



# Dave Yost • Auditor of State

## MANAGEMENT LETTER

Hilliard City School District  
Franklin County  
5323 Cemetery Road  
Hilliard, Ohio 43026

To the Board of Education:

We have audited the basic financial statements of Hilliard City School District, Franklin County, Ohio (the District) in accordance with *Government Auditing Standards*, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 16, 2012.

*Government Auditing Standards* require us to report significant internal control deficiencies, fraud, and illegal acts (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated November 16, 2012, for the year ended June 30, 2012.

Office of Management and Budget Circular A-133 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 November 16, 2012, for the year ended June 30, 2012.

We are also submitting the following comment for your consideration regarding the District's internal controls. This comment reflects a matter that does not require inclusion in the reports *Government Auditing Standards* requires. 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 these recommendations. However, this comment reflects our continuing desire to assist your District. If you have questions or concerns regarding these comments please contact your regional Auditor of State office.

## RECOMMENDATION

### Board Approval of Bank Accounts

The Board of Education is responsible for monitoring all activities of the District. This monitoring should be conducted timely and documented accordingly. As part of this monitoring process, the Board should establish any policies or procedures governing the District's activity as they deem fit. The establishment of policies allows for a consistent and uniform approach across all District employees and reduces the likelihood of improper activity occurring.

A former District Athletic Director opened an outside bank account for Ohio High School Athletic Association (OHSAA) tournaments without prior approval or knowledge of the Treasurer or the Board of Education. This resulted in fraudulent transactions occurring with funds collected by the former Athletic Director on behalf of the OHSAA. A finding for recovery was not issued against the former Athletic Director because all funds due the District were replenished.

We recommend the District develop a policy requiring approval of the Treasurer and Board of Education prior to the establishment of any outside checking accounts in the District's name or for District sponsored activities. The policy should include oversight procedures to be performed by the Treasurer's Office of Board of Education to ensure all District employees responsible for handling cash collections are adhering to the policy.

We intend this report for the information and use of the management, Audit and Accountability and the Board of Education.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

November 16, 2012