



Dave Yost • Auditor of State



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Village of Norwich
Muskingum County
P.O. Box 15
Norwich, Ohio 43767

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 Norwich, Muskingum County, Ohio (the Village), for the years ended December 31, 2014 and 2013.

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, 2014 or 2013.

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.

Current Year Observations

1. Ohio Admin. Code § 117-2-02(C)(1) requires all local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system in order to effectively maintain the accounting and budgetary records. We noted that the Village did not record estimated revenue approved by the Muskingum County Budget Commission to the accounting system.

The Village should record all budgetary information to the accounting system. This will help improve the accuracy of information reported and will provide accurate budget versus actual comparisons which will allow management and the Council to make informed financial decisions.

Current Status of Matters we Reported in our Prior Engagement

2. In addition to the budgetary matter reported in item 1 above, the prior audit for the years ended December 31, 2012 and 2011 included an unexplained reconciling item of \$17.87 on the Village's bank reconciliations at December 31, 2012 and March 31, 2013. An unexplained reconciling item of \$16.75, which resulted in fund balances exceeding actual available cash by this amount, was still present on the Village's December 31, 2014 and August 31, 2015 reconciliations. The Fiscal Officer was unable to determine what this amount represented.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The Fiscal Officer should review transactions recorded since the last reconciliation and correct the error.

Current Status of Matters we Reported in our Prior Engagement (Continued)

3. The prior audit noted tax receipts were being posted at net rather than gross according to the County Auditor settlement sheets for 2012 and 2011. The Village began correctly posting its real estate tax settlements at gross beginning with the second-half settlement for 2013. However, in 2014, the Village posted its manufactured home tax settlements at net rather than gross. The Fiscal Officer should post all tax settlements at gross according to the county auditor settlement sheets.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

September 28, 2015



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VILLAGE OF NORWICH

MUSKINGUM 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
OCTOBER 8, 2015**