

THE STATE AGENCY BULLETIN

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Volume 9

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ITEMS TO REMEMBER

August

- Review State Comptroller ACFR survey for deliverables this month.
- Complete accounting information and approvals in PeopleSoft for TOS approved AR/ROCs.
- Review requirements for FFATA Reporting; File FFATA reports as applicable.
- Cleanup GL, AP, and AR entries prior to month-end.
- Review PS Requisition/PO Deadlines from the Comptroller’s Office.

September

- Agency Risk Assessment Submission deadline September 1st.
- Holiday – Labor Day September 2nd.
- Review State Comptroller ACFR survey for deliverables this month.
- Complete accounting information and approvals in PeopleSoft for TOS approved AR/ROCs.
- Review requirements for FFATA Reporting; File FFATA reports as applicable.
- Cleanup GL, AP, and AR entries prior to month-end.
- Review Requirements for Federal Financial Report (SF 425) Filing

October

- Holiday – Columbus Day October 14th.
- Review State Comptroller ACFR survey for deliverables this month.
- Complete accounting information and approvals in PeopleSoft for TOS approved AR/ROCs.
- Review requirements for FFATA Reporting; File FFATA reports as applicable.
- Cleanup GL, AP, and AR entries prior to month-end.

STATE AGENCY INTERNAL CONTROL MANUAL (Continued)

In the last quarterly bulletin, we announced the release of the Uniform Compliance Guidelines on Internal Controls for State and Quasi Agencies, and we provided a video that reviewed Part One of the manual.

Part One explains the five components of internal control based on conceptual frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework and the U.S. Government Accountability Office Standards for Internal Control in the Federal Government, otherwise known as the "Green Book."

See this video for a brief [Overview of Parts Two and Three](#).

Part Two addresses each component of internal control individually, addressing why it is important, where to start, and how to develop controls to provide reasonable assurance that agency objectives will be achieved.

Part Three provides optional tools and examples to generate ideas for management on the best method to evaluate existing controls and develop controls when necessary.

MAJOR PROGRAMS

The major programs scheduled to be audited for the State's Single Audit are listed below. – **there may be others**, depending on the Schedule of Expenditures of Federal Awards (SEFA) information, so stay tuned for more information in the future. If you have any questions, please contact David Parker, State Audits Coordinator at dparker1@sboa.in.gov.

Remember, you can be prepared by reviewing specific audit requirements related to your grants in the Federal OMB Compliance Supplement. The Compliance Supplements can be found on the [State Agencies' page](#) of our website under "Compliance Supplements" or at the link below.

[2024 Compliance Supplement](#)

<u>ASSISTANCE LISTING NUMBER (ALN)</u>	<u>PROGRAM NAME</u>
10.553 10.555 10.556 10.559 10.582	Child Nutrition Cluster
10.557	WIC
10.565 10.568 10.569	Food Distribution Cluster
12.401	National Guard O&M Projects
17.225	Unemployment Insurance
17.258 17.259 17.278	WIOA Cluster
20.205	Highway Planning and Construction
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
21.029	Coronavirus Capital Projects Fund Program
66.605	Performance Partnership Grants
84.010	Title I Grants to Local Educational Agencies
84.027 84.173	Special Education Cluster
84.048	Career and Technical Education - Basic Grants to States
84.126	Vocational Rehabilitation_Grants to States
84.367	Supporting Effective Instruction State Grants
84.425	COVID-19 - Education Stabilization Fund
93.268	Immunization Grant
93.323	Epidemiology and Laboratory Capacity for Infectious Disease (ELC)
93.489 93.575 93.596	CCDF Cluster
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.659	Adoption Assistance
93.667	Social Service Block Grant
93.767	Children's Health Insurance Program
93.775 93.777 93.778	Medicaid Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

DAILY DEPOSIT LAW

Indiana Code (IC) 5-13-6-1(b) states in part: “all public funds collected by state officers . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state, not later than the business day following the receipt of the funds . . . Deposits do not relieve any state officer from the duty of maintaining a cashbook under IC 5-13-5-1.”

