



Dave Yost • Auditor of State



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Village of Plainfield
Coshocton County
P.O. Box 434
Plainfield, Ohio 43836

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 Plainfield, Coshocton County, Ohio, (the Village) for the years ended December 31, 2012 and 2011.

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, 2012 or 2011.

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.

Current Year Observations

1. Ohio Admin. Code Section 117-2-02 (A) requires that local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, and maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply). Further, Ohio Admin. Code Section 117-2-02 (D) (1) requires all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following: Cash journal, which typically contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction. During testing, it was noted the Village did not maintain a Cash Journal for 2012 or 2011. Procedures were performed by footing the Village's receipts and appropriations ledgers for the years ended December 31, 2012 and 2011 and comparing it to the reported amounts on the annual financial statements. The 2011 General Fund expenditure ledger exceeded the amount posted to the annual report by \$177. By preparing bank monthly reconciliations, this would have been identified.

The Village should maintain a Cash Journal to comply with Ohio Admin. Code Sections 117-2-02 (A) and 117-2-02 (D) (1) and to support the monthly bank reconciliations.

Current Year Observations (Continued):

2. The Village Fiscal Officer did not prepare monthly bank to book reconciliations for 2012 and 2011. Subsequently, the Village appointed a new Fiscal Officer who did prepare bank reconciliations for December 2012 and 2011 which did appear to reconcile after verifying the components of both bank reconciliations. However, as a result of not performing monthly reconciliations, the risk that funds could be misappropriated or errors and omissions could go undetected is increased.

The Village Fiscal Officer should perform an all-inclusive bank to book monthly reconciliation. The bank reconciliations should clearly identify the bank to balances and each reconciling item that reduces or increases the bank balances to the Village's book balance. Support should be maintained for all reconciling items noted in the monthly reconciliation. This will strengthen the Village's internal controls over the reconciliation process and ensure errors and omissions are detected in timely reducing the risk funds could be misappropriated.

3. **26 U.S.C. Section 3401 through Section 3406** requires each employer's Quarterly Federal Tax Return include employees' withheld Federal Income Tax, Social Security Tax, Medicare tax, and the employer's share of Social Security and Medicare tax. If the employer accumulates a liability for these taxes of \$2,500 or more per quarter, the employer must deposit this amount by making payment to an authorized financial institution. Deposits are made either by the Electronic Federal Tax Payment System (EFTPS), or by using a Form 8109, *Federal Tax Deposit Coupon*, which must accompany the payment. If you use the coupon, it is very important that it shows the correct employer identification number, name, and type of tax and tax period; as this information is used by the IRS to credit your account. Your check or money order should be made payable to the financial institution where you make your deposit, not to the IRS. In addition, 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.

The Village owes Social Security, Medicare, withholding taxes, penalty fees and interest of \$924 to the Internal Revenue Service as a result of late payments of withholdings and employer contributions not properly being submitted from calendar years 2007 to 2012.

Employee withholdings and employer contributions should be remitted promptly in the future to avoid expenditures for late fees and interest.



Dave Yost
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April 12, 2013



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VILLAGE OF PLAINFIELD

COSHOCTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 9, 2013