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MANAGEMENT LETTER

Area 16 Workforce Development Board
Belmont County
68145 Hammond Road
St. Clairsville, Ohio 43950

To the Workforce Development Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements defined in our Independent Auditor's Report of the Area 16 Workforce Development Board, Belmont County, Ohio (the Board), as of and for the year ended June 30, 2020, and the related notes to the financial statements and have issued our report thereon dated February 24, 2021.

Government Auditing Standards require us to communicate deficiencies in internal control, as well as, report on compliance with certain provisions of laws, regulations, contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated February 24, 2021, for the year ended June 30, 2020.

2 CFR Part 200 subpart F requires that we report all material (and certain immaterial) instances of noncompliance, significant deficiencies, and material weaknesses in internal control related to major federal financial assistance programs. We have issued the required report dated February 24, 2021, for the year ended June 30, 2020.

We are also submitting the following comment for your consideration regarding the Board's internal control. This comment reflects a matter that does not require inclusion in the *Government Auditing Standards* or Single Audit reports. Nevertheless, this comment represents a matter for which we believe improvements in internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing this recommendation. This comment reflects our continuing desire to assist your Board but are only a result of audit procedures performed based on risk assessment procedures and not all deficiencies or weaknesses in controls may have been identified. If you have questions or concerns regarding this comment please contact your regional Auditor of State office.

Recommendation

Financial Statement Presentation and Disclosure*

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

**Recommendation
(Continued)**

Financial Statement Presentation and Disclosure* (Continued)

Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

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, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

At June 30, 2020, the Board reported intergovernmental receivable and accounts payable on their basic financial statements. During the conversion of the financial statements in accordance with generally accepted accounting principles (GAAP), the amount for intergovernmental receivable was understated by \$2,700 and accounts payable was understated by \$2,700.

The Board should establish procedures to help ensure transactions are accurately reported on the basic financial statements.

We intend this report for the information and use of the governing board, audit committee, and management.



Keith Faber
Auditor of State
Columbus, Ohio

February 24, 2021

* This matter was reported in the audit of the 2019 financial statements.