



OHIO AUDITOR OF STATE
KEITH FABER



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Wayne Township
Clinton County
Sabina, Ohio 45169

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of Wayne Township, Clinton County, (the Township) for the years ended December 31, 2019 and 2018.

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 Township's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Township's financial statements, transactions or balances for the years ended December 31, 2019 and 2018.

The Township'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. Ohio Rev. Code §117.38 states that public offices filing on a cash basis of accounting must file annual reports with the Auditor of State within 60 days of the close of the fiscal year end. We noted that the Township did not file their 2019 or 2018 annual financial report in the Hinkle system by the due date.
2. We noted the Homestead and Rollback receipts in 2019 and 2018 were not properly allocated to the General, Road and Bridge, and Cemetery Funds. For 2019, a total amount of \$4,194 should have been allocated to the General Fund, \$3,226 should have been allocated to the Road and Bridge Fund, and \$2,305 should have been allocated to the Cemetery Fund. For 2018, a total amount of \$4,221 should have been allocated to the General Fund, \$3,247 should have been allocated to the Road and Bridge Fund, and \$2,315 should have been allocated to the Cemetery Fund. The Township recorded the audit adjustments to their accounting records to correct the above errors.

It was also noted, during 2019, the Township recorded the General Fund and Road and Bridge Fund Homestead and Rollback as Property Taxes and should have recorded them as Intergovernmental. Also, during 2018, the Township recorded the General Fund and Road and Bridge Fund Homestead and Rollback as other receipts and should have recorded them as Intergovernmental.

3. We noted in 2019 and 2018, the deductions/fees were posted incorrectly to the General and Road and Bridge Funds. The receipts should have been allocated between the General, Road and Bridge, and Cemetery funds. During 2019 and 2018, \$450 and \$1,630 should have been allocated to the Cemetery Fund.

4. The Township did not maintain supporting documentation for one expenditure in 2019 in the amount of \$126. We were unable to locate an invoice or receipt for the purchase. The Township should maintain all invoices and purchase orders for all transactions and records should be maintained in an orderly manner to support all transactions.
5. In 2019, the Permissive Motor Vehicle License Tax money, from the County, was recorded to the Motor Vehicle License Tax Fund and should have been recorded to the Permissive Motor Vehicle License Tax Fund. In 2018, the Permissive Motor Vehicle License Tax money, from the County, was recorded to the Gas Tax Fund and Miscellaneous function line. The revenue should have been recorded to the Permissive Motor Vehicle License Tax Fund and the Intergovernmental Function line.
6. Ohio Rev. Code §9.22 states that no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision except for law enforcement purposes is a violation of section 2913.21 of the Revised Code. This section does not apply to debit card accounts related to the receipt of grant moneys. We noted that the Township has one debit card attached to the main bank account for the Township. The card is used for general transactions/needs of the Township. However, per the code above, the debit card is not allowable. We also noted that the Township was charged fees, in the amount of \$11, that are not allowable when conducting certain debit card transactions. The Township should cancel the debit card attached to the main bank account and consider opening a credit card per guidelines. The credit card should have its own line of credit and should not be directly connected to funds in the Township's main bank account. The Township, should also, be mindful of any fees associated with a credit card purchase and these fees should not be expended.
7. Ohio Rev. Code § 149.43(B)(2) requires a public office to have a copy of its current records retention schedule at a location readily available to the public. The Township has not established or created a records retention schedule, therefore it is not readily available to the public. The Township should create a records retention schedule and ensure it is readily available to the public

Ohio Rev. Code § 149.43(E)(2) requires the public office to distribute the public records policy to the employee who is the records custodian or records manager or employee who otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The Township does not have written evidence that its records custodian (Fiscal officer) acknowledged receipt of the Public Records Policy. The Township should keep written evidence that its records custodian (Fiscal officer) acknowledged receipt of the Public Records Policy.
8. We noted during 2019, the Township Fiscal Officer was reimbursed for insurance premiums, per Board policy. However, the Fiscal Officer was reimbursed for \$176 more than the allowable reimbursement, per the insurance supporting documentation. We recommend the Township establish proper controls to ensure all employee reimbursements are being disbursed correctly.
9. We reviewed withholdings for the period ending December 31, 2019 and 2018 and determined the Township is withholding federal income tax for all employees other than the Trustees. 26 USC Sections 3102 and 3402 require the employing government to withhold federal and employment related taxes (such as Medicare and Social Security) from each employee. Furthermore, these regulations hold employers liable for reporting and payment of these taxes. Failure to properly withhold Federal Income tax can lead to liabilities for the amount that should have been withheld plus penalties and interest. We recommend the Township investigate the treatment of the above individuals and determine if Federal Income tax should have been withheld.

Current Status of Matters Reported in our Prior Engagement

We also reported matters related to items 2 and 5 above in our prior engagement.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

November 20, 2020

OHIO AUDITOR OF STATE KEITH FABER



WAYNE TOWNSHIP

CLINTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/22/2020

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This report is a matter of public record and is available online at
www.ohioauditor.gov