



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Hollansburg
Darke County
Hollansburg, Ohio 45332

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 Hollansburg, Darke 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. The Fiscal Officer did not obtain the required fiscal integrity continuing education training as required by Ohio Rev. Code § 733.81. Failure to obtain the required training could result in improper knowledge of fiscal officer requirements.
2. The Village did not have an adopted/approved records retention schedule/policy. Ohio Rev. Code § 149.43(B)(2) requires that 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. 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 should implement procedures to ensure that appropriate records retention schedules/policies are properly established and adopted/approved and have its records retention schedule at a location readily available to the public. Failure to do so could result in a violation of Sunshine laws.
3. The Village did not have its Public Records Policy on display, via a poster, in a conspicuous place at the Village's office. Ohio Rev. Code § 149.43(E)(2) provides, in part, that a public office must create and post in a conspicuous place in the public office and in all locations where the public office has branch offices a poster describing its public records policy. The Village should create a poster describing its Public Records Policy and display/post it in a conspicuous place in the public office and in all locations where the Village has branch offices. Failure to do so could result in the violation of Sunshine Laws.

4. The Village had not established a credit card policy to govern the use of its credit card. The Council should approve a credit card policy that is in compliance with the House Bill 312 statutory requirements. In addition to the House Bill, additional information can be found in Auditor of State Bulletin 2018-003 and Optional Procedures Manual Section O-7 of the Ohio Compliance Supplement which are available at <https://ohioauditor.gov>.
5. Maintaining organized documentation and support for financial transactions is essential in assuring the Village's financial statements are not materially misstated and that all expenditures are made for a proper public purpose. Additionally, Ohio Rev. Code § 149.351 requires all records that are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Ohio Rev. Code §149.38 through 149.42.

The Village did not provide remittance forms and applicable supporting documentation for payroll withholdings paid for year-end December 31, 2021. The Village also did not provide the Village Council meeting minutes for July 2020 and January 2021. Failure to maintain proper supporting documentation could result in possible future findings for recovery.

6. Ohio Rev. Code § 117.38 requires entities to file their annual financial information in the HINKLE system within 60 days after the close of the fiscal year. The financial information for the year ended December 31, 2020, was filed on November 2, 2022 with a due date of March 1, 2021.
7. The Village's bank account reconciled to the accounting system at December 31, 2021. However, there was a \$595 variance between the ending fund cash balance in the accounting system and the ending fund cash balance in the annual financial report filed in the Hinkle system. The Village should review all information included in their annual financial reports prior to filing to verify the proper information is included in the report and agrees to the accounting system.
8. There was no evidence that the Village integrated budgetary estimated receipts or appropriations into the accounting system for 2020 or 2021. The Fiscal Officer should periodically compare amounts recorded in the accounting system to amounts on the Official Certificate of Estimated Resources or the Amended Official Certificate of Estimated Resources and annual appropriation measures to assure they agree. If the amounts do not agree, the Village Council may be using inaccurate information for budgeting and monitoring purposes.
9. Beginning in January 2021 the Village stopped recording receipt numbers in the accounting system ledgers. The Village should issue pre-numbered duplicate receipts for all monies collected and those receipt numbers should be recorded in the accounting system ledgers. This increases accountability over the receipting process.
10. The Village was unable to provide a current bank reconciliation. Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences could result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The Fiscal Officer should record all accounting transactions and reconcile monthly. Failure to complete timely and accurate bank reconciliations will result in the Village being ineligible for reduced audit services in the future.

Also, the Village's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft and possible findings for recovery.

Current Status of Matters Reported in our Prior Engagement

Our prior audit for the years ended December 31, 2019 and 2018 included six findings. Findings #1 (employee OPERS contribution) and #3 (public records training for elected officials) were corrected during the current audit period. Findings #2 (fiscal integrity training), #4 (records retention policy), #5 (public records policy poster), and #6 (credit card policy) were not corrected and are repeated above as current year observations #1, #2, #3, and #4, respectively.



Keith Faber
Auditor of State
Columbus, Ohio

January 12, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HOLLANSBURG

DARKE 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 1/31/2023

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