IC 5-13-4-20 defines public funds as "all fees and funds of whatever kind or character coming into the possession of any public officer by virtue of that office."

IC 35-44.2-2 notes that failure to deposit public funds as required is a Class A misdemeanor. “However, the offense is a Level 6 felony if the amount involved is at least seven hundred fifty dollars (\$750), and a Level 5 felony if the amount involved is at least fifty thousand dollars (\$50,000).”

IC 5-13-6-1(f) states: “An office of: (1) the department of natural resources; or (2) the department of state revenue; that is detached from the main office of the department is not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500). However, the office must deposit the funds on hand not later than the business day following the day that the funds exceed five hundred dollars (\$500).”

IC 5-13-6-1(g) states: “The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): (1) An office of the legislative branch of state government . . . However, the funds on hand must be deposited not later than the business day following the day that the funds exceed five hundred dollars (\$500).”

AGENCY RISK ASSESSMENT

Indiana OMB Financial Management Circular (FMC) 6.2 requires state agencies to submit an annual risk assessment to the Director of OMB by September 1 of each even-numbered year.

The submission to OMB should also include discussion of:

1. The top three risks identified by the agency along with proposed plans to mitigate or eliminate each risk;
2. Any audit or review findings from SBOA, federal agencies, or other internal or outside auditors received during the preceding state fiscal year along with proposed plans to resolve each finding;
3. A progress report on the resolution of audit findings and top risks previously reported to OMB under this FMC.

Designated Agency Internal Control Officers should have access to the OMB portal to submit risk assessment information. If you have any questions about the submission process please contact Manuel Mendez (MaMendez@GOV.in.gov) or SBOA State Advisory Services (Stateagencyadvisory@sboa.IN.gov).

NEW LEGISLATION

The following is a Digest of some of the laws passed by the 2024 Regular and Special Sessions of the General Assembly affecting the State of Indiana from a compliance and/or audit perspective. This Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>).

Sente Enrolled Act 180 P.L. 21-2024

Bill Digest: Prohibits a governmental body (defined in IC 5-27-2 as the state or a state agency) from: (1) accepting payment made with a central bank digital currency; or (2) requiring payment to be made with a central bank digital currency; for any service, tax, license, permit, fee, information, or other amount due the governmental body.

Prohibits an administrative branch governmental body (defined in IC 5-27-2-1.1) from advocating for or supporting the testing, adoption, or implementation of a central bank digital currency by the United States government.

The term "central bank digital currency" is defined in IC 5-27-2-1.7.

Senate Enrolled Act 221 P.L. 78-2024

Bill Digest: Provides that an internal audit or risk assessment conducted by or on behalf of the state shall remain confidential, and that the state and other individuals may not divulge information related to an internal audit or risk assessment unless required to do so in accordance with a judicial order. Provides an exception allowing the state and other individuals to divulge information related to an internal audit or risk assessment to: (1) the state examiner; (2) the director of the office of management and budget; (3) an external auditor, in accordance with professional auditing standards; or (4) any other individual for any reason that constitutes good cause as determined by the state examiner and approved by the director of the office of management and budget.

IC 5-11-1-28 was amended, as follows:

(c) An internal audit or risk assessment conducted by or on behalf of the state shall remain confidential, except as provided in subsection (e).

(d) Except as provided in subsection (e), or in accordance with a judicial order:

- (1) the state;
- (2) an employee of the state;
- (3) a former employee of the state;
- (4) counsel to the state;

NEW LEGISLATION (Continued)

(5) an agent of the state; or

(6) any other person; may not divulge information related to any internal audit or risk assessment conducted by or on behalf of the state.

(e) Notwithstanding subsection (d), an entity or individual listed in subsection (d) may divulge information related to an internal audit or risk assessment conducted by or on behalf of the state to:

(1) the state examiner or the state examiner's designee;

(2) the director of the office of management and budget or the director of the office of management and budget's designee;

(3) an external auditor, in accordance with professional auditing standards; or

(4) any other individual for any reason that constitutes good cause as determined by the state examiner and approved by the director of the office of management and budget.