

## POLICY 2016-01

### INTERNAL CONTROLS

#### CITY OF HARRISBURG – SOUTH DAKOTA

- 1) Classification of Employees
  - a. Finance Officer
  - b. Deputy Finance Officer
  - c. City Administrator
  - d. Planning and Zoning Administrator
  - e. Maintenance Supervisor
  - f. Wastewater Supervisor – Operator
  - g. Maintenance Employee
  - h. Librarians
  
- 2) Internal Controls: Due to the size of the municipality the separation of duties to meet the guidelines of the OMB Circular A-133 are not met. The following are the internal controls used by the City of Harrisburg:
  - a. The Deputy Finance Officer handles a majority of the incoming money through the Utility Billing (Water, Sewer) fees. Approximately 25% of the utility accounts have direct deposits of their bills; which reduces some of the money handled by the office. The Planning and Zoning Administrator receives incoming money through building permit and planning and subdivision fees, which is given to the Deputy Finance Officer for processing. The Librarians receive money for library fines which is given to the Deputy Finance Officer processing. The money is deposited into the bank by the Deputy Finance Officer, and the Finance Officer enters the receipt information and reviews the utility accounts monthly. The majority of the additional money (sales, tax, county taxes) is deposited directly into the City's bank account by the County & State; received by the Finance Officer.
  - b. *Bank Statements* – The bank accounts are reconciled on a monthly basis by the Finance Officer and a copy of the bank statements and reconciliations are sent to the Mayor.
  - c. *Payroll* – The Finance Officer prepares the payroll – checks are all ACH into employee's bank accounts. The Mayor and Finance Officer initial the payroll vouchers and the Council reviews monthly.
  - d. *Vendor Checks* are written bi-monthly by the Finance Officer and signed by both the Mayor and Finance Officer. A claims listing of the checks is reviewed, approved and signed by the City Council. The signed claims listing of the checks is kept with the city council minutes and published within the Council meeting minutes in the city's official newspaper (Sioux Valley News) and the city website. The City Council are given a report of all revenue and expenditures plus the cash balances of each of the bank accounts, this information is presented in the form of a Finance Report on a monthly basis.
  - e. *Petty Cash* in the City Hall - \$50.00 for postage and small office supply purchases – reconciled by the Finance Officer. Only City employees allowed to remove cash are the Finance Officer and Deputy Finance Officer. Deposits are made in a timely manner and reconciled by the Finance Officer.