



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Elmwood Place Community Improvement Corporation  
Hamilton County  
6118 Vine Street  
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, Ohio (the Corporation), for the years ended December 31, 2018, 2017, & 2016.

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, 2018, 2017, and 2016.

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. **Ohio Rev. Code § 117.38** states public offices reporting pursuant to generally accepted accounting principles shall file their annual financial reports within one hundred fifty days after the close of the fiscal year. The Corporation did not file their 2017 and 2016 annual reports in the HINKLE system until March 6, 2019 and March 21, 2018, respectively, which was not within the allotted timeframe.

We recommend the Corporation file its annual report with the Auditor of State in a timely manner.

2. When designing the public office's system in internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The Corporation did not complete monthly bank reconciliations for 2017 and 2018. In addition, the Corporation has not established procedures for the review and written approval of reconciliations.

Failure to reconcile the Corporation's bank balances with the accounting system increases the risk that errors, theft or fraud could occur and not be detected in a timely manner. This condition also reduces the Corporation's ability to monitor banking activities. Finally, the lack of bank reconciliations in the future will make the Corporation ineligible for basic audit procedures

The Corporation should reconcile all active bank accounts on a monthly basis. Also, the Corporation should establish a policy which requires supervisory review and approval of reconciliations.

3. **Ohio Rev. Code § 149.351** provides that no public records shall be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Ohio Rev. Code Sections 149.38 to 149.42.

The Corporation did not maintain supporting documentation for its receipts and disbursements. We were able to view canceled check images and deposit slips on its bank statements.

Failure to maintain proper documentation could result in difficulties supporting the financial activities of the Corporation. All records should be maintained in a secure central location, such as locked file cabinets or in a locked office, with access limited to specific officials and/or personnel. Disposal of records should only be made in accordance with an approved records retention schedule.

We recommend that the Corporation maintain supporting documentation for all transactions.

4. **Ohio Admin. Code § 117-2-02** further states that: (A) All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions. (B) The management of each local public office is responsible for the assertions underlying the information in the public office's financial statements. (D)(3) All local public offices should maintain an appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts and include the amount, fund, date, check number, amount of disbursement, and any other information required may be entered in the appropriate columns.

The Corporation did not have a formal accounting system to record receipts and disbursements transactions. The Corporation's accountant prepared the financial statements from a bank activity analysis. Also, the Corporation did not have compilation controls in place to prevent financial reporting errors.

Failure to properly maintain the accounting system, or exercise compilation controls over financial reporting could result in material misstatements to the financial statements and noncompliance.

The Corporation should utilize an accounting system and implement compilation controls to help prevent errors in financial reporting.



Keith Faber  
Auditor of State

Columbus, Ohio

March 30, 2020

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**ELMWOOD PLACE COMMUNITY IMPROVEMENT CORPORATION**

**HAMILTON 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  
APRIL 14, 2020**