



**LICKING COUNTY DISTRICT BOARD OF HEALTH
LICKING COUNTY**

SINGLE AUDIT

FOR FISCAL YEAR ENDED DECEMBER 31, 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1998	3
Notes to the Financial Statements	5
Schedule of Federal Awards Expenditures	9
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Report on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance With OMB Circular A-133	13
Schedule of Findings	15

This Page Intentionally Left Blank



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Board Member
District Board of Health
675 Price Road
Newark, Ohio 43055

We have audited the accompanying financial statements of the District Board of Health, Licking County, Ohio, (the Board) as of and for the year ended December 31, 1998. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Board prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Board as of December 31, 1998, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 1999 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Board of Health taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

October 12, 1999

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Receipts:			
Taxes	\$190,000	\$0	\$190,000
Intergovernmental	282,028	339,463	621,491
Health Services Contract	77,500	0	77,500
Plumbing and Sanitation	403,724	0	403,724
Licenses	5,766	0	5,766
Vitals	14,235	0	14,235
Home Health	23,378	0	23,378
Immunizations	13,630	0	13,630
Food Service	107,261	0	107,261
Mobile Home Park	7,873	0	7,873
Other Services/Miscellaneous	32,934	6,523	39,457
	<u>1,158,330</u>	<u>345,986</u>	<u>1,504,316</u>
Total Receipts			
Disbursements:			
Salaries	749,585	246,904	996,489
Supplies	17,653	22,770	40,423
Equipment	8,817	550	9,367
Contract Services	16,082	1,265	17,347
Travel	41,148	3,353	44,501
Reimbursement	8,156	16,865	25,021
Board Members	4,224	0	4,224
State Remittance	26,333	0	26,333
PERS	99,857	33,214	133,071
Medicare	7,755	2,726	10,481
Workers Compensation	1,547	480	2,027
Insurance	75,734	14,295	90,029
Other	58,909	387	59,296
	<u>1,115,800</u>	<u>342,809</u>	<u>1,458,609</u>
Total Disbursements			
Excess of Cash Receipts over/(under) Cash Disbursements	42,530	3,177	45,707
Fund Balances, January 1, 1998	<u>37,233</u>	<u>17,998</u>	<u>55,231</u>
Fund Balances, December 31, 1998	<u><u>\$79,763</u></u>	<u><u>\$21,175</u></u>	<u><u>\$100,938</u></u>
Reserve for encumbrances, December 31, 1998	<u><u>\$5,706</u></u>	<u><u>\$0</u></u>	<u><u>\$5,706</u></u>

The notes to the financial statements are an integral part of this statement.

This Page Intentionally Left Blank

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The District Board of Health, Licking County, (the Board) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The general health board is defined by the Ohio Revised Code Section 3709.01. The Board is directed by an appointed eight member board and a Health Commissioner. The Board is responsible for the administration of all health programs established by the Ohio Department of Health and the Public Health Council. Services provided by the Board include, but are not limited to, the inspection and licensing of public health programs, community nursing activities, the controls of communicable diseases, environmental health programs, and through June 1998, home health services.

By law, the Licking County Auditor and Treasurer are fiscal agents of the Board.

The Board's management believes these financial statements present all activities for which the Board is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Board uses fund accounting to segregate cash and investments that are restricted as to use. The Board classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Board had the following significant Special Revenue Fund:

Women, Infants, and Children (WIC) Grant Fund - This fund receives federal grant money to provide supplemental nutritious food and nutrition education as an adjunct to good health care to low-income persons in critical periods of growth and development.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

An appropriation measure is adopted by the Board on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure, together with the itemized estimate of the sources of revenue available to the Board for the next fiscal year, is submitted to the County Auditor, who in turn submits it to the County Budget Commission.

The County Budget Commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all items in the appropriation measure.

The appropriation measure, as amended by the County Budget Commission, controls expenditures by the Board for the period January 1 to December 31 of the following year. Budgetary expenditures (that is, disbursements plus encumbrances) may not exceed appropriations at the fund, function, or object level of control and appropriations may not exceed estimated sources of revenue. The Board may, by resolution, transfer funds from one item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations, subject to the availability of funds and to the approval of the County Budget Commission.

