

# Drug Free Workplace Policies and Laws Checklist

## Internal Controls

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 Civil Rights and 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 entity 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:

- Applies to federal contractors and grantees.
- Requires all organizations receiving a Federal grant of any size to maintain a drug-free workplace policy.

## 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 policy 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 entity oversees compliance with drug-free workplace requirements.
2. The entity has a clear and announced formal policy about maintaining a drug-free workplace.
3. The entity clearly communicates drug-free workplace requirements and policies to staff, federal grant recipients, subrecipients, and contracted vendors.
4. The entity performs effective risk-based monitoring of drug-free workplace complaints or legal actions received by federal grant recipients, subrecipients, and contracted vendors.
5. The entity has policies to remediate or to develop corrective action plans to address recipient, subrecipient and vendor non-compliance with drug-free workplace requirements.
6. Steps are taken to terminate relationships, as appropriate, with non-compliant federal grant recipients, subrecipients, and contracted vendors if violations are identified.

A.	Control Environment:	Yes	No	N/A	Comments
1.	Is management aware of the Drug-Free Workplace Act of 1988 and its requirements?				
2.	Does the entity monitor compliance with drug-free workplace laws and regulations?				
3.	Has the Drug-Free Workplace Policy Statement been distributed to all employees with copies posted in work locations?				
4.	Is there written evidence that management has communicated drug-free workplace requirements and policies to:				
	a. Recipients?				
	b. Subrecipients?				
	c. Contracted vendors?				

<b>B.</b>	<b>Risk Assessment:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
1.	Are there procedures in place to identify high risks recipients, subrecipients, and contracted vendors who may be susceptible to drug free workplace policy requirement violations? Please respond for:				
	a. Recipients?				
	b. Subrecipients?				
	c. Contracted vendors?				
2.	Are there procedures in place to identify high risk federal grant recipients, subrecipients, and vendors, who may be susceptible to drug-free workplace policy requirement violations?				
3.	Has the entity developed a formal risk assessment to support drug free workplace monitoring plans?				
4.	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>
1.	Do agreements and contracts include specific language requiring the maintenance of a drug-free workplace for:				
	a. Recipients?				
	b. Subrecipients?				
	c. Contracted vendors				
2.	Are vendors required to report to the entity issues or legal actions related to drug-free workplace violations, including convictions for violations of criminal drug statutes occurring in the workplace to the entity?				
3.	Are federal grant recipients required to report complaints or legal actions related to drug-free workplace violations to the entity?				
4.	Are procedures in place to validate information reported by recipients, subrecipients, and contracted vendors?				
5.	Are procedures in place to communicate and impose corrective action plans for non-compliance, including termination of contracts, if warranted?				

<b>D.</b>	<b>Information and Communication:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
1.	Are drug-free workplace requirements and policies communicated to:				
	a. Recipients?				
	b. Subrecipients?				
	c. Contracted vendors				
2.	Are drug-free workplace policies documented and available to the public?				
3.	Has management published a statement specifying the actions that will be taken against them for violations of the Drug Free Workplace Act of 1988?				
4.	Are significant issues and legal actions formally communicated to management in a timely manner? (Monthly, quarterly or annually?)				

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