaiso Firefighter are set by the City of Valparaiso, State of Indiana, and Police and Firefighter Fund 1977. The requirement is shown below.

FIRE -- RECRUITMENT

A. BASIC ELIGIBILITY REQUIREMENTS

1. Must be at least 21 years of age, but not yet 36 years of age when sworn in as a firefighter.
2. Must be a high school graduate, as evidenced by a transcript issued by an accredited high school. An achievement test (GED) from an accredited high school or State Board of Education is acceptable.
3. Must possess a valid unrestricted driver's license.
4. Must be willing, if appointed, to reside within Porter County or an adjoining county in Indiana.
5. Must possess a valid EMT-Basic (at minimum) certification.

B. COPIES OF THE FOLLOWING DOCUMENTS MUST BE ATTACHED

1. Birth certificate
2. Valid Driver's License
3. DD 214 (Armed Services Discharge)
4. High School Diploma or GED certificate
5. College or Training School certificates & transcripts
6. EMS certificates: State of Indiana EMT or Paramedic
7. Notarized Waiver on page 12

C. SELECTION PROCESS

1. Swim Test
2. Candidate Physical Ability Test
3. Written Test
4. Oral Interview
5. Background Investigation
6. Polygraph examination
7. MMPI and Psychological Examination
8. Pension (PERF) Physical Examination

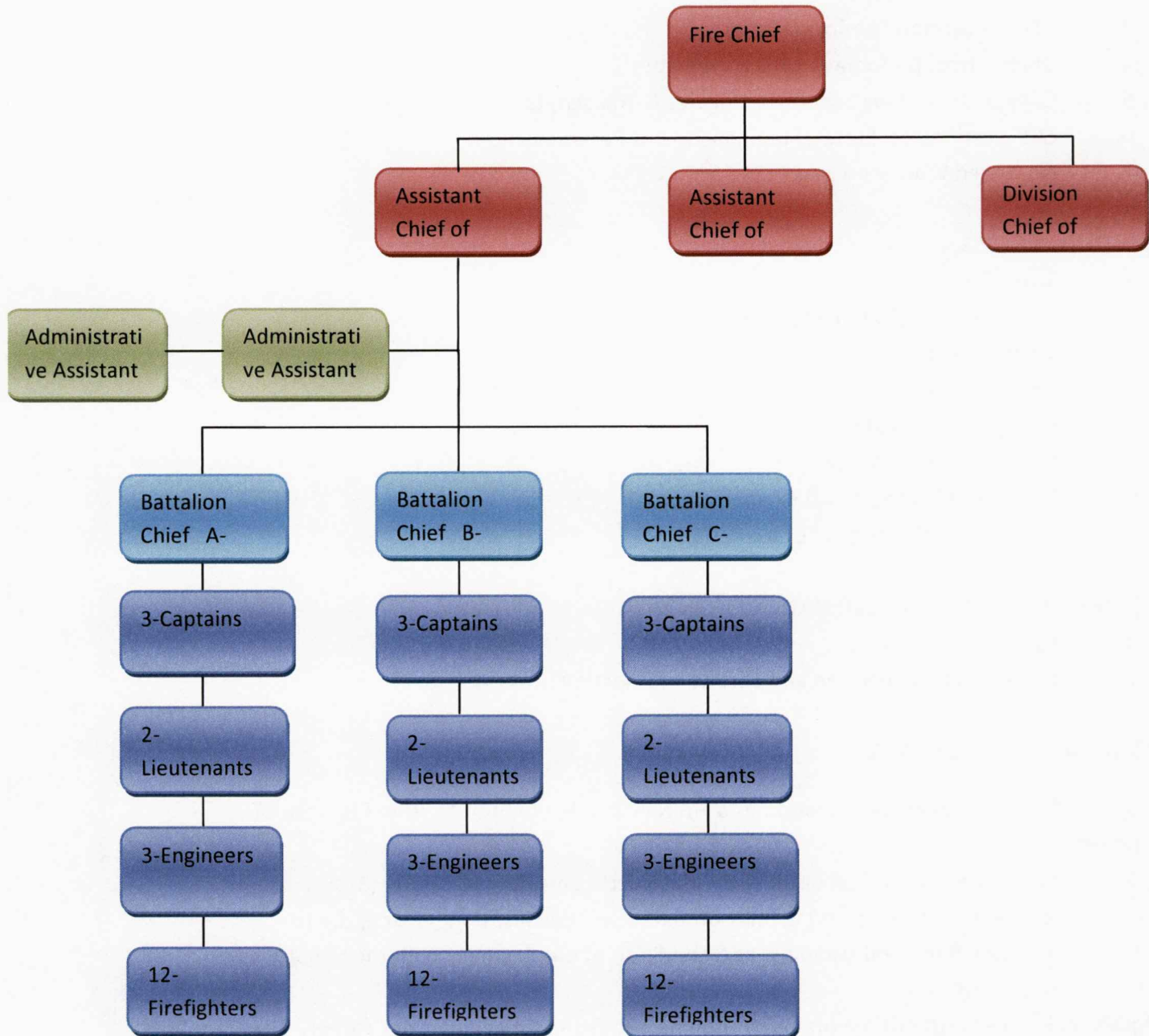
D. FACTORS THAT RESULT IN AUTOMATIC REJECTION