Encumbrances

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1998 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Board.

G. Total Columns of Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

2. CASH WITH FISCAL AGENT

The Licking County Auditor serves as the fiscal agent for the Board. The carrying amount of pooled cash at December 31 1998 was \$100,938.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1998 follows:

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,186,550	\$1,158,330	(\$28,220)
Special Revenue	348,825	345,986	(2,839)
Total	\$1,535,375	\$1,504,316	(\$31,059)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,186,550	\$1,121,506	\$65,044
Special Revenue	345,563	342,809	2,754
Total	\$1,532,113	\$1,464,315	\$67,798

4. RETIREMENT SYSTEMS

The Board's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1998, PERS members contributed 8.5% of their gross salaries. The Board contributed an amount equal to 13.55% of participants' gross salaries. The Board has paid all contributions required through December 31, 1998.

5. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains comprehensive insurance coverage through Public Entities Pool of Ohio for building contents. The Board also maintains additional insurance in the form of a public officials' liability policy. The Board also provides health and life insurance and dental coverage to full-time employees through a private carrier.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(Continued)

6. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Board's operations as early as fiscal year 1999.

The Board of Health has completed an inventory of computer systems and other electronic equipment necessary to conducting operations. The Board has identified the following systems as "mission critical":

-Financial reporting and payroll systems: The Licking County Auditor is the Board's fiscal agent. The Licking County Auditor's Office is responsible for the remediation of these systems and is solely responsible for any costs associated with the project.

-Grant accounting and reporting systems: The Ohio Department of Health supplies the Board with the computer and software systems for the WIC program. The Ohio Department of Health is responsible for any costs associated with this project.

-Building operations: The Licking County Commissioners own the building in which the Board operates. The Licking County Commissioners are responsible for the remediation of heating, cooling, and ventilating system for the administration building and are solely responsible for any costs associated with this project.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Board is or will be Year 2000 ready, that the Board's remediation efforts will be successful in whole or in part, or that parties with whom the Board does business will be year 2000 ready.

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1998**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through the Ohio Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	45101FCL389	\$342,809
<u>U.S. Department of Health and Human Services</u>			
Passed through the Ohio Department of Health			
Preventive Health and Health Services Block Grant	93.991	45101PBP387 45101PBN387 45101PAL387	\$24,524 9,690 <u>14,759</u>
Total Department of Health and Human Services			48,973
<u>U.S. Environmental Protection Agency</u>			
Passed through the Office of Air and Radiation			
State Indoor Radon Grant, (SIRG)	66.032	45101PBA392	\$21,865
<u>U.S. Department of Transportation</u>			
Passed through the Ohio Department of Highway Safety			
State and Community Highway Safety	20.600	0945.0/0771.1	\$37,317
Total Federal Financial Assistance Disbursements			\$450,964

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Board's federal award programs. The schedule has been prepared on the cash basis of accounting.

This Page Intentionally Left Blank



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Board Members
District Board of Health
675 Price Road
Newark, Ohio 43055

We have audited the financial statements of the District Board of Health, Licking County, Ohio (the Board) as of and for the year ended December 31, 1998, and have issued our report thereon dated October 12, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 1998-60645-001. We, also, noted other instances of noncompliance that do not require inclusion in this report, that we have reported to management of the Board in a separate letter dated October 12, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1998-60645-002 through 1998-60645-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, none are considered to be material weaknesses. We noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Board in a separate letter dated October 12, 1999.

This report is intended for the information and use of the management, the Board, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

October 12, 1999



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board Members
District Board of Health
675 Price Road
Newark, Ohio 43055

Compliance

We have audited the compliance of the Board of Health, Licking County, Ohio (the Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1998. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1998. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A -133 and which is described in the accompanying schedule of findings as item 1998-60645-008.

Internal Control Over Compliance

The management of Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design and operation of the internal control over compliance that, in our judgement, could adversely affect the Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings as items 1998-60645-005 through 1998-60645-009.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses. Also, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the Board in a separate letter dated October 12, 1999.

