



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Butlerville
Warren County
8516 Walnut Street
Pleasant Plain, Ohio 45162

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 Butlerville, Warren County, (the Village) for the years ended December 31, 2020 and 2019.

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, 2020 and 2019.

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. We examined the cash reconciliation prepared as of December 31, 2020. It included an unexplained reconciling item of \$250, which results in actual available cash exceeding fund balances by this amount. The fiscal officer was unable to determine what this amount represented. We recommend the Village maintain support for all reconciling items on their cash reconciliation.

This issue of the unexplained reconciling item was also reported in the 2016-2015 and 2018-2017 audit reports.

2. We noted that the Fiscal Officer did not receive the required training for the term ending March 31, 2020 as required by the Fiscal Integrity Act. **Ohio Rev. Code § 733.81(D)(2)** requires a fiscal officer elected to a subsequent term of office to obtain 12 hours of continuing education each term with 2 hours each term consisting of ethics training. Failure to receive regular training increases the likelihood of errors. In order to maintain and/or enhance the working knowledge and prevent future occurrences of noncompliance, the Fiscal Officer should attend the required training.

3. **Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

Ohio Rev. Code § 149.43(B)(2) states the entity shall have available a copy of its current records retention schedule at a location readily available to the public.

The Village has no formal written policy that would demonstrate compliance with the Ohio Revised Code and does not have a current records retention schedule. This could result in records requests not being fulfilled in accordance with Ohio law.

The Village shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the Village should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Village's branch offices and the public records policy must be included in policy manuals or handbooks if any exist. The Village shall also establish a records retention schedule and have it readily available to the public.

Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

4. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

None of the Village's elected officials, during their term of office, attended a required Certified Public Records Training or had an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

5. We noted the Village did not submit any withholdings or supporting documentation for Medicare, taxes, and/or pension for 2019 and 2020. We recommend that the Village consult with their legal counsel concerning payroll withholdings and withhold and remit payroll taxes as needed. The Auditor of State will refer this matter to the Internal Revenue Service and the Ohio Department of Taxation.

This issue was also reported in the 2014-2013, 2016-2015, and 2018-2017 audit reports.

6. **Ohio Rev. Code § 117.38** requires each public office to file their financial information with the Auditor of State within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System.

We noted that the Village did not file their 2020 complete financial statements until August 23, 2021 due to re-filing to comply with requirements, which was beyond the 60 day requirement.

7. During 2020-2019, the Village utilized a debit card. **Ohio Rev. Code § 9.22** states that no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision except for law enforcement purposes is a violation of section 2913.21 of the Revised Code. Use of a debit card does not have built-in restrictions over employee spending which could result in misappropriation or fraud. We recommend the Village halt the use of a debit card.

Current Status of Matters Reported in Our Prior Engagement

In addition to the reconciling item, withholdings and late filings noted in items 1, 5, and 6 above, our prior audit for the years ended December 31, 2018 and 2017 also included the following:

1. The Village overstated outstanding checks in the December 2018 cash reconciliation. This item has been corrected.
2. The Village did not have a credit card policy that met the requirements of House Bill 312. The Village did not utilize credit cards during 2020-2019.
3. Two out of three credit card expenditures tested in 2018-2017 did not have receipt documentation maintained to support the expenditure. The Village did not utilize credit cards during 2020-2019.



Keith Faber
Auditor of State
Columbus, Ohio
September 14, 2021

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BUTLERVILLE

WARREN 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 9/28/2021

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