

24 Municipalities examined total only 4 were found to be in good standing with the State Auditor's office

Albany

Audit procedures were found to be in compliance with state procedures and standards

Issues

- Failure to encumber obligations - partially corrected

Amesville

Issues

- Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.
- Receipts and disbursements were not always posted correctly.

Nelsonville

Issues

- City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters
- deficiency in internal control

Jacksonville

Issues

- For material misstatements requiring financial statement adjustment
- Failure to maintain adequate records and support for Mayor's Court.
- failure to maintain adequate records and support for fire contracts.
- failure adopt formal budgetary receipts and appropriations but posting amounts to the accounting system
- carrying fund cash deficits at the end of both years under audit
- lack of segregation of key duties without adequate monitoring to compensate.

Glouster

- not certifying the availability of funds prior to incurring obligations.
- did not certify the availability of funds and, accordingly
- did not obtain the necessary prior certification of available funds before incurring any commitments.
- Not all of the receipts and disbursements were recorded in the records of the Village and the ledgers were not consistently maintained during the audit period
- size of the Village's staff did not allow for an adequate segregation of duties; the Fiscal Officer performed all accounting functions, including receipting, depositing, disbursing, and reconciling.

-Expenditures exceeded formally adopted appropriations.

Gallapolis

- “Use of special purpose framework other than generally accepted auditing principles”

Rio Grande

- Unable to obtain sufficient appropriate audit evidence supporting 34% of municipal income tax receipts for the year ended December 31, 2013.
- Large number of material weaknesses concerning mismarked funds along with unreported funds, mainly having to do with police, fire, and mayoral budget funds
 - Seems to be an outlier so far in research, so much wrong
- Classification errors in posting of receipts and disbursements
- Mayor failing to bring the village money to the municipality on the first monday of each month, mainly due to fines and subsequent costs being paid late at a rate of 62%
 - If you do not have the funds on hand, it presents a problem as you try to remember what is missing down the line

Jackson

- Failure to identify in progress construction project (from sewer fund) as an asset in audit report - 350,000\$ missing

Wellston

- No problems in June 2018 audit

Chesapeake

- Village failed to properly record revenue streams and expenses from Mayor’s court
- Posting private purpose trust fund as an agency fund causing beginning balances to conflict
 - Recent use of new accounting software may be to blame for some of the errors the village experienced

Hanging Rock

- General Fund Assigned Fund Balance in the amount of \$33,000 was misposted to Unassigned Fund Balance.
- Funds which were paid to the mayor’s court digitally were misclassified as miscellaneous revenue

- The mayor's court activity was not included in financial statements, upwards of 300k in and close to 400k paid out
- General fund balances are mislabeled, interest expenses and finance charges labeled as principal payments, trying to simplify accounting process
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Logan

- Entered into public contracts that were not approved by city contracts

Meigs

- material noncompliance at the financial statement level
- reported material noncompliance at the financial statement level
- Overpaid treasurer by 1,081\$
- County filed its report using the cash basis of accounting.
- fund deficits in five of the County funds on December 1, 2016.

Pomeroy - Significant Deficiencies

- During 2014, 2013 and 2012, receipts, disbursements and fund balances were not always posted or classified correctly. The following errors were noted: 17 total
 - All having to do with mismarking of funds
 - In need of someone new to run their books
- Public money was not being deposited by the treasurer on the first monday of each month
 - If it is over 1000\$ it must be done then, otherwise it can wait up to three business days
- Failure to maintain fiscal information/council minutes efficiently, all of the 2013 folder was lost, at the very least villages should keep their financial information in a bound record
 - Payroll disbursements for 2013 missing
- Mayor's court fund not maintained
- Pension contributions for police and firefighters withheld

Monroe

- Loans and Grants, expenditures were understated
- Several programs required to be presented separately as clusters were not presented as such.
 - The County did not have a process in place to ensure the Schedule prepared was complete and accurate

-The County did not have internal control procedures in place to ensure funds were expended in accordance with their written cash management policy

Malta

- Mayor's court activity was not recorded in an agency fund
- Sale of fixed asset and intergovernmental receipts were both recorded as miscellaneous

Shawnee

-amounts approved for appropriations did not match the amounts listed within the ledger in multiple events

- unable to provide appropriations documents for mayor's court
 - both in terms of budgetary appropriations and court proceedings, case numbers, etc.
- adjustment to account balances by the utilities clerk without justification totaling 12,000\$
- improper classification of funds as miscellaneous
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Perry

- County prepared its financial statements and notes omitting assets, liabilities, fund equities, and disclosures
- Failed to prepare its annual financial report with generally accepted accounting principles.

Marietta

- Audit was flawless, at a low risk for a re-audit
 - May be because marietta is different from many of the other appalachian communities, has a chamber of commerce, more put together administratively than surrounding municipalities.

Belpre

- Flawless audit

Beverly

- Misposting of expense for firetruck as "other debt service expenditures"
- Misposted loan proceeds

McArthur

- Several disbursements tested had invoice dates preceding encumbrance dates. Failure to certify the availability of funds properly can result in overspending funds and negative

fund balances. The Village should implement budgetary monitoring procedures to ensure that funds are properly and timely encumbered prior to commitment.

- Inaccurate docket of Mayor's court proceedings along with differing check amounts from those posted in the ledger

Wilkesville

- Appears to be in good standing

Portsmouth

- material weaknesses in internal control reported at the financial statement level
- significant deficiencies in internal control reported at the financial statement level
 - Money for one fund was used to cover the expenses of another
- Appropriations were greater than estimated resources

Top Problems in Audit Process

Problem: Mislabeled Funds as Miscellaneous

Solution: Hiring professional staff that is experienced/possibly have a degree in bookkeeping and finance. Also if not enough funds for that have monthly classes become required attendance for financial record keepers. MPP possibly offers class or representative for these smaller municipalities (Marietta key example)

Problem: Mayor's Court Activity not being recorded

Solution: Treat Mayor's Court as any other government activity with proper bookkeeping along with financial records of transactions. Although Mayor's Court is may not be treated as an extremely formal type of court proceeding, due to the small town atmosphere, it is still necessary to the state that it is recorded as though it is the supreme court. (add more)

Problem: Operating a municipality at a Deficit

Solution: One possibility would be finding and targeting areas which are being over funded and help distribute those funds into other funds in which you run a deficit. If cutting other funding would not be an option, attempting to pass a village budget completely separate from the appropriation ordinance which would help staff on a day to day basis and provide extra room for other expenditures.

Problem: General Material weakness in fiscal management and reporting procedures

Solution: Better training for municipal bookkeepers and clerks, possibly even an audit double-check process through the MPP in order to ensure that audits are free of flaws before they are sent to the state auditor. This can cut down on the amount of money which is spent by MPP municipalities if a secondary audit is avoided altogether. Even going as far as hiring an outside accountant to quickly examine audit reports for obvious errors.

Problem: Failure by government officials to turn in money to municipalities on the first monday of each month

Solution: Officials must be more careful about this process even in small municipalities. The reason being to keep the municipality on track as to not get behind more than a month at a time. By following this regulation, municipalities can make sure their own books are up to date, as the mayor is required to release reports on revenue at each monthly council meeting as well. This would ideally cure the ability of the municipalities to properly account for revenue and expenditures from Mayor's Court as well.

Problem: Ohio Code 57-05 money for one fund MUST be used accordingly to it appropriated purpose

Solution: Basic accounting stuff, when it comes to official government funds every dollar must be tracked and used for the reason it was approved for by the governing body.

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