



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



53 Johnson Road  
The Plains, Ohio 45780-1231  
(740) 594-3300 or (800) 441-1389  
SoutheastRegion@ohioauditor.gov

Village of Rendville  
Perry County  
3322 Township Road 217 NE  
New Lexington, Ohio 43764

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 Rendville, Perry County, Ohio (the Village), for the years ended December 31, 2019 and 2018.

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, 2019 and 2018.

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.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

## Current Year Observations

1. We noted that the Village made expenditures during the period; however, the Village did not adopt any budgetary measures in accordance with Ohio Rev. Code § 5705.38 or follow the budgetary process outlined in Ohio Rev. Code Chapter 5705. Ohio Revised Code § 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure unless it has been appropriated. The Village should follow the requirements of Ohio Rev. Code Chapter 5705 including adopting a budget for spending each fiscal year. Our prior engagement also reported budgetary deficiencies related to the Village's adoption of a tax budget in accordance with Ohio Rev. Code § 5705.28, appropriations limited by estimated resources as required by Ohio Rev. Code § 5705.39 and adopting a resolution to authorize the necessary tax levies as required by Ohio Rev. Code § 5705.34.
2. We noted the former Village Fiscal Officer was issued a check for reimbursement for supplies and materials in the amount of \$150. We noted no supporting documentation related to this reimbursement. Without appropriate documentation we cannot determine that these funds were being utilized for expenditures which represented proper public purposes of the Village. The Fiscal Officer should maintain supporting documentation, including invoices, for all Village expenditures. Our prior engagement also reported this deficiency.
3. 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. The public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy.

### **Current Year Observations (Continued)**

The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook. We noted the Village does not have a public records policy. This could result in records requests not being fulfilled in accordance with Ohio law.

The Village should establish a public records policy to address the Village's available records, the times when public records may be inspected, and the costs associated with records requests. The policy should be included in policy manuals be displayed conspicuously in all branches of the Village. In addition, the Village should have written evidence that the policy was provided to the records custodian/manager.

4. 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. We noted the Village has not adopted a records retention policy or schedule. The Village should adopt a records retention schedule and maintain a copy at a location readily available to the public.
5. Ohio Rev. Code § 2921.42 states, in part, that no public official shall knowingly authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest; Ohio Revised Code § 102.03(D) and (E) provides that no public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties and no public official or employee shall solicit or accept anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

In addition, Ohio Ethics Opinion 2010-03 states that public officials and employees cannot: (a) hire or use their positions to secure employment for their family members; (b) recommend or nominate their family members for public jobs with their own, or any other, public agencies; or (c) give to their family members, or use their positions to secure for their family members, raises, promotions, job advancements, overtime pay or assignments, favorable performance evaluations, or any other things of value related to their employment. Two family members can work for the same public agency, provided that both are able to comply with these restrictions.

The Mayor's brother was paid for mowing services totaling \$1,560 and \$480 during 2019 and 2018, respectively. No approval of Village Council was noted for the performance of these duties.

This matter will be referred to the Ohio Ethics Commission for whatever action is deemed necessary.

### **Current Year Observations (Continued)**

6. We examined the bank reconciliation prepared as of December 31, 2019. It contained outstanding checks totaling \$403 which represented outdated stale checks or duplicate checks which had not been voided. Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. The Fiscal Officer should review the outstanding checklist and address any checks listed which are not truly outstanding.
7. Ohio Admin. Code § 117-2-02(D)(4)(a) requires that all local public offices should maintain or provide payroll records including:
  - W-2 forms, W-4 forms and other withholding records and authorizations;
  - Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee (such as termination payment), and the fund and account charged for the payments;
  - Check register that includes, in numerical sequence, the check number, payee, net amount and the date;
  - Information regarding non-monetary benefits, if applicable, such as car usage and life insurance; and
  - Information, by employee, regarding leave balances and usage, if applicable.

During our review of the Village's payroll system, we noted the following conditions:

- An ordinance, or Council action taken in the minutes, was not provided for audit to support the amount to be paid to Council members, the Mayor, or the Fiscal Officer.
- Not all meeting minutes were provided for audit, which was necessary to determine the annual pay amount due to each council member.
- Personnel files were not established for each employee/official.
- No tax withholdings or remittances were made in 2018 or 2019
- Retirement withholdings were not made or remitted for the Fiscal Officer in 2018 or 2019.
- No IT-4 Forms were on file for Village employees/officials.

These conditions could result in officials/employees being compensated incorrectly, incorrect W-2 forms, late penalties and interest being incurred by the Village. Other errors or irregularities could also occur and remain undetected. The Village should take steps to ensure compliance with the aforementioned requirements. Our previous engagements also noted these deficiencies.

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

1. Our prior engagement noted a Finding for Recovery issued against the former Fiscal Officer in the amount of \$398 for unsupported payments received from the Village. The Receipt Detail report noted receipts totaling \$398 received to repay this amount.
2. Our previous engagement noted the Village had a negative General Fund cash balance of \$1,366 at December 31, 2017. We noted the Village did not have any negative General Fund cash balance as of December 31, 2019 or 2018.
3. Our prior engagement noted the Village did not comply with Ohio Rev. Code § 121.22(C) which states, in part, that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection. During the current period we noted there was only one Council meeting. We noted that the minutes were not signed by the Fiscal Officer and/or the Mayor. This can cause items pertaining to the Village to go unseen by the Mayor and/or Council Members if regularly meetings are not held and if minutes are not signed.

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

We recommend the Village Council hold periodic meetings with all proceedings and actions taken at these meetings documented in the minutes.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 4, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF RENDVILLE**

**PERRY 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 8/18/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)