



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Eagle Township  
28634 St. Rt. 327  
Vinton County  
Londonberry, Ohio 45647

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Eagle Township, Vinton County, (the Township) 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 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, 2019 and 2018.

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 § 9.22** states, in part, no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. This section of the Ohio Rev. Code was effective November 2, 2018.

The Township utilized a debit card to purchase items for maintenance of rental properties during December 31, 2019 and 2018. The debit card purchases totaled \$3,577 and \$2,085 in 2019 and 2018, respectively, which included \$3,593 in purchases after the November 2, 2018 effective date of Ohio Rev. Code § 9.22.

The Township should immediately cease the use of the debit card. Failure to do so could result in future findings for recovery.

2. **Ohio Rev. Code § 117.38** provides, in part, that entities on a cash basis must file their annual report with the Auditor of State within sixty days after the close of the fiscal year.

The Township did not file a complete annual financial report (statements and notes) for 2018 with the Auditor of State, which was due March 1, 2019, until February 12, 2020.

The Township should ensure its annual financial statements are filed with the Auditor of State within sixty days after its December 31 fiscal year end date.

### Current Year Observations (Continued)

- 3. Ohio Rev. Code § 149.43(B)(2)** states “to facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public. If a requester makes an ambiguous or overly broad request or has difficulty in making a request for copies or inspection of public records under this section such that the public office or the person responsible for the requested public record cannot reasonably identify what public records are being requested, the public office or the person responsible for the requested public record may deny the request but shall provide the requester with an opportunity to revise the request by informing the requester of the manner in which records are maintained by the public office and accessed in the ordinary course of the public office's or person's duties.”

While we noted during the Township's yearly organizational meeting the Trustees approved for the Township to keep all records, the Township did not have a formal records retention policy.

The Trustees should establish a formal records retention policy and ensure it is readily available to the public.

- 4. Ohio Rev. Code § 149.43(E)(2)** states public offices shall adopt a public records policy in compliance with this section for responding to public records requests. 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 § 109.43 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours.

The public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.

The Township does not have an approved public records policy as required by Ohio Rev. Code § 149.43(E)(2).

The Township should establish a public records policy, ensure the policy is publicly posted and written evidence is maintained the records custodian has received the policy.

### Current Year Observations (Continued)

- 5. Ohio Rev. Code § 505.24(C)** provides, in part, by unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. The amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in this division, and shall be paid from the township's general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed.

The Township Trustees certified their payroll allocation each month in 2019 and 2018. The Trustees certified their payroll as two months at 100% General Fund and ten months at 100% Gasoline Tax Fund for 2019 and 2018 with the exception of one Trustee certifying 100% General Fund one month and 100% from the Gasoline Tax Fund for eleven months in 2018. However, each month the Trustees attended the monthly meeting for the Township which would fall under work that should be paid from the General Fund. The Township should ensure that at least a portion of the Trustee salaries are paid from the General Fund each month to account for the monthly meetings.

The Trustees should ensure their monthly certifications includes an allocation to the General Fund for attending the monthly meetings.

- 6.** The Township had outstanding checks on the December 31, 2019 bank statement totaling \$778.45 which were at least a year old, with 5 out of 6 checks being over 2 years old.

The Township should follow up on old outstanding checks and establish a time period after which these checks are to be removed from the outstanding check list and either re-issued or voided.

- 7.** Maintaining organized documentation and support for financial transactions is essential in assuring the Township's financial statements are accurately presented and that all expenditures are made for a proper public purpose.

During testing of disbursements we noted that there were disbursements which lacked supporting documentation, we noted the following:

- In 2018, a disbursements to NAPA on 8/13/2018 totaling \$49.36 paid for with the Township's Debit Card
- In 2018, a disbursement to In 2018, a disbursement to Rur on 10/2/2018 totaling \$61.11 paid from the Township's Debit Card
- In 2019, a disbursement to Traffic Safety on 6/25/2019 totaling \$976.54 paid from the Township's Debit Card

Failure to maintain organized underlying documentation and support of financial transactions can increase the risk of fraud, inaccurate financial statements, and expenditures that are not for a proper public purpose.

The Township should ensure proper supporting documentation is maintained for all expenditures made by the Township. This will help ensure transactions are for a proper public purpose.

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

In addition to the matters reports above, our prior agreed-upon-procedures for the years ended December 31, 2017 and 2016 included an observation for not timely filing financial statements in the HINKLE system. During the current audit period, the Township did not timely file their December 31, 2018 financial statements, however the 2019 financial statements were timely filed in the HINKLE system.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

May 27, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**EAGLE TOWNSHIP**

**VINTON 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  
JUNE 9, 2020**