



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Marion Township
Fayette County
9109 US 22
New Holland, Ohio 43145

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Marion Township, Fayette County, (the Township) for the years ended December 31, 2023, and 2022.

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, 2023 and 2022.

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 § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy and create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy.

The Township has no written acknowledgement that the public records policy was distributed to the records custodian/manager. In addition, there is no poster describing the public records policy posted in the Township branch. This could result in records requests not being fulfilled in accordance with Ohio law.

The policy shall be distributed to the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Township's branch offices.

2. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records and Open Meetings Laws during each term of office. The training received must be certified by the Ohio Attorney General.

None of the Township's elected officials with terms ending in 2023, during their term of office, attended a required Certified Training or have an appropriate designee attend the training as required by Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1), due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s) should, during their term of office, attend public records training and maintain proof of completion of the training.

3. **Ohio Rev. Code § 507.12(B) and (C) and the Fiscal Integrity Act (FIA)** requires a newly elected or appointed township fiscal officer to complete at least six hours of initial education programs before commencing, or during the first year of, office. A township fiscal officer who participates in a training program held under section 117.44 of the Revised Code may apply those hours taken before commencing office to the six hours of initial education programs required under this division. In addition to the six hours of initial education required a newly elected township fiscal officer shall complete at least a total of eighteen continuing education hours during the township fiscal officer's first term of office. Re-elected fiscal officers must complete 12 hours of continuing education courses before the end of each subsequent term (including 2 hours of ethics training). Fiscal officers who fall under the requirements include township fiscal officers.

The Fiscal Officer has not completed the required continuing education hours, including the two hours of ethics training. Failure to complete the required education hours could result in the Fiscal Officer being unaware of current issues and increases the risk of that errors or noncompliance may occur.

The Fiscal Officer should ensure that all required continuing education hours are completed in accordance with Ohio law.

4. Due to deficiencies in the Township's internal controls over financial reporting, the following errors were noted:
 - The Township improperly posted Homestead and Rollback Intergovernmental receipts, resulting in an overstatement of \$6,812 in the General Fund and an understatement in the Road and Bridge fund, during 2023.
 - The Township improperly posted Homestead and Rollback Intergovernmental receipts, resulting in an overstatement of \$3,403 in the General Fund and an understatement in the Road and Bridge fund, during 2022.

The Township did not have procedures in place for effective monitoring of the Township's financial activity, and the accuracy of accounting and financial reporting. Failure to accurately post and monitor financial activity increases the risk that errors, theft, and fraud could occur and not be detected in a timely manner. The Township corrected the accounting records, where appropriate.

The Township should review and implement internal controls to ensure financial transactions are accurately recorded and reported.

5. **Ohio Rev. Code § 5575.02**, states, after the board of township trustees has decided to proceed with a road improvement, it shall advertise for bids once, not later than two weeks prior to the date fixed for the letting of contracts, in a newspaper of general circulation within the township. Such notice shall state that copies of the surveys, plans, profiles, cross sections, and specifications for such improvement are on file with the board, and the time within which bids will be received. The board may let the work as a whole or in convenient sections, as it determines. The contract shall

be awarded to the lowest and best bidder who meets the requirements of section 153.54 of the Revised Code and shall be let upon the basis of lump sum bids, unless the board orders that it be let upon the basis of unit price bids, in which event it shall be let upon such basis.

During 2022, a payment was made for a road paving project in the amount of \$136,613. Per inquiry with the Township, two estimates were received on the project and the lowest estimate was chosen, but the project was not advertised. There was no evidence that the Township competitively bid this contract.

The Township should ensure that contracts are competitively bid in accordance with Ohio laws.

Current Status of Matters Reported in our Prior Engagement

In addition to the matters reported in the current year observations above, our prior year financial audit included the following matters in the Management Letter:

1. The Township incorrectly recorded intergovernmental receipts as property tax receipts during the prior audit. In addition, Miscellaneous receipts were also incorrectly recorded as Intergovernmental. This has not been corrected for the audit period. See Current Year Observation #4 above.
2. The Fiscal Officer did not attend the annual continuing education programs provided by the Auditor of State or complete the annual exemption to the Auditor of State's office. This has not been corrected for the audit period. See Current Year Observation #3 above.
3. The Fiscal Officer failed to obtain two hours of ethics training. This was not corrected for the audit period. See Current Year Observation #3 above.
4. The Township did not have written acknowledgement that the public records policy was distributed to the public records custodian/manager. In addition, a poster describing the public records policy was not posted in the Township's branch offices. The Township did not have a formal records retention schedule in the prior audit. The Township adopted a formal records retention schedule during our audit period. The Township did not have written acknowledgement that the public records policy was distributed to the public records custodian/manager and a poster was not displayed during the current audit period. See Current Year Observation #1 above.
5. The Township did not have a records commission that met once every 12 months as required by state statute due to deficiencies in the Township's public records retention procedures. This has been corrected in the current audit period.
6. The Township had four instances where more than one "regular blanket" certificate was outstanding in the same line-item appropriation. This has been corrected for the current audit period.



Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2024

OHIO AUDITOR OF STATE KEITH FABER



MARION TOWNSHIP

FAYETTE 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 10/3/2024

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This report is a matter of public record and is available online at
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