



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Washington Township
Highland County
Hillsboro, Ohio 45142

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Washington Township, Highland 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.

Current Year Observations

1. **Ohio Rev. Code § 149.43(B)(2)** provides that a public office also shall have available a copy of its current records retention schedule at a location readily available to the public. Due to deficiencies in public records procedures and monitoring, the Township does not have a records retention schedule. Failure to establish a records retention schedule could result in the destruction of important Township documents. The Township should adopt a records retention schedule.
2. **Ohio Rev. Code § 507.12** states a newly elected or appointed fiscal officer shall complete at least six hours of initial education programs before commencing, or during the first year of office. An additional eighteen hours of continuing education must be completed within the fiscal officer's first term. Twelve hours of training shall be completed for each subsequent term.

The Township Fiscal Officer did not complete the required hours of continuing education. In addition, she did not set up an account on the Fiscal Integrity Act portal for tracking purposes. This could result in failure to receive appropriate continuing education and improper tracking of the continuing education that was received.

The Township Fiscal Officer should obtain required continuing education and report that training through the Fiscal Integrity Act portal.

3. **Ohio Rev. Code § 117.38** states, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. The report shall be certified by the proper officer or board and filed with the auditor

of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension.

The Township's December 31, 2022 annual financial report due by March 1, 2023 was not filed with the Auditor of State until August 5, 2023.

The Township's December 31, 2023 annual financial report due by February 29, 2024 was not filed with the Auditor of State until April 29, 2024.

The Township should implement procedures to verify its annual financial report is filed with the Auditor of State by the required deadline. If the Township is unable to meet the deadline, the Township should file an extension request through the Auditor of State. Failure to file a complete report by the established deadline, without an extension, could result in the assessment of penalties against the Township.

4. **26 U.S.C. §§ 3401, 3402, 3403, 3404, 3405, and 3102(a)** require the employing government to withhold federal income and employment related taxes (such as Medicare). They also require the government to report and remit those tax matters to the appropriate tax authorities and the recipients.

The Fiscal Officer did not withhold and remit the required federal payroll taxes as required by the Internal Revenue Service for any of the four quarters of 2023 and 2022.

The Township could incur penalties and interest due to the non-filing of the above noted forms.

The Fiscal Officer should withhold the correct amounts from payroll and submit the required reports and contribution/withholding remittances in a timely manner to ensure compliance with applicable laws and regulations and to avoid interest and penalties.

This matter will be referred to the Internal Revenue Service.

Current Status of Matters Reported in our Prior Engagement

1. Our prior audit for the years ended December 31, 2021 and 2020 included an issue regarding Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1), elected officials did not attend public records training. This was corrected in 2022.
2. Our prior audit for the years ended December 31, 2021 and 2020 included an issue regarding Ohio Rev. Code §149.43 (E), Township did not establish a public records policy. This was corrected in 2022.
3. Our prior audit for the years ended December 31, 2021 and 2020 included an issue regarding Ohio Rev. Code §149.43(B)(2), the Township did not establish a records retention policy. The Township has not corrected this issue. This was noted in item 1 above.
4. Our prior audit for the years ended December 31, 2021 and 2020 included an issue regarding Ohio Rev. Code §117.38, the Township did not file the 2020 report timely. The Township has not corrected this issue. This was noted in item 3 above.

5. Our prior audit for the years ended December 31, 2021 and 2020 included an issue regarding posting of certificate of deposit interest. This issue was not noted in our current year review.



Keith Faber
Auditor of State
Columbus, Ohio

June 3, 2024

OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON TOWNSHIP

HIGHLAND 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 6/13/2024

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