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THE STATE AGENCY BULLETIN

July 2025

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ITEMS TO REMEMBER

If there are certain items or dates that would be beneficial to include in future calendars, please let us know by emailing StateAgencyAdvisory@sboa.IN.gov.

August

- Review State Comptroller ACFR survey for deliverables this month.
- Complete accounting information and approvals in PeopleSoft for TOS approved AR/ROCs.
- Review requirements for FFATA Reporting; File FFATA reports as applicable.
- Cleanup GL, AP, and AR entries prior to month-end.
- Review PS Requisition/PO Deadlines from the Comptroller's Office.

September

- Holiday – Labor Day September 1st.
- Review State Comptroller ACFR survey for deliverables this month.
- Complete accounting information and approvals in PeopleSoft for TOS approved AR/ROCs.
- Review requirements for FFATA Reporting; File FFATA reports as applicable.
- Cleanup GL, AP, and AR entries prior to month-end.
- Review Requirements for Federal Financial Report (SF 425) Filing.

October

- Holiday – Columbus Day October 13th.
- Review State Comptroller ACFR survey for deliverables this month.
- Complete accounting information and approvals in PeopleSoft for TOS approved AR/ROCs.
- Review requirements for FFATA Reporting; File FFATA reports as applicable.
- Cleanup GL, AP, and AR entries prior to month-end.

STANDARD OPERATING PROCEDURES – A POLICIES AND PROCEDURES PROGRAM (PART 1)

Have you ever been a new employee and wanted to understand more about what your department does? Have you ever had to lead people and communicate how to do their work? Have you ever been an executive who wanted there to be standards on how work is performed and measured so your organization could perform at a high level? We've all been in at least one of these situations. Standard operating procedures (SOPs) address the underlying pursuit of organizational knowledge contained in the questions above. Starting an SOP program can be challenging but sows great rewards.

SOPs should ideally cover the processes in all departments and business units in an organization. They are typically written at the individual process level. By having them documented, your agency will be in possession of documents that explain how work is to be performed. No longer will the standards exist only in the minds of employees, managers, and executives. Your SOPs can also promote virtues in your organization such as ethical conduct, fairness, transparency, and trust.

There is a prior introductory [training video](#) that State Advisory Services has provided on the topic of standard operating procedures. In this article we are going to focus on how to best organize your library of SOPs.

The way an agency organizes their SOPs should be logical, use a consistent naming convention, and consider how processes relate to one another by topic. The State of Indiana is divided into different business units. Each business unit is assigned a number in PeopleSoft. Within each business unit, there are departments. These can each be used in the SOPs' naming convention. For example, the State Board of Accounts is business unit 00080 and one of its departments is the Finance Department. Below is a Department Table Listing showing departments at SBOA which are each assigned a different number.

Department Table	#
Finance	01
IT	02
Operations	03
Administration	04
Legal	05

The first SBOA SOP could be numbered 00080-01-01. This numbering scheme would tell someone that it is an SBOA SOP in the Finance Department and is the first procedure written in that department.

When writing SOPs at your agency, consider adopting a numbering scheme to organize your library. It will work like the Dewey Decimal System and help you find your SOP in your library of knowledge.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) – REPORTING UPDATES

Per 2 CFR 170, recipients of federal awards are required to report awards equal to or exceeding \$30,000. This information must be reported no later than the end of the month following the month in which the subaward was made.

FFATA report(s) must now be filed through SAM.gov. The subaward information can be filed manually or in bulk. In order to file, you need a SAM.gov account. IOT can then assist your agency with bulk filing through SAM.gov using GoAnywhere Services. If your agency has a GoAnywhere account, log in to your account and submit a request. If your agency does not have a GoAnywhere account, follow the instructions on IOT's most recent [Products and Services Catalog](#) to request this service. You can also contact the IOT service owner listed in the catalog.

SBOA has developed a training video for state employees to better understand the FFATA Reporting Requirement and how to report in SAM.gov. You can find the video on our YouTube channel or by [clicking here](#).

The General Services Administration has released a [training video](#) that explains how to enter data or use the bulk upload option.

IOT has created a [guide](#) that explains the two reporting options in more detail.

RECORD RETENTION

Public officials or agencies may not dispose of government records except under an approved Records Retention Schedule or with the written consent of IARA.

Generally, basic accounting records cannot be transferred to the Records Center until issuance of the applicable state audit report and satisfaction of any unsettled charges.

The issuance of the State of Indiana's Single Audit Report fulfills the requirement to receive a State Board of Accounts (SBOA) audit report as required by the record retention schedules.

State Single Audit reports can be found on the SBOA website, on the [State Agencies page](#), under the Audit Reports area.

If you have any questions, email Stateagencyadvisory@sboa.IN.gov.

To assist agencies in the proper disposal of government records, IARA offers the services of the State Records Center for temporary storage; the Imaging Lab for scanning and microfilming; State Archives for permanent/historical storage; and the Conservation Lab for restoration and preservation of records.

For more information see IARA's [website](#).

