



OHIO AUDITOR OF STATE
KEITH FABER



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Elmwood Place Community Improvement Corporation
Hamilton County
Cincinnati, Ohio 45216

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Elmwood Place Community Improvement Corporation, Hamilton County, (the Corporation) for the years ended December 31, 2022 and 2021.

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 Corporation's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Corporation's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

The Corporation'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. Cash Reconciliation Process Errors

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

Monthly bank to book reconciliations were not prepared or reviewed each month of 2022 and 2021. Failure to reconcile monthly increases the possibility that the Corporation 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 Fiscal Officer 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. Public Records Policy and Records Retention Schedule

Ohio Rev. Code § 149.43(E)(2) provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further 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; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

Ohio Rev. Code §149.43(B)(2) states the entity shall have available a copy of its current records retention schedule at a location readily available to the public.

The Corporation has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The Corporation shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the Corporation should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Corporation's branch offices and the public records policy must be included in policy manuals or handbooks if any exist. Furthermore, the Corporation shall establish a records retention schedule.

Pursuant to Ohio Rev. Code § 109.43(E)(2), the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

3. Debit Card Use

Ohio Rev. Code § 9.22 states no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision except for law enforcement purposes is a violation of section 2913.21 of the Revised Code.

The Corporation utilized a debit card to make disbursements ranging between \$8 to \$570 from June 2021 to December 2022. Continued debit card use for purchasing could lead to unauthorized usage or inappropriate charges. The Corporation should not use debit cards in accordance with Ohio law.

Current Status of Matters Reported in our Prior Engagement

1. During the prior engagement, we noted the Corporation did not file an annual financial report with the Auditor of State within 120 days of the fiscal year end as required by Ohio Rev. Code § 117.38. This matter was corrected for the years ended December 31, 2022 and 2021.
2. The prior report also identified cash reconciliation deficiencies reported in item 1 above.
3. During the prior engagement, we noted the Corporation did not maintain or provide underlying documentation or support for disbursements. This matter was corrected for the years ended December 31, 2022 and 2021.
4. During the prior engagement, we noted the Corporation did not have a formal accounting system to record receipts and disbursements transactions. This matter was corrected for the years ended December 31, 2022 and 2021.
5. The prior report also identified Public Record Policy and Records Retention Schedule deficiencies reported in item 2 above.
6. During the prior engagement, we noted the Board did not hold annual meetings. This matter was corrected for the years ended December 31, 2022 and 2021.
7. During the prior engagement, we noted the Fiscal Officer did not complete continuing education hours. This matter was no longer valid for the years ended December 31, 2022 and 2021.
8. During the prior engagement, we noted the Corporation was owed \$9,500 principal but had not decided to seek interest although the loan was not repaid in accordance with the loan agreement. This matter was no longer valid for the years ended December 31, 2022 and 2021.



Keith Faber
Auditor of State
Columbus, Ohio

September 15, 2023

OHIO AUDITOR OF STATE KEITH FABER



ELMWOOD PLACE COMMUNITY IMPROVEMENT CORPORATION

HAMILTON 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 9/28/2023

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