

**ORDINANCE NO.: 1-2016**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE BASS LAKE CONSERVANCY DISTRICT  
ADOPTING UNIFORM INTERNAL CONTROL STANDARDS  
FOR INDIANA POLITICAL SUBDIVISIONS  
IN ACCORDANCE WITH INDIANA CODE § 5-11-1-27**

WHEREAS, Indiana Code § 5-11-1-27(g) requires the Board of Directors of the Bass Lake Conservancy District (the “Board”) to ensure that minimum levels of Internal Control Standards for political subdivisions developed by the Indiana State Board of Accounts are adopted and that the appropriate personnel under Indiana Code § 5-11-1-27(c) are trained upon such; and

WHEREAS, Indiana Code § 5-11-1-27(e) and the State Board of Accounts require that the minimum level of control standards of the Bass Lake Conservancy District (“District”) include the following components: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring; and

WHEREAS, the Control Environment Component refers to a commitment by the District to (1) integrity and ethical values; (2) oversee the internal control system; (3) establish an organizational structure that oversees the operations, reporting and compliance of the objectives of the internal control system; (4) attract, develop, and retain competent individuals; and (5) evaluate performance and hold individuals responsible for internal control duties and responsibilities; and

WHEREAS, the Risk Assessment Component refers to a process that identifies and assesses internal and external risks and establishes tolerances of the District’s sufficient to (1) enable the identification of risks and the amount of risks tolerated; (2) identify, analyze and respond to risks; (3) consider the potential for fraud in the risk assessment process; and (4) identify, analyze and respond to significant changes impacting the internal control system; and

WHEREAS, the Control Activities Component refers to the District’s actions and tools established through policies and procedures that go towards the detection, prevention or reduction of identified risks of loss while still providing government operations by (1) designing control activities; (2) designing information systems; and (3) implementing policies; and

WHEREAS, the Information and Communication Component refers to the internal and external communication needed to support an internal control system that is valued and used by (1) receiving quality information; (2) internally communicating quality information; and (3) externally communicating quality information; and

WHEREAS, the Monitoring Activities Component refers to the activities of District officials to ensure that all of the components of the internal control system are functioning properly by (1) establishing and operating monitoring activities and then evaluating them on an ongoing or periodic basis; and (2) the timely remediation of deficiencies; and

WHEREAS, to ensure that the minimum internal control standards set forth above are met or exceeded, the District shall adopt the internal control standards set forth in Indiana Code § 5-11-1-27 and the Uniform Internal Control Standards for Indiana Political Subdivisions Manual published by the State Board of Accounts in September 2015; and

WHEREAS, it is in the best interests of the District and its freeholders for the Board to adopt internal control standards that comply with Indiana Code § 5-11-1-27.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Bass Lake Conservancy District, as follows:

Section 1: The foregoing recitals are hereby incorporated herein by this reference.

Section 2: The District hereby adopts the State Board of Accounts Uniform Internal Control Standards for Indiana Political Subdivisions Manual as expressly written and published by the Indiana State Board of Accounts in September 2015, as may be amended from time to time, as the Bass Lake Conservancy District's official internal control standards. The State Board of Accounts Uniform Internal Control Standards for Indiana Political Subdivisions Manual is attached hereto, incorporated herein and marked as *Exhibit "A"* to this Ordinance.

Section 3: All elected officials and employees of the District are required to comply with the District's Internal Control Standards.

Section 4: Employees who fail to comply with the Internal Control Standards are subject to discipline, up to and including, termination of employment.

Section 5: An elected or appointed official who fails to comply with the Internal Control Standards may be subject to any action allowed by law.

Section 6: Those District "Personnel," as that term is defined in Indiana Code § 5-11-1-27(c), 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 any other governmental entity, shall receive training concerning the internal control standards and procedures adopted by this Ordinance.

Section 7: If any part of this Ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Ordinance so long as enforcement of same can be given the same effect.

Section 8: This Ordinance shall be in full force and effect from and after its passage in any publication required by law.

**[SIGNATURE PAGE TO FOLLOW]**

15<sup>th</sup> PASSED by the Board of Directors of the Bass Lake Conservancy District on this the 5 day of August, 2016, by a vote of 5 ayes and 0 nays.

Eugene Skullo  
Chairman

Laura R. Colburn  
Vice-Chairman

Jerry Broadstreet  
Member

Russell R. Bliss  
Member

Don R. Kester  
Member

ATTEST:

Marianne Gappa