OHIO AUDITOR OF STATE
KEITH FABER

Roles the Fiscal Officer Plays in Smaller Governments
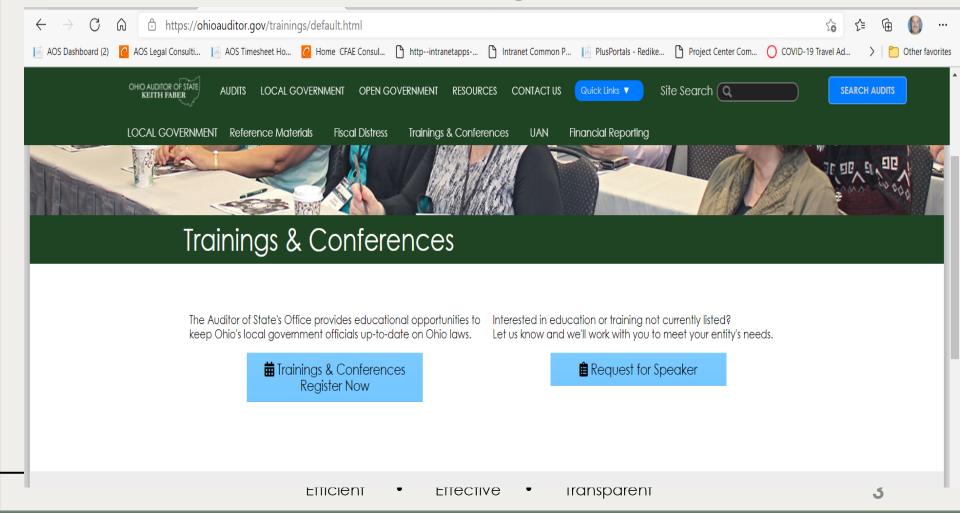
Moderator: Tawana Keels

Speakers: Joey Jones, Amie Lynn, Jamie Nicholson, Nancy White

Training
Fiscal Integrity Act - FIA

- Training
  - Newly elected or <u>appointed</u> 6 + 18 hours
  - Reelected 12 hours (including 2 hrs ethics)
    - Apply to City, Township, Villages

- Removal Process
  - Clear and convincing evidence the fiscal officer acted knowingly, purposefully or recklessly in engaging in misconduct, or failure to act.
    - Apply to County Treasurer, County Auditor, Township Fiscal Officer, Municipal Fiscal Officer

- https://ohioauditor.gov/fiscalintegrity/default.html

Training
Fiscal Integrity Act

Training
Center for Public Investment Management - CPIM

- If your responsibilities include making decisions regarding the deposit or investment of moneys, you must attend 6 hours of CPIM training each year or file for an exemption.

- Apply to municipal corporation, school district, educational service center, county school financing district, Township, municipal or school district sinking fund , special taxing or assessment district, other district or local authority electing or appointing a treasurer

Training – CPIM Exemption

- Annual Exemption Notice
  - Invests or deposits public funds in the following investments only (Ohio Rev. Code § 135.22):
    - (1) Interim deposits pursuant to Ohio Rev. Code §§ 135.14(B)(3) or 135.145 (CDAR and similar programs);
    - (2) STAR Ohio pursuant to Ohio Rev. Code § 135.14(B)(6);
    - (3)No-load money market mutual funds pursuant to Ohio Rev. Code § 135.14(B)(5)
- How do I get an exemption from attending training?
  - Log into your MyCPIM account and then click on "Exemption Certification" on the light blue task bar at the top of the page.

Training – CPIM TOS website

Training – CPIM TOS website

Training
FIA & CPIM Testing

- OCS 2-21
  - For non county subdivisions, please show me your annual certificates of completion. (CPIM)

  - If a newly elected or appointed municipal or township fiscal officer has completed the first year of their term during the years being reviewed OR the fiscal officer's term ended during the years being reviewed. Obtain evidence that fiscal officers have received the required training. (FIA)

Training
FIA and CPIM
Panel

- Are you required to comply with these training requirements?
  - If not, why do you follow these laws?

- What are some resources you use to help satisfy the requirements?

Contracts/Bidding

- OCS OPM

- Township Handbook

- Village Handbook

- In general
  - Advertise
  - Documentation maintained which indicates that the lowest and best bid was accepted
  - Written contract

Contracts/Biddina

A finding for recovery is issued by the Auditor of State when public property has been misspent or misappropriated.

