



**VILLAGE OF BROUGHTON
PAULDING COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023-2022

**OHIO AUDITOR OF STATE
KEITH FABER**



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BASIC AUDIT REPORT

Village of Broughton
Paulding County
P.O. Box 334
Paulding, Ohio 45879-0334

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 Broughton, Paulding County, Ohio (the Village) for the years ended December 31, 2023 and 2022.

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, 2023 and 2022.

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 bank reconciliation prepared as of December 31, 2023. It included an unreconciled balance with the bank balance more than the book balance in the amount of \$927. A portion of the variance was posting errors and unposted receipts in the amount of \$840. The remaining variance of \$87 is unexplained. In addition, we examined the bank reconciliation prepared as of September 30, 2024. It included an unreconciled balance in the amount of \$1,048. After taking into consideration the posting errors and unposted receipts noted above the remaining variance of \$208 is unexplained.

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 record all transactions and prepare monthly bank to book reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected.

Also, 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.

2. The Village withheld Federal income tax, Medicare, Social Security taxes, State income taxes, and School District income taxes from the employees' gross wages during the fourth quarter of 2023. These amounts collected are to be disbursed to either the Federal agency by the 31st day of the month or to the State agency by the 15th day of the month following the end of the quarter. The Village disbursed the Federal and State amounts collected from employees' gross wages during the fourth quarter of 2023 on October 18, 2024 and April 16, 2024, respectively, which is after the due date. Failing to remit timely could result in fines and penalties being assessed against the Village. The Village should monitor payment due dates and remit payments by the due date.
3. The Village withheld School District income taxes from the employees' gross wages. The Fiscal Officer completed and submitted a quarterly withholding payment report to the School District Income Tax to remit payment of employee withholdings from gross wages in 2023. An electronic payment in the amount of \$3.53 was made by the Village on April 16, 2024. However, the amount remitted did not agree with the amount withheld in the amount of \$79.62. This could result in the Village's employees not being credited for payments being withheld from their gross wages for School District income taxes at the time they file their State of Ohio income tax returns. The Village should contact the School District Income Tax to resolve this issue.
4. The Village has not adopted a public records policy. Ohio Rev. Code § 149.43(E)(2) requires all public offices to adopt a public records policy. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under Ohio Rev. Code § 109.43. Failure to adopt a public records policy could lead to noncompliance with the Ohio Public Records Act when handling public records requests. The Village should adopt a public records policy and could model it after the example published by the Ohio Attorney General.
5. We noted the Village has not adopted a records retention schedule policy. Ohio Rev. Code § 149.43(B)(2) states, in part, a public office also "shall have available a copy of its current records retention schedule at a location readily available to the public." Failure to have and follow a records retention schedule could result in public records being disposed of prematurely. The Village should implement procedures to ensure the appropriate policy is approved to help avoid issues with public records requests.
6. We noted the Mayor and two council members did not attend or have an appropriate designee attend the required Public Records training. Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require that officials elected to statewide or local office, or their appropriate designees, receive three hours of Public Records training for each term of office. The training received must be certified by the Ohio Attorney General. Proof that training has been completed can include documentation that either the Attorney General's office or another entity certified by the Attorney General provided the training the elected official received. Attendees who successfully complete the training will receive a certificate to serve as proof of training. Failure to attend the required Public Records training could result in elected officials not being properly informed of public records requirements. The elected officials and the Fiscal Officer shall receive training on public records laws during each term of office and retain the certificate from the Attorney General as proof of training.



Keith Faber
Auditor of State
Columbus, Ohio

October 28, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BROUGHTON

PAULDING 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 11/7/2024

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