This report is intended for the information and use of the management, the Board, and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



JIM PETRO
Auditor of State

October 12, 1999

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 1998**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants, Children (WIC) 10.557
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	1998-60645-001
-----------------------	----------------

Blanket Purchase Orders

Ohio Rev. Code Section 5705.41(D) states that fiscal officers may prepare so called "blanket" certificates not to exceed \$5,000 against any specific line item account over a period not exceeding three months or running beyond the current fiscal year. The Board's blanket purchase orders exceeded three month, usually remaining open for the entire fiscal year. This is not in compliance with Ohio Rev. Code Section 5705.41 (D).

We recommend the Board review blanket purchase orders periodically to ensure they are only open for three consecutive months. Also, the Board should investigate a newly enacted law which permits certain taxing Boards the use of "super blanket" purchase orders. This would allow the Board to create purchase orders that remain open for an entire year, for which expenditures could be charged against, under expressed provision(s) of law.

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 1998
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)

Finding Number	1998-60645-002
-----------------------	----------------

Reconciliation between County's Books (the Fiscal Agent) and Board's Manual Ledgers

The Licking County Auditor is the "fiscal agent" for the Board. The responsibility of the fiscal agent is to process, summarize and record the Board's financial activity and provide financial reports reflecting the transactions that have transpired during a given period. The Board has devised a manual system, comprised of receipt and disbursement ledgers, which are also used to collect and summarize the Board's financial activity. Since collections and disbursements originate at the Board, their books reflect the most current financial transactions. As the County Auditor receives documentation on the same collections and disbursements, the data is recorded to the county's books when collections are posted and disbursements made. This often causes timing differences between the financial transactions recorded on the county's books and those reflected on the Board's manual ledgers.

A reconciliation between the County's books and the manual ledgers of the Board are not performed. This would allow errors or omissions, in either the Board's or County's records, to be detected by management.

To ensure all transactions are reflected by the fiscal agent, the Board should perform at least monthly a reconciliation between the county auditor's books and the Board's manual ledgers. This will ensure the fiscal agent is processing, summarizing , recording and reporting all financial transactions of the Board and that fund balances reported by the county and Board are only effected by the timing differences identified through this reconciliation.

Finding Number	1998-60645-003
-----------------------	----------------

Appropriation and Receipt Ledger

The Board did not maintain an appropriation (disbursement) and receipt ledger for most of the year. Without these ledgers, the Board could lose accountability of financial transactions occurring and inhibit it ability to reconcile Board transactions with those processed by the County Auditor. (See Finding 1998-60645-002)

The Board should maintain a complete appropriation and receipt ledgers to enhance the accountability of departmental transactions.

We recommend the Board maintain a complete appropriation and receipt ledger.

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 1998
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)**

Finding Number	1998-60645-004
-----------------------	----------------

Receipt Cycle-Segregation of Duties

After the bookkeeper retired in June 1998, the Administrative Assistant assumed the bookkeepers responsibilities by collecting receipts, issuing duplicate receipts, and depositing monies collected with the County Auditor, their fiscal agent. These incompatible duties could prevent management from detecting errors and irregularities in a timely manner.

We recommend the Board ensure that segregation of duties exists between the collection, receipting, depositing, and reconciliation processes by assigning various duties among other individuals.

3. FINDINGS FOR FEDERAL AWARDS

1. Reporting

Finding Number	1998-60645-005
-----------------------	----------------

CFDA Title and Number	CFDA # 10.557 Special Supplemental Nutrition Program for Woman, Infant and Children, (WIC)
Federal Award Number /	45101FCL389;
Federal Agency	U. S Department of Agriculture

See finding related to the financial statements required to be reported under GAGAS number 1998-60645-002; this finding is also required to be reported under OMB Circular A-133 §.505(d)(1)(2).

Finding Number	1998-60645-006
-----------------------	----------------

CFDA Title and Number	CFDA # 10.557 Special Supplemental Nutrition Program for Woman, Infant and Children, (WIC)
Federal Award Number	45101FCL389;
Federal Agency	U. S Department of Agriculture

See finding related to the financial statements required to be reported under GAGAS number 1998-60645-003; this finding is also required to be reported under OMB Circular A-133 §.505(d)(1)(2).

