



Dave Yost • Auditor of State

MANAGEMENT LETTER

Jackson Township
Wood County
19981 Railroad Street, P.O. Box 103
Hoytville, Ohio 43529-0103

To the Board of Trustees:

We have audited the financial statements of Jackson Township, Wood County, Ohio (the Township) in accordance with *Government Auditing Standards*, as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon dated August 15, 2014.

Government Auditing Standards require us to report significant internal control deficiencies, fraud, (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated August 15, 2014, for the years ended December 31, 2013 and 2012.

We are also submitting the following comments for your consideration regarding the Township's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments reflect matters that do not require inclusion in the report *Government Auditing Standards* requires. Nevertheless, these comments represent matters for which we believe improvements in internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist your Township. If you have questions or concerns regarding these comments please contact your regional Auditor of State office.

COMPLIANCE

1. ***Ohio Rev. Code § 5705.38(A)** requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1st.

The Township did not pass a temporary appropriation measure and did not pass its annual appropriation measure for 2013 and 2012 until March 19, 2013 and February 7, 2012 respectively.

We recommend the Township pass its annual appropriation measure on or about the first day of the fiscal year or if postpone, pass a temporary appropriation measure until its annual appropriation measure is passed before April 1st.

2. ***Ohio Rev. Code § 1347.01(E)** defines *personal information* to be any information which describes anything about a person, or indicates actions done by or to a person, or indicates a person possesses certain personal characteristics, and which contains, and can be retrieved from a system by, a name, identifying number, symbol, or other identifier assigned to a person.

Ohio Rev. Code § 1347.05 states every state or local agency which maintains a personal information system shall:

- (A) Appoint one individual to be directly responsible for the system;
- (B) Adopt and implement rules which provide for the operation of the system;
- (C) Inform each of its responsible employees of all rules adopted in accordance with this section;
- (D) Specify disciplinary measures for unauthorized use of information contained in the system;
- (E) Inform a person supplying personal information if it is legally required, or if they may refuse;
- (F) Develop procedures for purposes of monitoring the accuracy, relevance, timeliness, and completeness of the personal information in this system;
- (G) Take reasonable precautions to protect personal information in the system from unauthorized modification, destruction, use, or disclosure;
- (H) Collect, maintain, and use only personal information necessary and relevant to the functions which the agency is required or authorized to perform, and eliminate personal information from the system when it is no longer necessary and relevant to those functions.

The Township does not have a written policy in place which governs when personal information may be accessed.

We recommend the Township develop a written policy regarding the access of personal information. The policy should address requests from outside the entity and access to personal information from inside the entity. It should also identify valid reasons for which employees may access personal information. Management should review **Ohio Rev. Code § 1347.05** which lists requirements related to personal information systems maintained by state and local agencies.

3. **Ohio Rev. Code § 5705.10(D)**, provides, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. The 2012 homestead and rollback receipts were posted entirely to the General Fund rather than to the funds listed below. The 2013 Excess IRP Compensation Distribution was posted to the General Fund rather than the Motor Vehicle and License Tax Fund. Additionally, a fire safety grant received in 2013 was posted to the General Fund instead of the Fire Fund. The entries necessary to correct these mispostings are reflected below:

	General Fund	Road and Bridge	Fire	Road Levy	MVLT
2013	(\$6,639)	\$1,799	\$450	\$3,599	\$791
2012	(\$1,244)		\$1,244		

The Fiscal Officer posted these adjustments to the Township records. These are also reflected in the accompanying financial statements. We recommend the Fiscal Officer and Township Trustees review a receipt report each month to ensure receipts are properly posted.

- 4. Ohio Rev. Code §149.43** requires all political subdivisions to adopt a public records policy, create a poster of the policy, and to display the poster in a conspicuous place in the public office.

The Township has not adopted a public records policy.

We recommend the Township establish the required records policy in accordance with Ohio Rev. Code §149.43.

RECOMMENDATIONS

- 1. *Budgetary Procedures**

The Township's receipts ledger did not reflect estimated receipts as certified by the county budget commission. The 2012 expenditure ledger included appropriations, but they were not reduced as expenditures were made. The 2013 expenditure ledger did not include appropriations.

This practice hinders the monitoring of the budgetary process and could allow the Township to spend funds in excess of the amounts available.

We recommend the Township include budgeted amounts in the ledgers and reduce amounts as activity occurs so the Township may monitor actual activity to budgeted activity.

- 2. *Travel Policy**

The Township has not adopted a travel policy establishing person(s) authorized to travel or be reimbursed for travel related expenditures. Lack of a travel policy could result in inappropriate and/or improper public expenditures.

We recommend the Township establish a travel policy, setting forth person(s) permitted to be reimbursed for travel. To be included in the policy but not limited to: The procedure for prior approval of travel, amounts that will be reimbursed and what types of expenditures will be reimbursed or paid.

* We also reported these matters in our audit of the 2011 and 2010 financial statements.

We intend this report for the information and use of management, the Board of Trustees and audit committee.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

Columbus, Ohio

August 15, 2014