Retention schedules can be found at www.in.gov/iara/2766.htm. Before records are transferred to the State Archives, retention schedules should be reviewed carefully to ensure all retention requirements have been met.

FRAUD SERIES – PART 3

In the last bulletin we discussed fraud risk governance and how promoting fraud awareness from the top down is vital to creating a strong anti-fraud culture.

This is the third in a series of articles on establishing and maintaining a system of internal controls related to managing fraud risk.

In this segment, we are focusing on the second phase of a 5-phased approach to create a robust anti-fraud program.

Fraud Risk Governance (Phase 2 Part 3) – Think Like a Fraudster

Identifying the likely fraud schemes that your agency is vulnerable to, both internal and external, is imperative to informing your fraud risk assessment. Thinking like a fraudster and brainstorming the various fraud schemes that could be used to commit fraud within or against your agency is a key step. But where do you begin?

- “If I can get my supervisor in on it, I could just add overtime to my hours sheet and split the extra pay with them.”
- “There is that one employee who always leaves their computer unlocked. When they are away, I could download account information to sell on the dark web – or change payee information to my bank account.”
- “I am underpaid, and the state has been working me too hard. It won’t hurt anyone if I steal one small check, right?”

These are all situations you can imagine happening in the workplace. To help you get started thinking like a fraudster, you can utilize a fraud risk map. A fraud risk map identifies significant fraud scenarios across the whole agency. It is a resource that outlines identified potential fraud schemes and other related information for each scheme, such as actor and fraud risk entry point, for various areas and is a resource you can employ across your fraud risk management activities. Below is a fraud risk map template as an example.

<u>Business Unit</u>	<u>Internal or External</u>	<u>General Fraud Category</u>	<u>Fraud Scheme Type</u>	<u>Fraud Scheme</u>	<u>“Sub Fraud Scheme”</u>	<u>Actor</u>	<u>Fraud Risk Entry Point</u>	<u>Underlying Fraud Risk</u>	<u>Related Control Activities</u>
Payroll	Internal	Asset Misappropriation	Fraudulent Disbursements	Payroll - Falsified Raise	Overpayment	Payroll Employee	Payroll records	A payroll employee submits an unauthorized pay rate increase	Any change to an employee's salary requires more than one level of approval

Utilizing the concept of thinking like a fraudster, you can work to identify and develop fraud scenarios based on known fraud events and investigations, existing risks identified through other risk management efforts, industry and general fraud risk research, and discussions with process owners and key stakeholders. The benefits of a fraud risk map are boundless; it will improve and provide your agency with a comprehensive understanding of fraud vulnerabilities and provide key inputs for the fraud risk assessment process. Further, the fraud risk map is an artifact that you can continue to refine and use to assess fraud risks going forward.

Below are some key questions to assist in developing a comprehensive fraud risk map.

- How will you break down your fraud risk map to include your entire agency (i.e., departments, divisions, operating units, etc.)?
- What types of information do you want your fraud risk map to include? How can you translate that into an effective template?
- How might a fraud perpetrator exploit any weaknesses in the system of controls?
 - What internal fraud schemes is your agency vulnerable to?
 - How could a perpetrator override or circumvent controls?
 - Who might have a motive or incentive to commit fraud?
 - What type of external fraud schemes is your agency vulnerable to?
 - What types of fraud are most prevalent based on known fraud occurrences? What other internal data can you leverage to identify potential fraud schemes?
 - Have you considered non-financial fraud risks and schemes?

In the next bulletin we will be discussing the next part of the fraud risk assessment phase in part 4 of this fraud series.

ACCOUNTING MANUAL UPDATED - CHAPTER 9 PAYROLL

The Accounting and Uniform Compliance Guidelines for State and Quasi Agencies has been updated. The new payroll chapter can be found at the link below and can be searched in the [SBOA Resource Library](#).

[Payroll chapter link.](#)

The State Board of Accounts are working on updating the other chapters of the manual. We look forward to providing future updates. We will provide training over any future updates.

NEW LEGISLATION

The following is a Digest of certain laws passed by the 2025 Regular Session of the General Assembly affecting the State of Indiana from a compliance and/or audit perspective. This Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>).

HOUSE ENROLLED ACT 1033 Public Law 28-2025

Bill Digest: Changes the maximum amount of retainage for certain state and local public works projects from: (1) 10% to 6% of the dollar value of all work satisfactorily completed until the public work is 50% complete; and (2) 5% to 3% of the dollar value of all work satisfactorily completed until the public work is substantially complete. Removes the requirement of a minimum amount of retainage for certain state and local public works projects.

Statutory reference: IC 5-16-5.5-3.5

HOUSE ENROLLED ACT 1134 Public Law 158-2025

Bill Digest: Allows meetings of a state or local agency governing body concerning the following topics to be held in executive session: (1) Employee health care options with respect to special exceptions to coverage. (2) Employee specific compensation or employment matters of individual employees (excluding general discussion of employee compensation during a budget process). (3) Employee handbook changes. (3) Review of negotiations on the performance of publicly bid contracts, when public knowledge may result in increased cost. (4) Solicitation of contract proposals containing a bidder's proprietary information.