General / Certified Search

Unresolved Findings Information

Findings for Recovery Database

Used by local governments and state agencies to check and ensure, as required by law, that public contracts are not awarded to persons or businesses against which a Finding for Recovery has been issued and remains unresolved.

General Search
Perform a general search of the database, if you are not required by law to show certification.

Certified Search
Perform a certified search, as required by ORC 9.24, to verify that the person to whom you plan to award a contract does not appear in the database.

Contracts/Bidding

Contracts/Bidding Testing

- OCS OPM

- Identify a few expenditures that should have been subject to competitive bidding while reading the minutes, by inquiry of government personnel, and/or by scanning the disbursement records.

- In selecting payments to test, consider selecting from higher-dollar payments and perhaps one or two smaller payments (i.e. payments slightly over the competitive bidding threshold).

Contracts/Bidding Panel

- What is the most unusual item you had to bid/enter into a contract for?

- Do you use outside help to satisfy these requirements?

- Do you use bidding (or some form of it) even if not required to by law-if so, why?

Insurance/Risk Management/Bonding

- Employee Health Insurance
  - Cafeteria Plans

- Employee Life Insurance

- Property / Casualty Insurance

- Liability Insurance

    - Purchased Insurance
    - Self Insurance
    - Pool participation

Insurance/Risk Management/Bonding

- Ohio Rev. Code § 3.06

- Bonding Exhibit 2 in the OCS IG includes:
  - Table 1: Those required by statute to give bond (min specified),
  - Table 2: Those required by statute to give bond (with no amount specified), and
  - Table 3: Those for which the board may require to give bond

- ORC § 3.061 "Employee dishonesty and faithful performance of duty policy"

Insurance/Risk Management/Bonding Testing

- Questions the auditor asks the client

- How do you determine who is required to be bonded and/or

- Are there blanket bonds on officials or employees,
    - How they determine whether employees are eligible for such blanket bonding?

- How do you determine whether amounts of the bonds are commensurate with the duties of the office, i.e., amount of funds for which the individual is responsible, limits of liability, etc.?

Insurance/Risk Management/Bonding Panel

- How often do you review your insurance coverage for adequacy?

- Do you work with one insurance agent or multiple ones for all the various coverages?

Accounting System & Financial Statement Prep

- OAC 117-2-01 and 117-2-02 require governments to establish internal controls and report financial information properly

- Manual or computerized format

- Financial related records

- Payroll

- Utility billing records

- Capital asset records

Accounting System & Financial Statement Prep

- Annual Financial Statement Preparation
  - GAAP basis file w/in 150 days
    - BFS:GWS, FFS, Notes, MD&A, RSI = complete filing

  - Cash basis file w/in 60 days
    - OCBOA: BFS: GWS, FFS, Notes, MD&A (optional)
    - Regulatory: FFS and Notes

  - Complete filing to avoid possible penalty

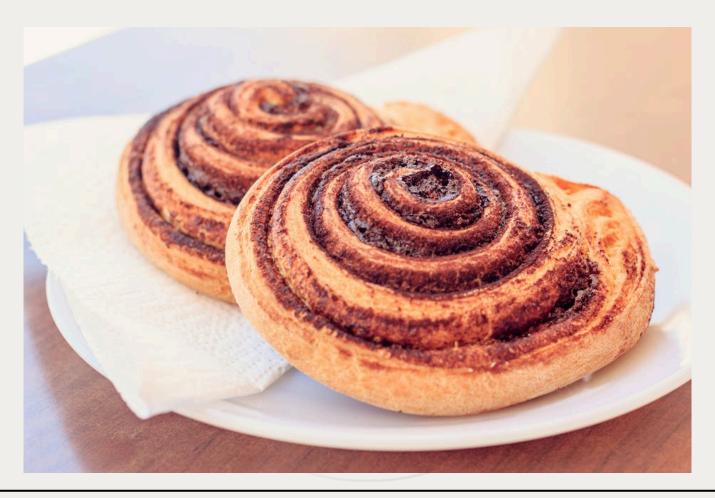 - Extension request process in place

Accounting System & Financial Statement Prep Testing

- OCS 1-17 annual filing
  - Confirm the report was complete and timely
  - Trace totals from report to accounting system
  - We audit the f/s uploaded and submitted to the AOS

- OCS 2-4 Required accounting records
  - Systems documentation,
  - Results of inquiries, and other audit procedures,
  - Typically lack of internal control

Accounting System & Financial Statement Prep Panel

- If you have changed financial systems recently-any advice for audience?

- If you use an outside payroll processor, why?

- If you use an outside company to prepare your f/s, why?

Other Roles You Serve

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