1. Felony conviction
2. Unsatisfactory score on any portion of selection process

E. ADDITIONAL REQUIREMENTS

1. State of Indiana certification as a Firefighter I, Firefighter II within first year of appointment.
2. All persons hired shall obtain EMT-paramedic certification within (3) three years of the date of hire; having once obtained said certification, must agree to maintain it in good standing as a condition of employment with the Valparaiso Fire Territory.

The Valparaiso Fire Department maintains continuing education throughout our career. The standards

FIRE – OVERSIGHT



FIRE – PURCHASE ORDER/APPROVAL

Valparaiso Fire Department

Purchase Order/Approval

Personnel Requesting Purchase Order # _____

Item requesting to purchase _____

Date / time requested: _____

Administration Approval:

Signed: _____

Date: _____



Valparaiso Fire Department

Purchase Order/Approval

Personnel Requesting Purchase Order # _____

Item requesting to purchase _____

Date / time requested: _____

Administration Approval:

Signed _____

Date: _____

FIRE – REPORTING FRAUD AND ABUSE

Valparaiso Fire Department

Internal Control Policy

Reporting fraud and abuse

1. Name of person reporting _____ Date _____

2. Name of person to be investigated _____

3. Fraud or abuse being committed _____

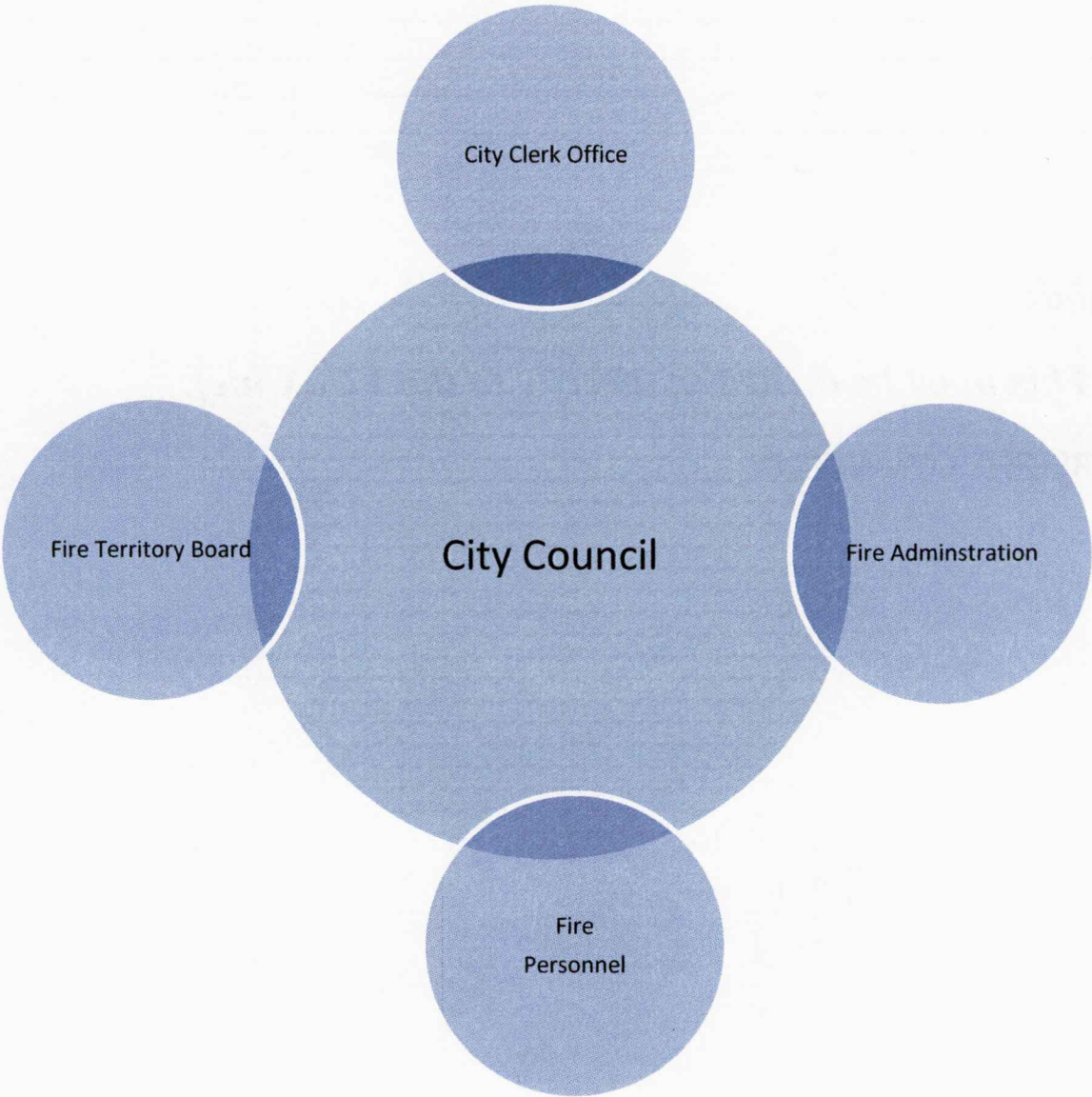
4. Date of Fraud or Abuse _____

Comments: _____

Confidential:

This must be turned in directly to the Fire Chief.

FIRE – OVERSIGHT COMMITTEE



PARKS

STANDARD OPERATING PROCEDURE



**Cash
Handling
Procedure**

	NAME	TITLE	SIGNATURE	DATE
Author	Antonetti/ Staff	Cash Handling Procedure		9/2016
Approver				

