



OHIO AUDITOR OF STATE
KEITH FABER



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Northwest Water District
Williams County
16946 County Road I-50
Edon, Ohio 43518

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of Northwest Water District, Williams County, Ohio (the District) 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 District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2019 and 2018.

The District'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 examined the bank reconciliation prepared as of December 31, 2019 and compared it to the balance reported in the District's financial report. The reconciled bank balance exceeded the reported balance by \$6,856. Due to a deficiency in controls, the District's savings account balances were not included in the reported balance.

Reporting the correct fund cash balances 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 result in deficit spending. Also, the District's small size requires governing board involvement with critical accounting processes (such as bank reconciliation and financial reporting) 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.

All account balances should be included in the annual financial report.

2. We noted the District has not adopted a public records policy. Ohio Rev. Code § 149.43(E)(2) requires all public offices to adopt a public records policy. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under Ohio Rev. Code § 109.43. Failure to adopt a public records policy could lead to noncompliance with the Ohio Public Records Act when handling public records requests. The District should adopt a public records policy that is modeled after the example published by the Ohio Attorney General.

3. We noted the District has not adopted a records retention schedule policy. Ohio Rev. Code § 149.43(B)(2) states, in part, a public office also “shall have available a copy of its current records retention schedule at a location readily available to the public.” Failure to have and follow a records retention schedule could result in public records being disposed of prematurely. The District should implement procedures to provide the appropriate policy is approved to help avoid issues with public requests.
4. We noted there is a debit card issued for the District’s checking account. 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.” Possession of a debit card could allow for unauthorized purchases to be made without Board approval. The District should suspend use of the debit card issued for the District’s checking account.



Keith Faber
Auditor of State

Columbus, Ohio

August 19, 2020

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NORTHWEST WATER DISTRICT

WILLIAMS 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 9/3/2020

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