



OHIO AUDITOR OF STATE
KEITH FABER



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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

BASIC AUDIT REPORT

Monroe Township
Coshocton County
38109 County Road 33
Warsaw, Ohio 43844

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Monroe Township, Coshocton 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 § 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 § 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 Township Trustees approves the hiring of all employees. Hours worked by the employees are documented on a timesheet that is signed by the employee.

However, the timesheets are not reviewed or signed by a supervisor or Trustee prior to payment.

The Township should implement procedures to ensure that employee timesheets are reviewed by a supervisor prior to payment.

2. **Ohio Rev. Code § 5575.01(A)** requires that when the board proceeds by contract for the maintenance and repair of roads, the contract shall, if the amount involved exceeds forty-five thousand dollars, be let by the board to the lowest responsible bidder after advertisement for bids, not later than two weeks, prior to the date fixed for the letting of the contract, in a newspaper of general circulation within the Township.

Additionally, **Ohio Rev. Code § 5549.21** states that the board of township trustees shall provide suitable places for housing and storing machinery and tools owned by the township. It may purchase such material and employ such labor as is necessary for carrying into effect this section, or it may authorize the purchase or employment of such material and labor at a price to be fixed by the board. All purchases of materials, machinery, and tools shall, if the amount involved exceeds fifty thousand dollars, be made from the lowest responsible bidder after advertisement, as provided in Ohio Rev. Code § 5575.01.

Current Year Observations (Continued)

2. Ohio Rev. Code § 5575.01(A) (Continued)

During 2022, the Township hired a contractor to perform chip and seal repair work on the Township roads at a cost of \$72,914. The Township received \$15,931 from the residents to offset the cost leaving \$56,683 as the Township's portion of the project. The Township did not competitively bid the project nor obtain any price quotes or place an advertisement in the local newspaper, as required by Ohio Rev. Code § 5575.01.

During 2023, the Township hired a contractor to build a storage building for housing road equipment, which cost \$102,000 (including materials and labor). The breakdown in costs between labor and materials was not provided on the invoice or outlined in a contract. Although the Fiscal Officer stated that three price quotes were obtained, there was no evidence that the lowest responsible bidder was selected as the quotes were unavailable. Additionally, the Township did not place an advertisement in the local newspaper. This process was in violation of Ohio Rev. Code § 5549.21.

The Township should implement procedures to ensure that the required projects are properly bid and an advertisement placed in the local newspaper. This will allow the Township to identify the lowest responsible bidder for the project.

Current Status of Matters Reported in our Prior Engagement

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 §. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public."

The Township was unable to provide a records retention schedule.

The Township should establish a records retention schedule and ensure it is readily available to the public.

4. **Ohio Rev. Code § 149.43(E)(2)** 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.

The Township did not have evidence of the acknowledgement of the records custodian/manager having received the policy. This could result in records requests not being fulfilled in accordance with Ohio law.

The Township shall distribute the public records policy to the records custodian/manager and the Township should have evidence of acknowledgement of receipt from the records custodian/manager.

5. **Ohio Rev. Code § 505.24(C)** sets forth the method by which Township Trustees' Compensation should be allocated. Trustee salary is required to be paid from the Township 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 kind of services performed.

Current Status of Matters Reported in our Prior Engagement (Continued)

5. Ohio Rev. Code § 149.43(B)(2) (Continued)

During 2022, Trustees approved an annual Resolution authorizing the allocation of salaries for the Trustees, which was 100% from the Gasoline Tax Fund. However, 100% allocation to the Gasoline Tax Fund is unreasonable as the Trustees do handle general government activities. It was noted that Trustee wages were paid 100% from the Gasoline Tax Fund for the months of January to August 2022. This changed though in September 2022 as the Board determined that 10% of their time is spent on governmental activities. As such, all Trustee wages paid after August 2022 were split with 10% from the General Fund and 90% from the Gasoline. However, the error in the allocation of salaries for the months of January to August resulted in an overstatement in the General Fund balance and an understatement in the Gasoline Tax Fund balance in the amount of \$2,401. The adjustment was agreed to by management and posted to the Township's records.

The Township should implement procedures to ensure that an annual Resolution is approved regarding the allocation of salaries. Additionally, certifications should be properly completed for each pay period and maintained as supporting documentation.

6. Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In 2022, the Township collected fees from the residents for the chip and seal project. The chip and seal project was paid out of the Gasoline Tax fund; however, \$15,931 in fees collected from residents was improperly recorded within the General fund. This resulted in the General fund balance being overstated while the Gasoline Tax Fund was understated by \$15,931.

Fund balance adjustments were agreed upon by management and posted to the Township's accounting system.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Township should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.



Keith Faber
Auditor of State
Columbus, Ohio

November 19, 2024

OHIO AUDITOR OF STATE KEITH FABER



MONROE TOWNSHIP

COSHOCTON 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 12/3/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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