Effective Date:	9/2016
Review Date:	

Purpose

To provide processes and guidelines that mandate segregation of duties in the cash handling process in Parks Dept.

Responsibilities

Daily

Locked bank bags are dropped in the night drop depository at Centier Bank by facility employees after their shift--these bags include cash taken in from Central Park ice/roller skating, Rogers Lakewood Park, Forest Park Golf Course, Creekside Golf Course, Fairgrounds Park concessions, and Banta. Bank deposits are addressed in another Standard Operating Procedure.

The next morning, bags are picked up at the bank by authorized Valpo Parks employee. Those employees are Bookkeeping (Brenda Piper), Bookkeeping Asst. (Jane Grennes), Payroll Clerk (Karen Mann), and Special Events Supervisor (Dan McGuire). Any changes to this list must be approved by Parks Director. Bags are unlocked by Jane or Brenda. Cash is counted by either Jane or Brenda (or both when there is cash from multiple facilities). A deposit ticket is written out for each facility and those deposits are double counted/verified by a Valpo Parks employee; one who did not write out the deposit ticket. Deposits are placed into bank deposit bag.

Jane or Brenda balances/deposits cash receipts daily from the administrative office. Deposit tickets are completed and double counted/verified by a Valpo Parks employee; one who did not balance those

receipts/write out the deposit ticket. That deposit ticket is placed into bank deposit bag. Monies that come in to the administrative office after cash receipts are balanced for the day are placed in the office safe and deposited the next day.

