



Dave Yost • Auditor of State





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Village of Old Washington  
Guernsey County  
P.O. Box 268  
Old Washington, Ohio 43768

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 Old Washington, Guernsey County, Ohio (the Village), for the years ended December 31, 2015 and 2014.

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, 2015 or 2014.

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**

We examined the bank reconciliation prepared as of December 31, 2015. It included an unexplained reconciling item of \$3,000, which results in fund balances exceeding actual available cash by this amount. Prior to the performance of our procedures, we were able to determine what this amount represented and the Fiscal Officer posted adjustments to the Village's records to correct this error.

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 balances information, and conceivable could cause deficit spending.

Although there was documentation of Village Council's review of the bank statement and reconciliation on a monthly basis, this compensating control proved to be ineffective. 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.

**Current Status of Matters We Reported in our Prior Engagement**

In addition to the reconciling matter reported above, the prior audit for the years ended December 31, 2013 and 2012 included the Fiscal Officer posted several fund balance adjustments which equated to illegal transfers between funds. This has been corrected for this audit period. Also, the Village during 2013 had expenditures that exceeded appropriations. This has been corrected for this audit period.

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 21, 2016



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VILLAGE OF OLD WASHINGTON

GUERNSEY 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 4, 2016