



**Auditor**  
**Charles E. Walder**  
*Chief Fiscal Officer*

June 10, 2021

Mr. Howard Bates, President  
Mr. Pat Preston, Vice President  
Mr. Bill Dieterle, Commissioner  
Mr. Dennis Ibold, Commissioner  
Mr. Mario Innocenzi, Commissioner  
Mr. John Oros, Executive Director  
Gauga Park District  
9160 Robinson Road  
Chardon, OH 44024

Re: Transition from County Fiscal and IT services

Dear Sirs:

While I greatly appreciate Mr. Frederick's recent invitation to attend your June 11, 2021 Board meeting, my already-established obligations conflict. Cooperation between government officials is important, especially concerning management of the public's money. Therefore, I am writing you to again reiterate my concerns regarding the Gauga Park District's ("the District") actions to financially and logistically separate from Gauga County.

My Office has recently been informed by Mr. Frederick of a contradicting transition date from that previously communicated by your Executive Director. Worryingly, we have not received any evidence demonstrating that necessary systems are in place and have been tested to reasonably assure a problem-free and secure transfer of authority and function. Specifically, we have substantial concerns about the District's understanding of said systems, which should be in place, set up, and tested prior to engagement. Moreover, considerable payroll issues related to the transition of payroll taxes on deposit, filing authority on tax reports, establishment of taxation accounts and IDs have yet to be detailed. What is more troublesome is there is no evidence that the District has sought and obtained an independent third-party cost-vs.-benefit analysis of such a transition; a very common practice in the private sector.

This seeming rush to transition without significant preparation and proven methodology exposes the District to substantial risk. Unlike most comparable private-sector transitions, this statutory transition is digital and takes effect upon your appointment of a Treasurer. At that moment, all services previously performed by the Gauga County Treasurer and Auditor under Ohio Revised Code Section 1545.22 immediately end.

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We have not yet been provided by the Board with confirmation establishing your required depository, formal Board action authorizing the transfer of at-issue public funds including target account details, but we have been so advised that a demand for moneys will occur on June 11, 2021. This is the cart before the horse. In addition, we have not received your confirmation that you have set-up a myriad of District elements for self-sufficiency including:

- (1) Federal ID establishment,
- (2) Federal and State grant tracking and reporting,
- (3) OPERS notification of separation,
- (3) Payroll W-4 information,
- (4) Fiscal policies that incorporate your new internal functions,
- (5) UAN accounts and users setup,
- (6) UAN fund assignments and setup,
- (7) Vendors establishment, vetting, and loading into UAN,
- (8) Employee payroll rate entry, which should to be tested and verified in whatever payroll tool you will utilize,
- (9) UAN appropriation establishment,
- (10) UAN revenue certification entry,
- (11) Payroll 457 & Ohio Deferred Compensation account establishment, contract, and enrollment setup,
- (12) Health insurance payroll reporting setup,

among many other details in addition to this non-inclusive list.

Furthermore, the District faces considerable concurrent challenges stemming from its simultaneous separation from Geauga County's IT services, including loss of (i) VoIP phones, (ii) email, (iii) internet, (iv) cameras, (v) router and firewall reconfiguration, (vi) anti-virus and spam protection setup, as well as (vii) required cybersecurity policies and measures, which need to be established and implemented, ideally prior to the transition.

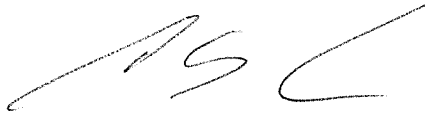
Therefore, to stave off disastrous consequences resulting from a recklessly rushed transition, I strongly encourage the District to take certain basic steps in advance of the transition. Simple processes that should be considered and tested prior to separation from Geauga County should include test processing a payroll run, test mode processing of purchase orders in UAN, test processing a series of warrants in UAN, as well as other fiscal tests. Testing of IT systems are equally important and should be initially enabled in parallel with existing systems from Geauga County's IT prior to separation. Going live should occur only after systems are deemed reliable, stable, and secure to assure near bump-less transfer of services.

Many of the items that I have identified require legal interpretation to determine what level of authority is required to authorize certain post-transfer fiscal functions, permissions, and proper checks and balances to ensure that the law is followed and fiscal safeguarding of public funds is maintained. Many of these legal opinions are still under consideration by our legal counsel. The rush to transfer has put the District at risk should any of the items that I have identified in this communication cause system upset.

While you as the Board of Park Commissioners have the undeniable authority to take this action, you also bear the concurrent responsibility and liability if the transition is rushed through haphazard and reckless execution. It is incumbent on you as the Board to ensure that all obvious and reasonable risks have been identified and necessary safeguards have been put in place and tested before carrying out such a drastic change involving millions of dollars of taxpayer money and your employees' livelihoods.

We as public servants are tasked with putting our constituents first, and to that end, we must strive to act in ways that are *more* cost effective, *more* secure, with *more* oversight and transparency, and of *more* benefit to Geauga County's taxpayers. To those ends, I encourage you to strongly consider my Office's recommendations and attempts to assist you.

Sincerely and respectfully,



Charles E. Walder  
Gauga County Auditor, Secretary & Administrator ADP

Cc: AoS Chief Auditor  
County Prosecutor  
County Commissioners  
Auditor Staff  
file