Brenda or Jane will deposit that bank bag into the night drop depository after her shift.

SOP Title **Safe and Efficient Handling of Bank Deposits-CONFIDENTIAL DO NOT POST**

	NAME	TITLE	SIGNATURE	DATE
Author		Safe and Efficient Handling of Bank Deposits		1/18/16
Approver				

Effective Date:	
Review Date:	

Purpose

To establish protocol for safe and efficient handling of cash deposits throughout Valpo Parks system in order to limit opportunities for staff from being in an unsafe situation.

Develop consistent procedures that can be applied to each facility that receives cash. Identify critical points along the way including safeguarding cash at facility, removing cash from facility to bank, cash handling in offices and final deposit of cash at bank.

Responsibilities

It is the responsibility of each staff member that participates in the above processes to review this procedure and the supervisor of each staff member to ensure training and proper procedures are followed and also to put equipment in place to perform process.

STANDARD OPERATING PROCEDURE - DRAFT



SPECIFIC PROCEDURE

Cash received at each facility is to be removed from till when it approaches facility-specific limits. Excess cash is secured in deposit bag in locked safe at location.

At end of day and after facility is locked and there is more than one (1) person is in bldg, cash is retrieved from safe. Manager of facility is responsible to take cash to bank at end of day in safest manner possible. *There must always be two (2) people taking cash to bank or cash is held in locked safe overnight. Only one day's cash can be left in safe.*

Deposit bag must be concealed inside a *brown paper bag* when transporting to bank.

If security is present, it is mandatory to have them escort Manager to bank.

If two separate staff members are transporting deposit to bank without security, they must carry identical brown paper bags, with one containing the real deposit. Vehicles should be pulled up closest to the door they will be exiting building with deposits.

Staff member depositing funds into night deposit at bank must review surroundings for safety before exiting vehicle. Secondary vehicle must have mobile phone in hand to place emergency call if needed. Secondary vehicle does not leave until deposit is deposited into night drop. Route to bank must be on well lit streets.

In the event of a robbery situation, staff is instructed to immediately comply with intruders demand for cash. Do not try to be a hero. After police are notified, Parks Director must be called immediately.

Two (2) office staff members must retrieve deposits from bank/facility and transport cash back to bank. Follow same rules as above.

Area in any office that serves as counting room must be secured when counting funds. Front facing windows/doors must be covered/shielded from public view.

This process must be reviewed periodically for consistency.

Forms/Templates to be used

5 – vehicles (estimated life 5 years - passenger vehicles, 8 years - light trucks)

2004	98 Ford Windstar van-2FTZA54U3WBD26400-999	1	Admin	
1988	Dodge D-150-1B7HW14W8JS720920	6	FM shop	
1990	Chevy C3500 1 ton-1GBHC34K3LE172851	23	FM shop	
1992	Chevy C1500-1GCDC14Z5NZ219739	13	FM shop	
1992	Chevy C3500 1 ton-1GBJC34KXNE171927	22	FM shop	
1993	Chevy K1500 4x4-1GCEK14K2PZ170576	5	FM shop	
1995	Chevy K1500 4x4-1GCEK1429SZ132641	4	FM shop	
1995	Chevy C3500 1 ton-1GBJC34L7SE114127	27	Hort	
1996	Chevy C1500-1GCEC14WXT2156631	12	FM shop	
1996	Chevy S-10-1GCCS14X5TK188009	21	FM shop	
1997	Jeep Cherokee-1J4FJ68S4VL528849	2	Admin	
1998	Chevy 2500 4x4 -1GCGK24R1WZ187845	8	FM shop	
1999	Chevy S-19 ext. cab-1GCCS19X8X8168932	18	Admin. Rec.	
1999	Chevy C3500 1 ton-1GBJC34R078859	26	FM shop	
2000	Chevy C3500 1 ton-1GBJC34R9YF453200	28	FM shop	
2003	Chevy C2500 HD-1GCHC24U63Z256212	11	Hort	
2004	Chevy S1500 Crew cab-1GCDS136148207120	7	Admin	
2004	Chevy 1500 ext. cab 4x4-1GCEK19T34Z328226	9	FM shop	
2004	Chevy 2500 4x4-1GCHK24U34E368624	17	FM shop	
2004	Chevy S1500 Ext. cab-1GCCS196148206522	20	Admin. Rec.	
2004	Chevy C 3500 Dump truck-1GBJC34U64E384566	52	FM shop	
2006	Chevy C3500 1 ton-1GBJC34U76E215661	56	FM shop	
2010	Chevy White truck (Arnell)		FM Shop	
2011	2012 GMC C3500HD	19	FM shop	

