



OHIO AUDITOR OF STATE
KEITH FABER



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Tuscarawas County University Branch District
Tuscarawas County
330 University Dr. NE
New Philadelphia, Ohio 44663

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Tuscarawas County University Branch District, Tuscarawas 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. Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Recording Secretary is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board and Fiscal Officer are responsible for reviewing the reconciliations and related support.

An accurate bank to book reconciliation was not prepared at December 31, 2019. The following weaknesses were identified during our review of this year-end cash reconciliation:

- Interest was not always tracked properly for each certificate of deposit. As a result, the District understated General Fund Earnings on Investments Receipts by \$2,740 in 2019. The accounting records of the District were adjusted to correct this omission identified through our basic audit.

Current Year Observations (Continued)

- Also, likely due to the improperly tracking of certificate balances, the District had a remaining unreconciled difference of \$64 (accounting ledger balance reported less than bank balance).
- Interest receipts were not timely posted by the District. The receipt for the close-out of the Morgan Stanley account in February 2019 was not posted to the District ledger until December 31, 2019.

Failure to reconcile monthly increases the possibility that the District will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Recording Secretary should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

2. Ohio Rev. Code § 149.43(E)(2) states that a public office shall distribute its 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.

No written evidence was in existence to show that the records custodian, records manager or other employee who otherwise has custody of the records of that office provided acknowledgement of the receipt of the District's public records policy.

The District should maintain written evidence the records custodian has acknowledged receipt of the public records policy. This will help ensure the District is in compliance with provisions of the public records policy.



Keith Faber
Auditor of State
Columbus, Ohio

October 14, 2020

OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS COUNTY UNIVERSITY BRANCH DISTRICT

TUSCARAWAS 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 11/5/2020

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