

# Code of Conduct



# Background

- Shared responsibility to be effective and careful stewards of public resources
- Recommendation by the MN State Government Internal Auditing Advisory Roundtable
- Legislative attention
- MMB requires implementation by December 31, 2009.

# Top Audit Issues 2008

- Incompatible duties
- Safeguarding receipts
- Self Service time entry
- Cell Phones
- Travel
- Documentation

# Code of Conduct Objectives

Create a values-based ethical framework for employees to:

- Improve accountability
- Identify internal control process
- Ensure the accuracy and reliability of the state's comprehensive annual financial report
- Ensure accuracy and reliability of other state and federal reports

# Requirement Applicable to:

- All agency heads and management
- Supervisors and employees with material impact on the financial information
- Remaining employees at agency discretion

# Related Activities

- Financial Statements
- Property Management
- Invoicing/Purchasing/PT Contracts
- Grants
- Emergency Cards
- Payroll

# Key Responsibilities - Agency Head and Senior Management

- Establish an ethical tone and set standards for behavior
- Design, implement, monitor, and maintain internal control systems
- Administer training programs to ensure employees are knowledgeable
- Assess effectiveness of training programs and internal controls
- Require full cooperation with all auditors
- Set up communication channels to receive and respond to reported incidents
- Enforce policies, procedures, and code of conduct
- Certify knowledge and understanding annually for all staff

# Key Responsibilities – Managers, Supervisors & Employees

- Establish an ethical tone and set standards for behavior (managers & supervisors)
- Comply with all applicable laws, regulations and policies
- Act honestly and ethically in carrying out job duties
- Ensure accuracy and reliability of financial information
- Report any violations of code
- Periodically assess effectiveness of internal control systems
- Cooperate fully with all auditors
- Certify your knowledge and understanding annually

# What is Internal Control?

A process designed to provide reasonable assurance regarding the achievement of

- Reliability of financial reporting
- Compliance with laws and regulations
- Effectiveness and efficiency of operations

# Internal Control Framework

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

# Implementation

- Required Implementation – December 31, 2009
- Certification
  - New employees
  - Updated annually by July 1<sup>st</sup>
  - Certifications submitted to HR for inclusion in personnel file

# Implementation

- Training (August 25, September 15, September 16)
  - View online presentation on
    - Code of Conduct
    - Internal Controls
  - Group discussion
  - Complete certification forms

# References

- Code of Conduct – Julie Poser (651.201.2531)
- Code of Ethics – Susan Wickham (651.201.2609)
- MAPS Policy 0103-01 Code of Conduct
  - (<http://www.mmb.state.mn.us/code-conduct>)
- MAPS Policy 0102 Internal Control
  - (<http://www.mmb.state.mn.us/chapter-1/201-201>)
- FMR-1A-01 Internal Control (will be revised)
  - (<http://www.admin.state.mn.us/fmr/documents/Policies%20&%20Procedures/Financial%20Management/FMR-1A-01%20Internal%20Control.pdf> )
- FMR-1A-02 Code of Conduct (to be developed)