

As public servants, it is our duty to identify, monitor, and manage risk in our organizations. We have a responsibility to our citizens, creditors, and other financial report users, to protect tax dollars and our organization's reputation. An internal control system provides reasonable assurance that our work, as well as the work performed by federal grant recipients and contracted vendors, is performed in compliance with applicable laws and regulations. The scope of this internal control questionnaire is limited to basic questions about established Drug-Free Workplace policies.

*This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each agency is responsible for reviewing their business practices and processes to determine where risks exist and where and how controls can be established to mitigate them.*

### **Background and Introduction:**

Drug-Free Workplace Act of 1988 (41 USC Ch. 10 Sec.701-707 & 2 CFR Part 182):

- Applies to federal contractors and grantees.
- Requires all organizations receiving a federal grant or contract of any size to provide a drug-free workplace by:
  - publishing a Statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violations of the prohibition;
  - establishing a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the grantee's policy of maintaining a drug-free workplace, available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed on employees for drug abuse violations occurring in the workplace;
  - making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the Statement;
  - notifying the employee in the Statement that as a condition of employment in the grant the employee will abide by the terms of the statement and notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after the conviction and also notifying the federal agency within 10 days after receiving notice from an employee or otherwise receiving actual notice of a conviction;
  - notifying the federal agency and taking appropriate personnel actions against, imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee engaged in the performance of an award who is convicted;
  - making a good faith effort to continue to maintain a drug-free workplace through implementation of the above; and
  - Identifying all known workplaces under each agency award.

**Control Objectives:**

To provide reasonable assurance that agencies, grant recipients, subrecipients, and contracted vendors who receive federal funds maintain a drug-free workplace. Among other things, a statement must be published regarding prohibitions on controlled substances in the workplace and certain actions must be taken if the policy is violated. Management should provide reasonable assurance that:

1. The agency oversees compliance with drug-free workplace requirements.
2. The agency has a clear and announced formal policy about maintaining a drug-free workplace.
3. The agency clearly communicates drug-free workplace requirements and policies to staff, federal grant recipients, subrecipients, and contracted vendors.
4. The agency performs effective monitoring of drug-free workplace complaints or legal actions received by federal grant recipients, subrecipients, and contracted vendors.
5. The agency has policies to remediate or to develop corrective action plans to address recipient, subrecipient and vendor non-compliance with drug-free workplace requirements.

Steps are taken to terminate relationships, as appropriate, with non-compliant federal grant recipients, subrecipients, and contracted vendors if violations are identified.

**Instructions:**

Each State agency that receives federal funds is to complete this ICQ. Since this ICQ is not required to be submitted to the State Division of Finance, there is no Certification Statement.

Please answer each question by checking the appropriate box (either Yes, No, or N/A). A “**No**” response identifies an internal control weakness or that the control is achieved with another compensating control. Please describe in the Comments field for each “**No**” answer:

- The plan to resolve the weakness including the estimated date of completion, or
- The compensating control(s) and why they adequately compensate for the “No” response.

The “N/A” responses may need an explanation if the explanation is not readily apparent.

When an ICQ question is worded in such a way that it does not apply exactly to the agency’s situation, please attempt to apply the meaning or purpose of the question to the agency’s situation.

For more information about the Internal Control Program and these Internal Control Questionnaires, or for contact information of the coordinator of this program, see the State Division of Finance website, <http://finance.utah.gov/>. Then, click on “Internal Control.”

A.	Control Environment:	Yes	No	N/A	Comments
1.	Is management aware of the federal Drug-Free Workplace Act of 1988 and its requirements?				
2.	Does the agency monitor compliance with drug-free workplace laws and regulations?				
3.	Has the Drug-Free Workplace Statement been published notifying all employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the workplace and specifying actions that will be taken against employees for violations?				

4.	Has a drug-free awareness program been established to inform employees about: the dangers of drug abuse in the workplace; the policy of maintaining a drug-free workplace; available drug counseling, rehabilitation, and employee assistance programs; and the penalties that may be imposed on employees for drug abuse violations?				
5.	Is there written evidence that management has identified all known workplaces under each agency award and communicated drug-free workplace requirements and policies to:				
6.	Recipients?				
7.	Subrecipients?				
8.	Contracted vendors?				

<b>B.</b>	<b>Risk Assessment:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
	Are there procedures in place to identify high risk federal grant recipients, subrecipients, and contracted vendors who may be susceptible to drug free workplace policy requirement violations? Please respond for:				
9.	Recipients?				
10.	Subrecipients?				
11.	Contracted vendors?				
12.	Has the agency developed a formal risk assessment to support drug free workplace monitoring plans?				
13.	Are staff trained to be able to identify high risks regarding non-compliance with drug-free workplace violations?				

<b>C.</b>	<b>Control Activities:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
	Do agreements and contracts include specific language requiring the maintenance of a drug-free workplace for:				
14.	Recipients?				
15.	Subrecipients?				
16.	Contracted vendors				
17.	Are vendors required to report to the agency criminal drug statute convictions occurring in the workplace?				
18.	Are federal grant recipients required to report criminal drug statute convictions to the agency?				
19.	Are procedures in place to validate information reported by recipients, subrecipients, and contracted vendors?				

20.	Are procedures in place to notify the federal agency and communicate and impose corrective action plans for non-compliance if warranted (including termination of contracts or personnel actions against, or requirement of satisfactory participation in a drug abuse assistance or rehabilitation program by, any employees engaged in the performance of an award who is convicted)?				
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<b>D.</b>	<b>Information and Communication:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
21.	Are drug-free awareness program policies and procedures documented and communicated to employees?				
22.	Do the drug-free workplace policies require each employee engaged in the performance of a grant or contract be given a copy of the Statement?				
23.	Are significant issues and legal actions formally communicated to management in a timely manner?				

<b>E.</b>	<b>Monitoring:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
24.	Does a comprehensive monitoring plan exist to address federal drug-free workplace requirements?				
	Does management periodically review activity to ensure that drug-free workplace requirements are communicated to all:				
25.	Recipients?				
26.	Subrecipients?				
27.	Contracted vendors?				
	Does management periodically review documentation to ensure that drug-free workplace violations are reported by:				
28.	Recipients?				
29.	Subrecipients?				
30.	Contracted vendors?				
31.	Has the agency been notified of any employee convictions related to violating workplace criminal drug statutes?				
32.	If yes, has the agency notified federal grantor officials?				
33.	If convictions were reported to the agency, did it take appropriate personnel action against such employees or require participation in an appropriate drug abuse assistance or rehabilitation program?				