

**RESOLUTION 2016-18
DRAFT**

**A RESOLUTION TO ESTABLISH AND ADOPT INTERNAL CONTROLS,
INCLUDING ITS INITIAL ANNUAL ASSESSMENT OF RISK, AS REQUIRED BY
STATE LAW**

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee, desires to be in compliance with Tennessee Code Annotated 9-18-102 requiring local governments to establish and adopt internal controls;

WHEREAS, TCA 9-18-102 specifies that internal controls should be established and maintained to provide reasonable assurance that:

- (1) Obligations and costs are in compliance with applicable law;
- (2) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- (3) Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

WHEREAS, the law also specifies an annual assessment of risk. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

- (1) Accountability for meeting program objectives;
- (2) Promoting operational efficiency and effectiveness;
- (3) Improving reliability of financial statements;
- (4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and
- (5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

WHEREAS, the State provided internal control guidance to cities in the Internal Control Manual for Local Government Entities and other Audited Entities in Tennessee;

WHEREAS, Municipal Technical Advisory Service (MTAS) provided internal control guidance in its Internal Control Took Kit for Municipal Governments;

WHEREAS, per the MTAS Internal Control Took Kit for Municipal Governments, management is responsible for designing and implementing a system of internal controls and there is no “one size fits all” system for all cities to use. Many cities will have very similar objectives and policies but the processes and procedures designed to adhere to policies and achieve objectives will be vastly different.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

The City of Franklin establishes and adopts internal controls, including its first annual assessment of risk, as required by State Law.

IT IS SO RESOLVED AND DONE on this ____ day of _____, 2016.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: _____

Eric S. Stuckey
City Administrator

By: _____

Dr. Ken Moore
Mayor

Approved as to Form

By: _____

Shauna R. Billingsley
City Attorney