

Wayne County Internal Control Policy for Compliance with UG 2 CFR 200.302 and 200.303

I. Purpose

This Internal Control Policy establishes the framework for Wayne County to ensure compliance with the requirements of the Uniform Guidance (UG) 2 CFR 200.302 (Financial Management) and 2 CFR 200.303 (Internal Controls). This policy outlines the County's commitment to maintaining effective internal controls for financial management, ensuring the integrity of federal funds, and meeting the regulatory requirements for the use of federal awards.

II. Scope

This policy applies to all departments and personnel within Wayne County that manage, receive, or expend federal funds during their operations. This includes all activities funded by federal grants, contracts, and cooperative agreements.

III. Objectives of Internal Control

Wayne County's internal control objectives are designed to:

1. **Ensure Effective and Efficient Operations:** Ensure the County's financial operations are conducted in an efficient, effective, and cost-effective manner.
2. **Safeguard Federal Funds:** Protect federal funds from misuse, misappropriation, or fraud.
3. **Promote Accurate Financial Reporting:** Ensure that financial reports related to federal awards are accurate, complete, and submitted on time.
4. **Comply with Applicable Laws and Regulations:** Ensure compliance with all relevant federal, state, and local laws, regulations, and terms and conditions of federal awards.

IV. Internal Control Framework

Wayne County understands that each component must be present and functioning for the internal control process to operate at the optimal level. The responsibilities tied to each of the components are discussed below.

1. **Control Environment:** The foundation for all other components of internal control, including the integrity and ethical values of Wayne County, the commitment to competence, and the organizational structure.
2. **Risk Assessment:** Identify and analyze risks that may prevent the achievement of objectives, including risks related to federal fund management.
3. **Control Activities:** Develop and implement policies and procedures to mitigate identified risks and ensure compliance with federal grant terms and conditions.
4. **Information and Communication:** Ensure accurate and timely communication of financial and operational information related to federal funds within the organization and to external stakeholders.
5. **Monitoring Activities:** Continuously evaluate the effectiveness of internal control systems and procedures and make necessary adjustments or improvements.

V. Financial Management System (2 CFR 200.302)

Wayne County's financial management system must meet the requirements outlined in **2 CFR 200.302**, which include:

1. **System Capabilities:** Maintain a financial management system that provides for accurate, complete, and timely recording of all transactions related to federal awards.
2. **Internal Controls Over Financial Reporting:** Establish procedures for maintaining records that support the accuracy and validity of financial transactions, including the use of source documentation.
3. **Accurate Reporting:** Ensure that financial reports related to federal funds are accurate, complete, and submitted in a timely manner in compliance with federal regulations and reporting requirements.
4. **Budget Control:** Maintain control over federal award budgets and ensure expenses are charged in accordance with approved budgets and allowability under federal regulations.
5. **Audit Trails:** Establish procedures to ensure that audit trails exist for all financial transactions, facilitating the identification and examination of errors or irregularities.

VI. Internal Controls Over Compliance (2 CFR 200.303)

In accordance with **2 CFR 200.303**, Wayne County is committed to:

1. **Establishing Effective Internal Controls:** Design and implement internal controls that reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of federal awards.
2. **Monitoring Compliance:** Continuously monitor the County's compliance with federal award terms and conditions and assess the adequacy of internal controls.
3. **Preventing Fraud, Waste, and Abuse:** Ensure the safeguarding of federal funds through practices that deter fraud, waste, and abuse.
4. **Corrective Actions:** Identify areas of non-compliance or deficiencies in internal controls and take corrective actions in a timely and effective manner.

VII. Roles and Responsibilities

1. County Leadership and Senior Management:

- Provide leadership and oversight to ensure compliance with federal regulations and effective internal controls.
- Approve the internal control framework, policies, and procedures.
- Ensure adequate resources are allocated to compliance and internal control efforts.

2. Finance Department:

- Administer financial systems, ensure timely and accurate financial reporting, and monitor compliance with applicable regulations.

- Serve as the primary point of contact for managing federal funds and grants.
- Conduct periodic reviews and audits of federal awards to evaluate the effectiveness of internal controls and compliance with applicable laws and regulations.
- Report findings and recommend corrective actions where needed.

3. Grant Administrators and Department Heads:

- Oversee the financial and programmatic management of federal awards in their respective departments.
- Ensure that expenditures comply with the terms and conditions of the federal award.
- Implement controls to ensure proper use of federal funds and monitor program performance.
- Conduct periodic reviews and audits of federal awards to evaluate the effectiveness of internal controls and compliance with applicable laws and regulations.
- Report findings and recommend corrective actions where needed.

VIII. Training and Communication

1. **Training:** Regular training will be provided to County staff on financial management, internal control policies, and the management of federal funds.
2. **Communication:** The County will communicate the importance of internal controls and compliance with federal regulations across all levels of government operations.

IX. Monitoring and Evaluation

Wayne County's internal control system will be continuously monitored to ensure it is effective and compliant with applicable federal regulations. Annual audits will be conducted by auditor and periodic evaluations will be conducted by management will take appropriate corrective action as needed. All audits will be conducted in accordance with the then current professional standards.

X. Document Retention

Wayne County will retain records related to federal awards in compliance with federal regulations, ensuring they are accessible for review and audit for the required retention periods.

XI. Effective Date and Revisions

This policy is effective immediately upon approval by the Wayne County Board of Commissioners. Revisions will be made as necessary to ensure continued compliance with federal regulations and improvement in internal control processes.

This policy ensures that Wayne County complies with federal requirements, maintains proper financial management practices, and safeguards federal funds effectively.