



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Elk Township,  
Noble County  
Caldwell, Ohio 43724

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Elk Township, Noble County, Ohio (the Township), for the years ended December 31, 2020 and 2019.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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 2020 and 2019.

The Township's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 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 § 149.43(B)(2)** states, in part, a public office shall have available a copy of its current records retention schedule at a location readily available to the public.

No formal records retention schedule has been adopted by the Board of Trustees records commission and subsequently sent to Ohio History Connection for review and approval.

The Township should adopt a records retention schedule in accordance with the guidelines outlined in Ohio Rev. Code § 149.381. The Township should maintain this schedule and make it available to anyone wishing to review the schedule.

2. During June 2020 the Township entered into an agreement with KS State-Bank on a 5-year loan, in the amount of \$30,300, for the purchase of a grader. Ohio Rev. Code Chapter 133 allows various methods for subdivisions to incur debt and this type of debt is not authorized in Ohio Rev. Code Chapter 133. Without a statutory provision authorizing this method for incurring debt, the Township was not permitted to use such a method. The Township had no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Inadequate policies and procedures related to debt issuance can result in illegal expenditures by the Township.
3. We examined the bank reconciliation prepared as of February 28, 2021. It included an unexplained reconciling item of \$3, which results in bank balance exceeding available fund cash by this amount. The Fiscal Officer reported unposted interest as the reason for the variance. We were unable to confirm this amount.

**Current Year Observations (Continued)**

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The fiscal officer should review transactions recorded since the last reconciliation and correct the error.

4. The Township obtained a bank loan in June 2020, for \$30,300. We noted the Township did not post the note proceeds and the corresponding capital outlay expenditure for this debt to the Township's ledgers. The Township should record all debt proceeds and the corresponding expenditures in the Township's ledgers.
5. The Fiscal Officer's term of office during the audit period was April 1, 2016 through March 31, 2020. During this term of office, the Fiscal Officer only completed eleven of the required twelve hours of Fiscal Integrity Training as provided in Ohio Rev. Code § 507.12

**Current Status of Matters Reported in our Prior Engagement**

In the previous Agreed-Upon Procedure audit, it was reported that the Township posted 3 receipts in 2019 and 3 receipts in 2018 to an improper revenue line item. During our scan of receipt postings, we noted the same issue occurring during the current audit period.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 31, 2021

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**ELK TOWNSHIP**

**NOBLE 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 4/13/2021**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)