



OHIO AUDITOR OF STATE
KEITH FABER



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Jackson County Soil and Water Conservation District
Jackson County
2026 Fairgreens Rd
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We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Jackson County Soil and Water Conservation District, Jackson 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 § 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 § 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. The Ohio Administrative Code § 117-2-02 requires all local public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and reports its transactions, maintain accountability for the related assets, (and liabilities, if generally accepted accounting principles apply), document compliance with finance related legal and contractual requirements and prepare financial statements required by § 117-2-03 of the Administrative Code. We identified the following conditions related to the above criteria:
 - The District maintained a manual spreadsheet of transactions in 2019. A \$93 error in the January 1 beginning balance in the spreadsheet lead to the calculated bank balance not agreeing to the monthly bank statements with no evidence that this error was corrected.
 - No monthly bank reconciliations were performed over the District bank account once the District went to a manual spreadsheet in March 2019. Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Although the activity of the District was limited during the period, the District's Treasurer should maintain a detailed general ledger of receipts and disbursements and perform a monthly reconciliation. In addition, the Board should be provided the monthly reconciliations in order to keep them aware of the financial position of the District.

Failure to maintain an accurate general ledger may result in a loss of information regarding the details of specific receipts and disbursements such as date, source, invoice details, etc, and results in an inability to properly reconcile the cash account to the general ledger, and may result in a loss of financial accountability and a possible misappropriation or misuse of funds.

Current Year Observations (Continued)

2. Credit cards transactions should be supported with original invoices and be for a proper public purpose for the Soil and Water District. We selected and reviewed the March 2019 bank statement and found no supporting documentation for a charge of \$14.72 to Walmart. We also noted the credit card statement was not available for July and November in 2018 and January and February in 2019. Failure to maintain support for expenditures may compromise the District's ability to ensure expenditures are authorized, allowable and relate to a proper public purpose. We scanned the remaining credit card statements and found that the District incurred a \$39 late payment fee each month. Additionally, on at least two occasions, the District exceeded their \$500 credit limit resulting in a \$35 overage fee for each occurrence. We did find evidence that the bank refunded these fees subsequently. However, late fees, interest and overage fees are not proper public purpose expenditures.

The Soil and Water District should ensure that all credit card payments are made timely in order to avoid late fees and possible interest fees as well as regular review of the disbursements to check that the credit balance is not being exceeded. Further, to maintain assurances that all disbursements are proper public purposes, the District should be maintaining all supporting documentation for all transactions.



Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2020

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JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT

JACKSON 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
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