Statutory reference: IC 5-14-1.5-6.1

HOUSE ENROLLED ACT 1509 Public Law 65-2025

Bill Digest: Requires disclosure of the appointing authority and term of an appointed public officer: (1) in the meeting notice and agenda of the board on which the public officer is appointed to serve; and (2) on the board's website or appointing authority's website, if any. Provides that if the appointing authority or board does not have a website, the information must be published on the Internet through the computer gateway administered by the office of technology.

Statutory Reference: IC 5-14-9

HOUSE ENROLLED ACT 1518 Public Law 66-2025

Bill Digest: Provides with certain exceptions, that if a state entity purchases or leases a vehicle, the vehicle: (1) must be a government model, base model, or standard model vehicle; and (2) may not be from a luxury or semi-luxury brand if a nonluxury brand alternative exists that uses the same underlying vehicle platform.

Statutory Reference: IC 5-22-5-8.5

HOUSE ENROLLED ACT 1559 Public Law 95-2025

Bill Digest: Provides that when a public agency chooses to employ a construction manager as constructor (CMc) on a public works project, the applicable contract award standard for the project is "lowest and best". Increases the maximum amount of work a CMc may perform on a project from 20% of the total value of a project to 30% of the total value of a project.

Statutory Reference: IC 5-32-2-3 and IC 5-32-3-7

SENATE ENROLLED ACT 5 Public Law 182-2025

Bill Digest: Allows a state agency to use artificial intelligence software to prepare information and projections for the state budget. Requires a state agency to provide a quarterly report to the budget committee that details the requests submitted by the state agency for new federal funds or to participate in a new federal program. Provides that, in addition to the quarterly reports, a state agency may not immediately accept an award of new federal funds in certain circumstances or participate in a new federal program before a report has been reviewed by the budget committee. Specifies the contents of the report that must be submitted for budget committee review. Requires a state agency to provide the state comptroller with a contract for inclusion in the Indiana transparency website not later than 30 days after the contract is fully executed. Requires that permanent full-time positions which have been vacant for 90 days or more be reviewed and either reauthorized or eliminated by the budget director. Requires the budget director to provide a quarterly report to the governor's office regarding those positions that were reauthorized or eliminated by the budget director in the preceding three months. Requires a state agency to provide quarterly reports to the budget committee regarding the state agency's active contracts. Provides for the reversion of funds appropriated to a state agency for expenses related to a contract that are unused after the end of the contract term. Requires the department of administration (department) to develop certain contract language to be included in state contracts of \$500,000 or more. Requires a state agency to provide a report to the budget committee concerning amendments to a contract that: (1) increase the maximum contract amount by not less than \$500,000; or (2) for a contract with an initial maximum contract amount of not less than \$500,000, extend the term of the contract by not less than six months. Prohibits a state agency from entering into a nonpublic contract. Requires all contract opportunities of state agencies to be posted in the form of a request for proposals or a request for quotations on the department's website at least 30 days prior to the contract being awarded. Requires the office of the secretary of family and social services and the office of Medicaid policy and planning to do the following: (1) Review monthly reports on the Medicaid program service utilization to identify trends and risks within the state Medicaid program. (2) Post publicly on the office of the secretary of family and social services's website monthly financial reports or expenditures and revenues for each state Medicaid program and commentary providing context for each monthly financial report. (3) Submit a quarterly report to the budget committee.

Statutory References:

IC 4-12-1-7.5 Budget Projections
IC 4-12-19 Federal Funds Requests
IC 4-13-1-29 Posting to Indiana Transparency Website
IC 4-13-2-18 Employee Positions
IC 4-15-2.2-26 Review of permanent vacant full-time positions
IC 5-35.7 Fiscal Integrity and Contract Accountability
IC 12-8-6.5-16 Medicaid Program

SENATE ENROLLED ACT 472 Public Law 142-2025

Bill Digest: Requires political subdivisions, state agencies, school corporations, and state educational institutions (public entities), with the exception of specified categories of hospitals and the Indianapolis department of public utilities (department), to adopt not later than December 31, 2027, a: (1) technology resources policy; and (2) cybersecurity policy; that meet specified requirements. Provides the department is not required to report a cybersecurity incident to the office of technology (office). Requires the office to develop: (1) standards and guidelines regarding cybersecurity for use by political subdivisions and state educational institutions; and (2) a uniform cybersecurity policy for use by state agencies. Requires the office to develop, in collaboration with the department of education: (1) a uniform technology resources policy governing use of technology resources by the employees of school corporations; and (2) a uniform cybersecurity policy for use by school corporations. Requires: (1) a public entity to biennially submit to the office the cybersecurity policy adopted by the public entity; and (2) the office to establish a procedure for collecting and maintaining a record of submitted cybersecurity policies. Requires a public entity that engages a third party to conduct an assessment of the public entity's cybersecurity policy to provide the results of the assessment to the office.

Statutory Reference: IC 4-13.1