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 1998
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	1998-60645-007
-----------------------	----------------

CFDA Title and Number	CFDA # 10.557 Special Supplemental Nutrition Program for Woman, Infant and Children, (WIC)
Federal Award Number /	45101FCL389;
Federal Agency	U. S Department of Agriculture

See finding related to the financial statements required to be reported under GAGAS number 1998-60645-004; this finding is also required to be reported under OMB Circular A-133 §.505(d)(1)(2).

Finding Number	1998-60645-008
-----------------------	----------------

2. Compliance Requirement- Financial Reporting

CFDA Title and Number	CFDA # 10.557 Special Supplemental Nutrition Program for Woman, Infant and Children, (WIC)
Federal Award Number /	45101FCL389;
Federal Agency	U. S Department of Agriculture

The Ohio Department of Health Special Project, WIC, Application outlines, in part (9)(a), the funds granted in accordance with the application are to be used for the purposes described and in administrative compliance with the Ohio Department of Health's (ODH) Grant Administrative Rules. ODH requires fund recipients, as documented in Chapter 505.1, "Financial Status Reports, Accountability," revised April 1, 1998, to prepare and submit to them the " Certified Expenditure Report" (the report) monthly and the (expenditure) report must correspond with the subgrantee's accounting records and supporting documentation. The report details the monies received, and the expenditures made and the cash balance as of the reporting date.

The monthly reports submitted to the Ohio Department of Health for the period of January 1, through December 31, 1998, did not include the expenditures made to the Ohio Bureau of Workers Compensation (BWC) for employees paid with WIC granted funds. The expenditures totaled \$6,000. Also, these same reports did not agree with the fiscal agent's, Licking County Auditor, financial data maintained for the same period. The Licking County Board of Health (the Board) used the financial data manually maintained by them to prepare the report. Discrepancies have been known to exist between the County's records and those maintained by the Board. There is no reconciliation performed between the two financial data centers.

We recommend the WIC director report all monetary transactions on the "Certified Expenditure Report" in the month received or expended, but first reconcile the Board's manual records with those of the Licking County Auditor, the fiscal agent, before preparing and submitting the " Certified Expenditure Report" to the Ohio Department of Health.

This finding is required to be reported under OMB Circular A-133 §.505(d)(1)(4).

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 1998
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	1998-60645-009
CFDA Title and Number	CFDA # 10.557 Special Supplemental Nutrition Program for Woman, Infant and Children, (WIC)
Federal Award Number /	45101FCL389;
Federal Agency	U. S Department of Agriculture

Eligibility

The "Grantee Agency Memorandum of Agreement", dated July 17, 1997, by and between the Licking County Health Department (Licking County Board of Health) and the Ohio Department of Health state in part (B)(4), *Grantee Agency Responsibilities*, the Grantee Agency (Licking County Board of Health) shall accept and process applications in the WIC Program and arrive at eligibility determinations based on the Ohio WIC Policy and Procedures Manual prescribed eligibility criteria. Part (B)(5) of the Grantee Agency Memorandum of Agreement, further requires the grantee agency to make eligibility requirements and certify eligible individuals for participation.

Although, the site manager determines a participant's eligibility in accordance with prescribed guidelines from the Ohio Department of Health, the WIC director does not "certify" the participants eligibility, as required by the Grantee Agency Memorandum of Agreements, Part(B)(5). As a result, on-site compliance reviews conducted by the Ohio Department of Health, reported that " the economic unit size shown on the application and the size shown in the computer were different and the difference was not explained". The report also noted " the amount of income shown on the application differed from that shown on screen 102". This means the family size and income level documented on the application did not agree with the corresponding information reflected in the computerized files. And, also, the review revealed an incorrect conversion factor and income calculation was used. The variances discussed above could cause the Board to incorrectly award WIC benefits.

We recommend the Board implement the necessary policy (ies) and procedure (s) to ensure eligibility requirements are "certified" , as required by the Grantee Agency Memorandum of Agreement, part (B)(5), and the Ohio WIC Policy and Procedures Manual for accuracy and completeness. Any discrepancies discovered, either on the application or its comparison with computer files, through these procedures should be evaluated, corrected and eligibility re-assessed.

This finding is required to be reported under OMB Circular A-133 §.505(d)(1)(4).The reportable condition is not considered a material weakness



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

DISTRICT BOARD OF HEALTH

LICKING 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
JANUARY 13, 2000**