

Word to the Wise – Proper Public Purpose – 12/18/2024

As we close out calendar year 2024 and approach the 2025 financial reporting period, it is a good time for a reminder regarding our responsibility to ensure **Proper Public Purpose** criteria is achieved.

Auditor of State Technical Bulletins consistently addresses two criteria regarding proper public purpose.

1. Governments **may not make expenditures of public monies *unless they are for a valid public purpose.***
2. A governmental action or direction **must benefit the populace as a whole.**

In support of achieving compliance against expenditure of public money we can point to the following guidelines (attached).

- **Resolution 2021-07.06.b** – Meetings, Trainings and Community Engagement Expenses
 - Two key considerations to follow.
 - The expenditure is required for the general good of all inhabitants
 - The primary objective of the expenditure is to further a public purpose.
 - Payment shall be supported by an agenda and/or summary of the business meeting or training, AND shall be processed within the normal, customary process.
 - *De Minimis* food or refreshments – in addition to the items listed above, a one-page evaluation of the community engagement should be preapproved by an appointing authority which includes the number expected to attend and the envisioned results of the engagement.
 - Documentation should always include the following.
 - Public Purpose of Meeting/Training
 - Documented with agenda, attendance records, minutes, and summaries.
 - Documented approval at management level.
 - Simple, de minimis expenditures.
- **Personnel Policy Manual** (located on the intranet under [Personnel-Policy-Manual-2024.pdf](#))
 - **Section 2:12** – Credit and Vendor Cards
 - **Addendum C** – Credit Card Policy
 - Review the updated Credit Card Policy and ensure charges to a county credit card meets proper public purpose.
 - Departmental policies should be reviewed and include references to achieving proper public purpose when making expenditures.
- **County Auditor – Proper Public Purpose slideshow presentation**
 - In addition to the Internal Control manual (located on the intranet under [Publications and Forms - Auditor - Fairfield County, Ohio](#)) the slideshow presentation is an excellent resource.

If in doubt, ask before a purchase is made and avoid the fraud triangle! The fraud triangle is a framework commonly used to explain the reason behind an individual's decision to commit fraud. These include (1) opportunity, (2) incentive, and (3) rationalization.

By familiarizing yourself with the appropriate protocol and adhering to the county policies, your efforts will help ensure compliance is achieved. Maintaining compliance ultimately reduces exposure to an Auditor of State – Finding for Recovery.

- Most findings for recovery are due to lack of documentation.
- An expenditure may be for a proper public purpose, but lack of documentation makes it impossible to justify the expense.

Please reach out to me at 740-652-7042 for guidance or questions.

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