2012	GMC 2500 Sierra 1GTO1ZCG2DF145926	55	FM shop	
2013	GMC Pickup (Paul Sur)		FM Shop	
2016	Ford F250 1FTBF2B60GEC73053		Hort	
2016	Ford F250 1FTMF1C87GFC32173		Rec (McGuire)	

2016

[illegible]

Component	Principle	Internal Control Consideration	Yes/ No/ NA/ Other	Location of Control Document(s)	Comments	
Control Environment	Principle 1. The oversight body and management demonstrate a commitment to integrity and ethical values.	Does management convey periodic messages of philosophy and expectations to all employees?	Yes	City Hall	City Employee Handbook, Ethics Ordinance and Ethics Commission provide information and training	Cit per
Control Environment	Principle 1. The oversight body and management demonstrate a commitment to integrity and ethical values.	Has a confidential reporting system been establishing for individuals to report suspected fraud and abuse of local policies?	Yes	City Hall	City Employee Handbook, Ethics Ordinance and Ethics Commission provide information and training	Cit per
Control Environment	Principle 2. The oversight body oversees the entity's internal control system.	Are there documented control processes?	Yes	Parks Office	Documented control processes are documented in a series of Standard operating Policies (SOP's) that are kept on file at Parks office. These are also located on Parks common drive	SC req Pro De

					under SOP's. SOP's are also being rolled into a NPRA accreditation status (CAPRA).	
Control Environment	Principle 3. Management establishes an organizational structure, assigns responsibility and delegates authority to achieve the political subdivision's objectives.	Does an organizational chart exist?	Yes	Parks office	Organization chart completed for 2016 Master Planning process and is on file	Co is l Co Sta
Control Environment	Principle 4. Management demonstrates a commitment to attract, develop and retain competent individuals.	Has the unit created job descriptions and determined the skills necessary to perform jobs?	Yes	Park Office	Job descriptions are complete for all full-time positions along with most seasonal positions	Jol cor wit acc des Cu Bo As: as inc as atte Lal
Control Environment	Principle 5. Management evaluates performance and holds individuals accountable for their internal control responsibilities.	Does management and the legislative or oversight body work together to address noncompliance with internal control procedures and take appropriate action to correct the noncompliance?	Yes	Parks Office	Individuals are held accountable for internal control responsibilities. Cash handling positions are notified of potential shortage by supervisor immediately after shortage identified and corrective action taken place.	Su Inte gui app are env to tern
Risk Assessment	Principle 6. Management defines objectives clearly to enable the identification of risks and defines risk tolerances.	Does management have a subset of policies which address the safeguarding of assets?	Yes	Parks Office	Subset of policies include Cash Handling, Bank Deposits, and Refunds.	SC Ha 20 Ha Jar

