



Report Highlights

Town of Oberlin

MICHAEL J. "MIKE"
WAGUESPACK, CPA

Audit Control # 50230004
Investigative Audit Services • March 2024

Why We Conducted This Audit

We initiated this audit to determine the validity of complaints we received regarding the Town of Oberlin's (Town) use of public funds.

What We Found

Town Did Not Comply with the Local Government Budget Act

The Town is required to maintain records to demonstrate it properly adopted a budget for each fiscal year. However, for fiscal years ended June 30, 2021 through June 30, 2024, the Town was unable to do so and, as a result, may have violated state law. The Town is also required to maintain an ordinance book containing all of the ordinances passed by the Town Council. However, the Town could not provide an ordinance book during the time of our audit, which also may violate state law.

Town Failed to Budget American Rescue Plan Act (ARPA) Funds and Made Improper Payments to Town Officials

The Town received \$640,365 in federal ARPA payments, deposited them into a separate ARPA bank account, then later transferred the ARPA funds to the Town's general fund bank account. The Town failed to budget the use of the ARPA funds by ordinance, as required by state law, and cannot provide an accounting of how the ARPA funds were spent after the transfer to the general fund bank account. Additionally, it appears the Town paid \$35,076 of improper premium pay to elected and appointed officials. Since the Town did not budget or account for the ARPA funds as required and made improper payments to Town officials, the Town's use of ARPA funds may have violated state law.

Undocumented Payments to the Town Employees and the Town Attorney

Four Town employees and the Town attorney received payments from the Town for working on the ARPA funds, but the Town had no records showing when the work was performed or what was done. Since the Town paid public funds to Town employees and the Town attorney without documentation of the work performed, these payments may have violated the state constitution and state law.

Continued on next page

What We Found (Cont.)

Former Finance Clerk Paid Herself for Unearned Leave and Did Not Record All Sick Leave Hours Used

The Town's former finance clerk, Angelina Conner, used 43 hours of sick leave that she did not earn from March 21, 2022 to December 4, 2022. In addition, the finance clerk's timecards show she used 123 hours of sick leave; however, the Town's accounting system shows she used 76 hours of sick leave from March 18, 2022 to December 4, 2022. Ms. Conner had the access and ability to make changes in the accounting system, including the payroll ledger. By using leave she did not earn and paying herself regular hours when her time sheets show she used sick leave, the former finance clerk may have violated Town policy and state law.

Former Town Clerk Received Improper Overtime

Former Town Clerk Charlotte Artis was paid \$10,896 for 404 hours of overtime from March 30, 2022 to December 19, 2022. Town records show the mayor did not approve her timecards, and only signed one of her payroll checks. Additionally, the Town Council passed a motion, on March 16, 2022, which approved budget cuts that included eliminating overtime in all departments. Since Ms. Artis' time sheet was not approved by her supervisor and she signed all but one of her payroll checks, it does not appear she was entitled to overtime and she may have violated state law.

Improper Local Agency Compensated Enforcement (LACE) Program

The Town operated its own LACE program through the Mayor's court without an agreement with the District Attorney. In addition, citations issued by the Town's police officers cite violations of state law instead of Town ordinance. Finally, the Town did not remit all the mandatory court costs required of Mayor's courts. By citing violations of state law instead of Town ordinances, Town officials may have violated state law.

LACE Tickets Improperly Reduced

Chief of Police Grady Haynes improperly reduced and modified 25 LACE tickets from moving to non-moving violations from October 2021 to February 2023, which may violate state law. Additionally, neither the Chief nor his designee signed (swore to) the tickets as required by state law.

Improper use of Dedicated Funds

The Town used \$192,579 of restricted sales tax revenue for general payroll expenses that likely were not allowable from April 2022 to March 2023. The use of these funds by the Town may have violated the tax proposition passed by the voters of the Town.