



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Sinking Spring
Highland County
Sinking Spring, Ohio 45172

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 Sinking Spring, Highland County, (the Village) for the years ended December 31, 2022 and 2021.

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, 2022 and 2021.

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, 2022. The reconciliation did not include the balance of the Certificate of Deposit at a value of \$62,291 held by the Village in the filed financial statements. Our prior Basic Audit procedures report also reported this matter.
2. **26 U.S.C. §§ 3401, 3402, 3403, 3404, 3405, and 3102(a)** require the employing government to withhold federal income and employment related taxes (such as Medicare). They also require the government to report and remit those tax matters to the appropriate tax authorities and the recipients.

The Fiscal Officer did not remit the required federal payroll tax amount as required by the Internal Revenue Service for fiscal year end December 31, 2022.. The incorrect amount of total payroll was used on the Form 944. Also, the 2022 payroll journal reflects amounts withheld for Federal taxes of \$200. These factors resulted in an underpayment of \$212.

The Village could incur penalties and interest due to paying an incorrect amount.

The fiscal officer should remit correct amount based on the payroll journal to ensure compliance with applicable laws and regulations and to avoid interest and penalties.

This matter will be referred to the Internal Revenue Service.

3. **Ohio Rev. Code § 117.38** states, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension.

The Village's December 31, 2022 annual financial report due by March 1, 2023 was not filed with the Auditor of State until February 29, 2024.

The Village's December 31, 2021 annual financial report due by March 1, 2022 was not filed with the Auditor of State until February 29, 2024.

The Village should implement procedures to verify its annual financial report is filed with the Auditor of State by the required deadline. If the Village is unable to meet the deadline, the Village should file an extension request through the Auditor of State. Failure to file a complete report by the established deadline, without an extension, could result in the assessment of penalties against the Village. Our prior Basic Audit procedures report also reported this matter.

4. **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.

The Village has no formal written policy that would demonstrate compliance with the Ohio Revised Code. 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.

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. Our prior Basic Audit procedures report also reported this matter.

5. **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.

The Village Mayor did attend Public Records Training in 2022, but was not approved as designee for the Village's elected officials with terms ending in 2021 or 2022. 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 or approve a designee. Our prior Basic Audit procedures report also reported this matter.

Current Status of Matters Reported in our Prior Engagement

In addition to the matters reported in items 1, 3, 4, and 5 above, our prior audit for the years ended December 31, 2020 and 2019 included the following.

1. Our Prior Basic Audit Procedures Report also noted the Fiscal Officer did not attend any training related to the Fiscal Integrity Act. This was not tested this year as the Fiscal Officer was not new, nor did their term end in our audit period.
2. Our Prior Basic Audit Procedures Report also noted the Village did not have a Records Retention Schedule. This has been corrected.
3. Our Prior Basic Audit Procedures Report also noted the Village did not document the purpose of all executive sessions in the record of minutes. This has been corrected.



Keith Faber
Auditor of State
Columbus, Ohio
March 18, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SINKING SPRING

HIGHLAND 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 3/28/2024

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This report is a matter of public record and is available online at
www.ohioauditor.gov