



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Empire
Jefferson County
151 Nessley Street
PO Box 307
Empire, Ohio 43926-0307

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Empire, Jefferson County, (the Village) for the years ended December 31, 2021 and 2020.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 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, 2021 and 2020.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 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, § 149.43(E)(2)**, states that all public offices shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.43 of the Ohio Revised Code.

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.

The Village failed to adopt a public records policy and records retention schedule. Failure to adopt a public records policy and records retention schedule may result in the improper access to Village records and the improper destruction of these records.

The Village shall adopt a public records policy as well as a records retention schedule and properly distribute the policy to ensure that those making requests and those handling requests are aware of the Village's procedures.

2. **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.

None of the Village's elected officials with terms ending in 2021, during their term of office, attended 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), shall, during their term of office, attend public records training and maintain proof of completion of the training.

3. **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. At December 31, 2021 the Village's appropriations exceeded the amount certified as available by the budget commission in the General Fund \$21,722.

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.

4. **Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's General Fund had expenditures in excess of appropriations of \$3,245, as of December 31, 2021.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

5. Testing over the Village's outstanding check register as of December 31, 2021 and identified seven checks totaling \$3,280 that were outstanding longer than a year. This may result in cumbersome and/or incorrect reconciliation.

The Village should implement policies and procedures which include reviewing the outstanding check lists for stale dated checks and then place these checks in an unclaimed money fund as provided for in MAS Bulletin 91-11.

6. Employers withholding federal tax and completing Form 941 are required to submit the amount due the month after the end of the quarter. The Village's 2021 fourth quarter federal tax was due on January 31, 2022, however, the Village did not submit the payment until April 6, 2022. Failure to submit federal tax amounts when due will result in fines and penalties for the Village.

The Village should implement procedures to ensure federal tax amounts owed are paid timely as required to avoid fines and penalties.

7. The official council minutes of the Village should be prepared timely and accurately, be made available to the public, and signed by the appropriate officials to indicate the minute records are accurate and complete. The Council minutes for the Village during the audit period were not signed by the Mayor or Fiscal officer.

The Village should implement procedures to ensure minutes are properly signed by the appropriate officials.

Current Status of Matters Reported in our Prior Engagement

8. In addition to the matters reported in items 1, 2, and 6 above, our prior basic audit for the years ended December 31, 2019 and 2018 included bank reconciliation errors, and not timely posting receipts. These matters have been corrected for 2021 and 2020. In addition, the prior basic audit included a comment regarding the Fiscal officer updating the Fiscal Integrity Act Portal, which has been corrected. Finally, the prior basic audit included a comment over the Village's credit cards which is not required to be tested in 2021 and 2020.



Keith Faber
Auditor of State
Columbus, Ohio

September 21, 2022

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VILLAGE OF EMPIRE

JEFFERSON 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 10/11/2022

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This report is a matter of public record and is available online at
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