



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

BASIC AUDIT REPORT

Village of Conesville
Coshocton County
P.O. Box 214
Conesville, Ohio 43811

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Conesville, Coshocton County, Ohio (the Village) for the years ended December 31, 2022 and 2021.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 145.48** states, in part, that each employer shall pay to the public employees retirement system (OPERS) an amount that shall be a certain percent of the earnable salary of all contributions to be known as the "employer contribution.

Although the Village properly withheld pension contributions from the appropriate employees for the fourth quarter of 2022, the Village neglected to remit the amount withheld to OPERS by the deadline of January 31, 2023 as the contributions were remitted on February 6, 2023.

The Fiscal Officer should remit the proper employee and employer share of OPERS promptly to the Ohio Public Employees Retirement System each period, as required. In addition, the Village should consult with OPERS in order to address the amounts currently owed. This matter will be referred to OPERS for whatever action deemed necessary. Our prior basic audit also reported this issue.

Current Year Observations (Continued)

2. **Ohio Rev. Code § 149.43(B)(2)** states to facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public. If a requester makes an ambiguous or overly broad request or has difficulty in making a request for copies or inspection of public records under this section such that the public office or the person responsible for the requested public record cannot reasonably identify what public records are being requested, the public office or the person responsible for the requested public record may deny the request but shall provide the requester with an opportunity to revise the request by informing the requester of the manner in which records are maintained by the public office and accessed in the ordinary course of the public office's or person's duties.

The Village follows the records retention schedule published by the Ohio Historical Society, however, they have not approved a formal records retention policy.

The Village should establish a formal records retention policy and ensure it is readily available to the public. Our prior basic audit also reported this issue.

3. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

A poster describing the public records policy must be conspicuously displayed in all of the Village's branch offices and the public records policy must be included in policy manuals or handbooks if any exist.

The Village has a public records policy, however, has not posted the policy in a conspicuous place within the public office.

We recommend the Village ensure that the public records policy is publicly posted. Our prior basic audit also reported this issue.

4. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

All four of the Village's elected officials with terms ending in 2021, did not, during their term of office, attend a required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

Current Year Observations (Continued)

5. **Ohio Rev. Code § 5705.39** provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2022, the Village's appropriations exceeded the amount certified as available by the budget commission in the General fund by 9,743.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Village Council to reduce the appropriations.

6. **26 U.S.C. § 3102** states that Medicare taxes should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes.

26 U.S.C. § 3402(a)(1) states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

Although the Village properly withheld Federal Tax for the Fiscal Officer, Social Security for Council Members and the Mayor, and Medicare for all elected officials, the withholdings for the third quarter and fourth quarter of 2022 amounting to \$391 and \$399, respectively have not been remitted. Failure to remit federal taxes in a timely fashion, as required, could subject the Village to penalties and interest charges.

The Fiscal Officer should remit the proper federal taxes and Medicare promptly to the Internal Revenue Service each period, as required. This matter was also reported in the Village's 2020-19 basic audit report. This matter will be referred to the Internal Revenue Service for whatever action deemed necessary.

Current Year Observations (Continued)

7. The Village utilizes Regional Income Tax Agency (RITA) to handle the processing and collection of income tax receipts. As an administrative fee for handling this process, RITA withholds a retainer fee and distributes the net receipts to the Village. The gross receipts and the retainer fees and adjustments should be captured as receipts and expenditures on the ledgers and financial statements.

However, in 2022 and 2021, the Village had income tax retainer fees and adjustments of \$1,729 and \$780, respectively, that were not recorded on the financial statements since the income tax receipts were recorded at net instead of gross. Additionally, the Village neglected to remit the local income tax withheld from employee pay checks in order for RITA to properly update their records.

The Village should ensure gross receipts collected by RITA, as well as related fees and adjustments, are recorded on the financial statements. Additionally, the Village should remit all local income tax withheld to RITA.

This matter was also reported in the Village's 2020-19 basic audit report.

8. Maintaining organized documentation and support for financial transactions is essential in assuring the Village's financial statements are accurately presented and that all expenditures are made for a proper public purpose.

The Village did not maintain underlying documentation and support for one reimbursement to the mayor in 2022 of \$20 and a vendor payment of \$27 in 2021.

Failure to maintain organized underlying documentation and support of financial transactions can increase the risk of fraud, inaccurate financial statements, and expenditures that are not for a proper public purpose.

The Village should maintain all invoices and purchase order for all financial transactions and records be maintained in an order manner to support all transactions.



Keith Faber
Auditor of State
Columbus, Ohio

December 27, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF CONESVILLE

COSHOCTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/16/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov