

# OHIO AUDITOR OF STATE KEITH FABER



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## MANAGEMENT LETTER

Northridge Local School District  
Licking County  
6097 Johnstown-Utica Road  
Johnstown, OH 43031

To the Board of Education:

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 Northridge Local School District, Licking, Ohio (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements and have issued our report thereon dated March 5, 2025.

*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 March 5, 2025, for the year ended June 30, 2024.

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 March 5, 2025, for the year ended June 30, 2024.

We are also submitting the following comments for your consideration regarding the School District's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. The comments reflect matters that do not require inclusion in the *Government Auditing Standards* or Single Audit reports. Nevertheless, the comments represent matters for which we believe improvements in compliance or 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 the recommendation(s). The comments reflect our continuing desire to assist your School District 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 the comments, please contact your regional Auditor of State office.

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## Noncompliance Finding

### 1. Related Party Transaction

**Ohio Rev. Code §2921.42, §102.03(D) and (E)** state, in part, public officials and employees cannot: (a) hire or use their positions to secure employment for their family members; (b) recommend or nominate their family members for public jobs with their own, or any other, public agencies; or (c) give to their family members, or solicit or use their positions to secure for their family members, raises, promotions, job advancements, overtime pay or assignments, favorable performance evaluations, or any other things of value related to their employment.

**1980 Ohio Ethics Commission Op. No. 80-001**, has defined a family member as including, but not limited to: (a) grandparents; (b) parents; (c) spouse; (d) children, whether dependent or not; (e) grandchildren; (f) brothers and sisters; and (g) any person related by blood or marriage and residing in the same household." In addition to the public contract restrictions, **Ohio Rev. Code §102.03(D) and (E)** apply to public officials or employees when their family members are seeking employment with, or are employed by, the same public agency they serve.

The School District's Treasurer and CFO, Mr. Britt Lewis, is the spouse of Food Service Coordinator Mrs. Carley Lewis. Per board policy #1230, Mrs. Lewis reports to the Assistant Treasurer and to the Superintendent to remain independent of the Treasurer.

On May 20, 2019, the Superintendent recommended, and the Board of Education approved, a contract for Mrs. Lewis to be the School District's Food Service Director from August 1, 2019 until June 30, 2024. In addition to Mrs. Lewis, Mr. Doug Hart, Board President, and Mr. Lewis signed the contract on behalf of the School District.

Failure to ensure School District management is independent during hiring employees, from vendors and all other related party transactions could result in the School District entering contracts that might not be in their best interest.

The School District should take appropriate steps to verify that management is independent during all transactions and policies and procedures are in place to detect and appropriately address any conflicts of interest.

This matter will be referred to the Ohio Ethics Commission.

## Recommendation

### 1. Lack of Application Level Multi-Factor Authentication (MFA) – LACA

To help reduce the likelihood of unauthorized use, organizations must restrict access to their computer systems, programs, and data. The level of access must be commensurate to a specific user's job responsibilities and needs. Typically, logical access to automated information is restricted by the use of a password associated with access rules. Standard password administration guidelines suggest passwords be a minimum number of characters in length, difficult to guess, and contain no repeating characters. In addition, effective access procedures would provide for the lockout of user accounts following a pre-defined number of unsuccessful attempts to access the system or applications. In addition, effective access procedures would include Multi-Factor Authentication, which requires multiple credentials to verify a user's identity.

During review of the State Software application authentication controls, it was noted that multi-factor authentication is not enabled at the application level.

This could result in an unauthorized individual gaining access to application data.

The School District should implement multi-factor authentication at the application level.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 5, 2025