

FILED

DEC 29 2020

LESLI PENNY

COUNTY & PROBATE COURT CLERK

ORDINANCE NO. 2020- 25

**AN ORDINANCE TO ESTABLISH AND IMPLEMENT
PROTOCOLS FOR EACH DEPARTMENT FINANCIAL
POLICIES AND INTERNAL PROCEDURES, AND FOR OTHER
PURPOSES**

WHEREAS, the purpose of this Ordinance is to adopt procedures for Internal Control to sufficiently protect the County and its employees against possible fraud, and

WHEREAS, Arkansas Code Annotated Section 14-21-101 (a) states that the County Judge, the members and committees of the quorum court and other departments should have a comprehensive financial management system in place, and

WHEREAS, the system shall provide for adequate controls over revenues, expenditures, and balances to assure that current information will always be available concerning the financial condition of the county and its various offices and departments, and

WHEREAS, an environment of accountability should be created to divide certain responsibilities in financial transactions, and

WHEREAS, the Quorum Court has been reviewing specific policies and procedures instituted by the National Association of Counties to manage risks and set decision-making boundaries, and

WHEREAS, subject to the restrictions set forth in Ark. Code Ann. Section 14-14-807, the Quorum Court would like to adopt various policies.

THEREFORE, BE IT ORDAINED BY THE QUORUM COURT OF CRAIGHEAD COUNTY, ARKANSAS, AS FOLLOWS:

SECTION 1:

- A. All departments that take payments allow “read-only” access for all bank accounts held by Craighead County offices to the following designated positions: County Administrator, Deputy Treasurer and Deputy Collector.
- B. All departments that take payments adhere to Best Practices for internal controls including but not limited to the following:
 - a. two signatures required on checks
 - b. separation of duties for opening the mail and receipting payments received in mail;
 - c. timely reconciliation of bank statements and review of reconciliation signed by someone other than the preparer;
 - d. separation of duties regarding individuals that can void a transaction and the ones that receipt payments;
- C. All departments shall provide an implementation of ACH blocks, Positive Pay, and notifications for maximum amounts through services provided by various banking institutions, depending on nature of account;
- D. All departments shall provide any ACH payment by Craighead County to include an ACH worksheet that shall include with the claim, detailed claim information, deposit approval and verification of payment, along with proper supporting documentation;
- E. All departments that receive payments will maintain strict Internal Control standards and the submission of an Internal Control Questionnaire, attached by reference as though incorporated herein, every three months to County

Judge. This information will be compiled and submitted to the Quorum Court.

- F. Audit Committee. An Audit Committee shall be provided to allow for an anonymous tip or complaint to be submitted by any person that becomes suspicious of fraudulent activity. An Audit Committee shall be comprised of three elected officials and the County Administrator. The name, email, and phone number of each Audit Committee member shall be disseminated to all employees on an annual basis.

SECTION 2. If an exception is discovered in the above procedures, the following steps should be taken timely:

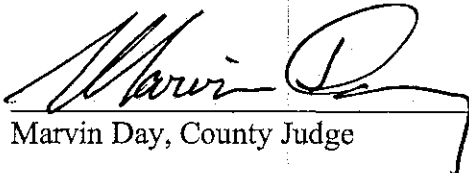
- A. Review of complaint by County Judge for determination if probable cause for further investigation to criminal authorities.
- B. Investigation by County Sheriff or related Law Enforcement Agency.
- C. Submission to Legislative Audit for investigation.

SECTION 3. Severability. If any provision of this ordinance is held invalid, such invalidity shall not affect the remaining provisions of the ordinance which remains effective absent the invalid provision, and to this end, the provisions of this ordinance are declared to be severable.

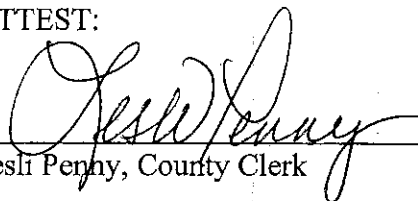
SECTION 4. Emergency Clause – In order to protect Craighead County assets and to provide for necessary administrative authority as well as proper and timely conduct of County Operations to manage Craighead County funds, an emergency exists,

and this Ordinance, being for the immediate preservation of the public peace, health, safety shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED on this 29th day of December 2020.


Marvin Day, County Judge

ATTEST:


Lesli Penny, County Clerk