

ORDINANCE NO. 2016 031

**AN ORDINANCE ESTABLISHING MATERIALITY THRESHOLDS FOR
REPORTING OF IRREGULAR VARIANCES, LOSSES
SHORTAGES, AND THEFTS**

WHEREAS, I.C. 5-11-1-27 (g) requires that the legislative body of a political subdivision develop and implement certain internal control standards and procedures for the reporting of all erroneous or irregular material variances, losses, shortages or thefts of a political subdivision's funds or property; and

WHEREAS, The State Board of Accounts by its State Examiner Directive 2015-6, dated November 8, 2015, has directed that each political subdivision must develop its own policy on materiality based upon qualitative and quantitative factors unique to particular unit in arriving at materiality thresholds; and

WHEREAS, I.C. 5-11-1-27(j) requires that such erroneous or irregular material variances, losses, shortages or thefts be reported immediately to the State Board of Accounts;

NOW, THEREFORE, BE IT ORDAINED by the Warren County Commissioners as follows:

1. The materiality threshold at and above which Warren County shall report incidents of material variances, losses, shortages or thefts to the State Board of Accounts is:
 - A. one-time cash loss of \$500.00
 - B. A value of personal property valued in an amount of more than \$1,500.00
2. 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 County by any means or by any other person, such incident shall be reported to the employee's Department Head who, shall in turn, report the incident to the Warren County Auditor. All documentation relevant to the incident shall be maintained on file by the Auditor for the period required by the statute for record retention, regardless of whether or not the incident is determined to be material.
3. If the Auditor determines that an incident involving a variance, loss, shortage or suspected theft of any County funds or property is material and meets a threshold standard as defined above, the Auditor shall immediately report the material incident to the State Board of Accounts.

4. Any public officer of the County who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the County including:


A. Information obtained as a result of a police report; or

B. An internal auditor finding; or


C. Another source indicating that a misappropriation has occurred;

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

PASSED AND ADOPTED This 19th day of December, 2016.



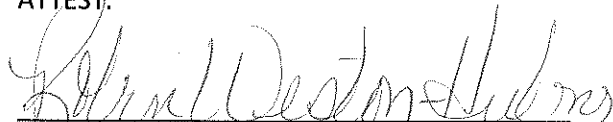
Tony Briles, President



Steve Eberly

Tom Hetrick

ATTEST:



Robin Weston-Hubner, Warren County Auditor