Risk Assessment	Principle 7. Management identifies, analyzes, and responds to risk related to achieving the defined objectives.	Does management analyze identified risks to estimate the affect of the risks on achieving defined objectives at the entity level and transaction level (due to likelihood of occurrence, complexity of issue, presence of possible fraud)?	Yes	Parks Office	2 Major areas of Risk Assessment have surfaced in our agency: 1) Major Asset Management and 2) Cash Control.	7 a pai CS Ste elir use rea Ma prc ide
Risk Assessment	Principle 7. Management identifies, analyzes, and responds to risk related to achieving the defined objectives.	Does management issue a report of Misappropriation of Funds to State Board of Accounts and Prosecuting Attorney under IC 5-11-1-27(l)?	Yes	City Hall	Clerk Treasurer Sharon Swihart provides to SBoA according to Brenda	
Risk Assessment	Principle 7. Management identifies, analyzes, and responds to risk related to achieving the defined objectives.	Does management report material Variances, Losses, Shortages, or Thefts to the State Board of Accounts under IC 5-11-1-27(j)?	Yes	City Hall	Clerk Treasurer Sharon Swihart provides to SBoA according to Brenda	
Risk Assessment	Principle 8. Management considers the potential for fraud when identifying, analyzing, and responding to risks.	Does management report incidents of fraud in accordance with IC 5-11-1-27(l) and IC 5-11-1-27(j)?	Yes	City Hall	Clerk Treasurer Sharon Swihart provides to SBoA according to Brenda	
Risk Assessment	Principle 9. Management identifies, analyzes, and responds to significant changes that could impact the internal control system.	Do new employees receive training on internal controls and employee policies?	Yes	Park Office	City HR Director conducts orientation for all fulltime staff. Additional	Pa job pol
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are changes to a payroll disbursement approved by an individual other than the ones authorized to make the changes?	Yes	Park Office	Individual Supervisor, Park Director	Ka
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are payroll checks/stubs periodically distributed by someone outside the normal payroll distribution function?	Yes	Park Office	Checks are distributed by front desk (Supervisor sign out or individual employee signs for)	Ka

Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are claims for payment reviewed and approved by the governing body prior to payment?	Yes	Park Office	Park Board and Director J. Seibert approve them.	Pa PR Dir \$30
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is a review completed by an individual outside the disbursement process in which the claim amount is compared to the supporting documentation attached to the claim and the amount of the check?	Yes	Park Office and City Hall	Assistant Payroll/Bookkeeping Jane Grennes - posts Karen Conover - reviews posting.	Dis ver
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is the responsibility for making bank deposits segregated from those preparing the monthly bank reconciliation?	Yes	Park Office and City Hall	Brenda & Jane - Deposits Karen C.-Balance	
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Are adjustments to customer accounts approved by the governing body only after a thorough review?	Yes	Customer Service	Supervisors approve all customer account adjustments.	Re
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is a periodic review completed of all adjustments made to customer accounts by an individual independent of the billing and accounts receivable processes to ensure that all adjustments made have proper approval from the governing body?	Yes	Customer Service	Supervisors review this when?	Re
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is a reconciliation between the recorded cash balance and the bank balance completed monthly by an individual separate from the receipting and disbursing processes?	Yes	City Hall	City of Valparaiso Deputy Clerk Treasurer Karen Conover	cor

Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Is the monthly reconciliation between the cash balance and the bank balance thoroughly reviewed and approved by the governing body?	Yes	City Hall	City of Valparaiso Deputy Clerk Treasurer Karen Conover	cor
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Does an ordinance or resolution specifically state the purposes for which the credit card may be used?	Yes	City Hall	Clerk Treasurer Sharon Swihart	Cre dra iss
Control Activities	Principle 10. Management designs control activities to achieve objectives and respond to risks.	Does a designated person separate from disbursement process review transactions listed on the credit card statements for sufficient documentation and inclusion in claim to the Board?	Yes	City Hall	City of Valparaiso Deputy Clerk Treasurer Dale Brewer	cor
Control Activities	Principle 11. Management designs the political subdivision's information system and related control activities to achieve objectives and respond to risks.	Is User ID and password sharing prohibited between employees?	Yes	Park Office	User ID's and Passwords are confidential and kept by IT and locked employee files	Ala
Control Activities	Principle 11. Management designs the political subdivision's information system and related control activities to achieve objectives and respond to risks.	Is the authority to correct or make adjustments to the records on the system restricted to key employees or management?	Yes	Park Office	Authority is restricted to key employees	Lis KM PB
Control Activities	Principle 12. Management implements control activities through policies.	Are internal control procedures written and available to all employees?	Yes	Park Office	Internal control procedures are documented via SOP which are kept in Parks shared drive and in Personnel office	Inte are wh sha Pe
Information and Communication	Principle 13. Management uses quality information to achieve the political subdivision's objectives.	Are changes to current statutes, regulations, grant requirements and local ordinances communicated to management?	No	City Hall	<i>in progress</i>	

