



**MECC REGIONAL COUNCIL OF GOVERNMENTS
FRANKLIN COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Dave Yost • Auditor of State



Dave Yost • Auditor of State

August 15, 2018

MECC Regional Council of Governments
Franklin County
155 Olde Ridenour Road
Gahanna, Ohio 43230

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the MECC Regional Council of Governments, Franklin County, ("the Council") for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Council's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Council's financial statements, transactions or balances for the years ended December 31, 2017 and 2016.

The Council's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. We noted the Council did not file the 2016 annual report in a timely manner. Ohio Rev Code §117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Council filed the 2016 annual report on June 28, 2017, and no extension was obtained.

Failure to file an annual report in the required timeframe could result in a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The Auditor of State may waive these penalties, upon the filing of the past due financial report. Additionally, the lack of an annual report could result in auditing difficulties.

We recommend the Council file its annual report at the end of each fiscal year within the allotted timeframe with the Auditor of State's Office.

Current Year Observations (Continued)

2. We examined the bank reconciliations prepared in 2016 and 2017, noting it was completed properly. However, subsequent to our audit period, we noticed the Council has not completed monthly bank reconciliations for any month in fiscal year 2018.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. The Fiscal Officer should complete monthly bank reconciliations.

Also, the Council's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.



Dave Yost
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FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST, 28 2018**