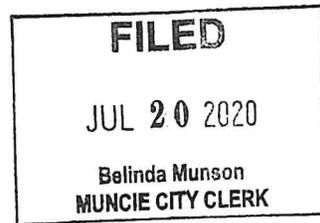


ORDINANCE 22-20



AN ORDINANCE OF THE CITY OF MUNCIE ADDING SECTION 30.14 TO THE CITY OF MUNCIE CODE OF ORDINANCES REGARDING INTERNAL CONTROLS AND MATERIALITY THRESHOLD FOR THE CITY OF MUNCIE

WHEREAS, IC 5-11-1-27(j) requires all erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property to be reported immediately to the State Board of Accounts; and

WHEREAS, the Indiana State Board of Accounts through the issuance State Examiner Directive 2015-06 directs each political subdivision to determine its own policy defining materiality by establishing a threshold amount for reporting because the causes of irregular variances, losses, shortages, and thefts are as broad and varied as the political subdivisions in which the incidents occur; and

WHEREAS, while the City of Muncie adopted the State Board of Accounts Uniform Internal Control Standards in 2016, it has not established a threshold amount that would define “material, variances, losses, shortages, or theft.”

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL FOR THE CITY OF MUNCIE, INDIANA:

Section 1: Section 30.14 is hereby added to the City of Muncie Code of Ordinances to state as follows:

Section 30.14. Internal Controls and Materiality Threshold

(A) When an incident involving any variance, loss, shortage or suspected theft of funds or property has been discovered by or brought to the attention of an employee of the City by any means, such incident shall be reported to the employee’s department head who shall, in turn, report the incident to the Mayor and City Controller.

(B) The materiality threshold at and above which the City shall report incidents of material variances, losses or shortages to the State Board of Accounts is \$1,000. All suspected thefts or misappropriation of public funds or assets shall be reported as set forth in Subsection (D) below.

(C) If either the Mayor or the City Controller determines that an incident involving a variance, loss or shortage of any City funds or property is material and meets a threshold standard as defined above, the Mayor or the City Controller shall immediately report the material incident to the State Board of Accounts.

(D) Any public officer of the city who has actual knowledge of or reasonable cause to believe that there has been a theft or misappropriation of public funds or assets of the City, including:

- (1) Information obtained as a result of a police report;
- (2) An internal audit finding; or
- (3) Another source indicating that a misappropriation has occurred;

shall immediately send written notice to the State Board of Accounts and to the Prosecutor of Delaware County, Indiana.

(E) All City personnel shall comply with the State Board of Accounts Uniform Internal Control Standards adopted by the Common Council of the City of Muncie via Resolution No. 19-16. In addition, all City personnel shall receive regular training on the internal control standards adopted and implemented by the City of Muncie.

Section 2: This ordinance shall be in full force and effect from and after its passage by the Common Council and its approval by the Mayor of the City of Muncie, and such publication as may be required by law.

Passed by Common Council of the City of Muncie, Indiana, this _____ day of _____, 2020.

	Yeas	Nays	Abstained	Absent
Bradley Polk	_____	_____	_____	_____
Jeff Robinson	_____	_____	_____	_____
Aaron Clark	_____	_____	_____	_____
Richard M Ivy	_____	_____	_____	_____
Jerry D. Dishman	_____	_____	_____	_____
Anitra Davis	_____	_____	_____	_____
Ralph Smith	_____	_____	_____	_____
Troy A. Ingram	_____	_____	_____	_____
Ray Dudley	_____	_____	_____	_____

President
City Council, City of Muncie

Presented by me to the Mayor for his approval, this _____ day of _____, 2020.

Belinda Munson, City Clerk

The above Resolution is approved by me this _____ day of _____, 2020.

Dan Ridenour, Mayor

ATTEST:

Belinda Munson, City Clerk

This resolution is proposed by Council Member

This resolution is proposed by Controller

This resolution is approved in form by Legal Counsel