Information and Communication	Principle 14. Management internally communicates the necessary quality information to achieve the political subdivision's objectives.	Are internal memos and reports maintained to document communication?	Yes	Parks Dept.	SBoA training video (26 min.) has been shown to all Parks FT employees as well as PT positions that have cash handling responsibilities.	Tre ma Co of I we unc ele
Information and Communication	Principle 15. Management externally communicates the necessary quality information to achieve the entity's objectives.	Are communications with State Board of Accounts, other State agencies, grantor agencies, and regulatory agencies documented by email, memos, letters and other correspondence?	No	Parks Dept. / City Hall	All Involved	Wi
Information and Communication	Principle 15. Management externally communicates the necessary quality information to achieve the entity's objectives.	Are procedures established to retain public documents?	Yes	Park Office	Regulations from State/Federal/Local	Cle
Monitoring Activities	Principle 16. Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results.	Are periodic checks performed to determine if controls are in place and working effectively?	Yes	Parks Office	Periodic checks will take place on cash handling/bank deposit procedures twice yearly, Spring (May) and Fall (Nov) to ensure compliance.	No Int we unc up
Monitoring Activities	Principle 17. Management remediates identified internal control deficiencies on a timely basis.	Are regular meetings held to discuss internal control weaknesses and corrective action plans?	Yes	Parks Office	Internal Controls are an Agenda item at every Supervisor staff meeting	Co

CLERK-TREASURER'S OFFICE

The Clerk-Treasurer's office handles a myriad of cash transactions. We strive to have strict internal controls although we have a small staff.

CASH RECEIPTS

Every staff member can receive money and issue an official receipt. Every staff member is bonded.

There are several receipt books, Parking Permits, Building Permits, V-Line passes, Contractor Registration, Rental Registrations and Code Violations. All receipts indicate whether the money received was cash or check or. Any electronic deposits are pulled online by a different staff member and entered onto a paper receipt.

Each day one staff member goes through all the receipts written for that day and any other city receipts and balances the cash drawer and makes the deposit tickets (five banks) for that day. One official receipt is written combining all the receipts for the day. Each day another staff member verifies the deposits and that person verifying initials the books, the deposit ticket and the official receipt.

All staff members can issue permits, licenses and bus passes (with the proper documentation from the department involved).

Another staff member goes to the bank to make the deposit. When the deposit ticket is returned by that staff member, another person verifies that the amount on the deposit balances with the deposit ticket.

All receipts are entered into the computer by a staff member and into a ledger by a different staff member. At the end of the month those two staff members must agree on monthly revenue to each fund.

CASH DISBURSEMENTS

The Clerk-Treasurer's office has a system of checks and balances in place for cash disbursements. AP Vouchers for payments are submitted by various departments. Each department head certifies that he or she has received the goods and services.

AP Vouchers are audited for correctness by one staff member and entered into the computer system. Another staff member then audits the AP Vouchers and enters them into a manual ledger. Before checks are written each staff member involved must agree on the amount of the Vouchers to be paid and on the current disbursements by fund. The computer program issues checks with the Clerk-Treasurer's signature. A separate signature stamp is kept in a locked drawer.

An AP Voucher register is then printed for the Board of Public Works and Safety. That board approves claims and votes to pay the bills included in the register.

PAYROLL

The Clerk-Treasurer's Office handles the Payroll for the entire City, with the exception of Parks and Utilities.

We have two staff members who complete payroll. One staff member will receive, audit, and balance timesheets from the Department Heads. They will also gather any payroll changes from employees. This information is entered into the payroll system. The staff member will process all deduction checks and payroll payments. The second staff member will review for accuracy and sign off. One staff member distributes W-2 and 1099R tax information balancing to ledgers.

BANK RECONCILIATION

One staff member receives bank statements. That staff member balances to the ledger revenue month-to-date and fund report. They also clear all checks posted by bank. The bank ending balance minus outstanding warrants must equal fund/ledger reports by financial institution.