



OHIO AUDITOR OF STATE
KEITH FABER



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Chesterhill Marion Union Cemetery
Morgan County
P.O. Box 62
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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 Chesterhill Marion Union Cemetery, Morgan County, Ohio (the Cemetery) for the years ended December 31, 2020 and 2019.

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 Cemetery's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Cemetery's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The Cemetery'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

- Ohio Rev. Code § 117.38** provides, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year. The Cemetery filed its annual report filing in the Hinkle system for the year ended December 31, 2019 on February 4, 2021 despite being due March 2, 2020. Management should file financial reports within sixty days after the close of the fiscal year.
- Ohio Rev. Code § 121.22(F)** provides that every public body, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. The Cemetery did not establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings. Failure to properly notify the public hinders transparency and could result in questions as to the validity of any actions taken during such meetings. The Cemetery management should take appropriate action to ensure that proper notification is made for all meetings of the Cemetery.
- Ohio Rev. Code § 149.43(B)(2)** provides that the Cemetery should have an approved records retention schedule which is readily available to the public. The Board did not approve a formal records retention schedule. This could lead to improper destruction of records. The Board should approve the required record retention schedule.

Current Year Observations (Continued)

4. **Ohio Rev. Code § 149.43(E)(2)** requires public offices to adopt a public records policy. Ohio Rev. Code § 149.43(B)(7)(c) provides guidance for a required public records policy to be approved by the Board. The approved public records policy should not limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight responses that may be made to a particular person, limit the number of hours. The Ohio Attorney General developed a model public records policy for responding to public records requests in compliance with Ohio Rev. Code §149.43 in order to provide guidance to public offices in developing their own public record policies. This model policy is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-policy.aspx>. The Board did not approve a formal public records policy. This can result in improper treatment of public records requests. The Board should approve a formal public records policy containing all the required elements. The policy should be included in Cemetery's policy manual and displayed in all the branches of the Cemetery as required by Ohio Rev. Code § 149.43(E)(2).
5. When designating the public office's system of internal control and specific control activities, management should plan for adequate segregation of duties or compensating controls. The Board should perform procedures to monitor the financial activity of the Cemetery.

The small size of the Cemetery's staff did not allow for an adequate segregation of duties, the Cemetery Clerk-Treasurer performed all accounting functions. It is, therefore, important that the Board monitor financial activity closely. There was no documentation of the extent to which the Board reviewed vouchers for payment, financial reports and records to monitor financial activity of the Cemetery. This could result in unauthorized expenditures, the ledgers of the Cemetery not being posted up-to-date, errors in the reconciliation, and errors and omissions occurring in the Cemetery's annual report without the timely knowledge of the Board.

The Board should review financial information on a regular basis. This information should include vouchers for payment, reconciliations, as well as revenue and expenditure activity and balance reports. A periodic review should also be performed on the Cemetery's cash book and deed records to gain assurances that the records are posted up-to-date, in agreement with the presented reports and reflect authorized transactions. The reviews would be documented in the minutes of the Board meetings.

6. Management is responsible for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error. The Cemetery's annual financial report filed in the Hinkle System for the year ended December 31, 2020 included a deposit for \$324 and check 4605 dated January 20, 2021 for \$57. As such, the ending balance as reported exceeded the reconciled balance by \$267. The Cemetery should establish procedures to help ensure the annual financial report includes only activity for the year reported.

Current Status of Matters Reported in our Prior Engagement

1. The prior audit for the years ended December 31, 2018 and 2017 included noncompliance with Ohio Rev. Code § 117.38 for filing the 2018 and 2017 annual reports late in the Hinkle System. This was not corrected and is included in Current Year Observations #1 above.
2. The prior audit for the years ended December 31, 2018 and 2017 included noncompliance with 26 C.F.R §1.6041-1 for failing to file a Form 1099 for independent contractors that were paid \$600 or more. The Cemetery implemented corrective actions so that no similar noncompliance was noted for 2020 and 2019.

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

3. The prior audit for the years ended December 31, 2018 and 2017 included noncompliance with Internal Revenue Service Publication 15, Circular E, Employer's Tax Guide and Publication 15-A, Employer's Supplemental Tax Guide for hiring a non-employee to perform a portion of the duties for which a Cemetery employee was already being paid. The Cemetery implemented corrective actions so that no similar noncompliance was noted for 2020 and 2019.
4. The prior audit for the years ended December 31, 2018 and 2017 included a controls deficiency related to insufficient segregation of duties. This was not corrected and is included in Current Year Observations #5 above.



Keith Faber
Auditor of State
Columbus, Ohio

June 23, 2021

OHIO AUDITOR OF STATE KEITH FABER



CHESTERHILL MARION UNION CEMETERY

MORGAN 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 7/8/2021

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