



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of North Star
Darke County
P.O. Box 87
North Star, Ohio 45350

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 North Star, Darke County, (the Village) for the years ended December 31, 2021 and 2020.

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, 2021 and 2020.

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. The Village did not have supporting documentation for garbage and trash receipts other than the deposit slips. Failure to maintain proper supporting documentation for receipts could result in misappropriation of funds going undetected in a timely manner and future findings for recovery.
2. The Village had a credit card policy. However, the policy had not been updated to include an accurate list of authorized users. Also, Council had not approved an updated credit card policy in compliance with HB 312 statutory requirements. Failure to approve an updated credit card policy could result in improper credit card expenditures going undetected in a timely manner.
3. None of the Council members nor the Fiscal Officer attended public records training for each of term of office as required by Ohio Revised Code Sections 109.43(B) and 149.43(E)(1). **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 should implement procedures to assure that applicable officials, or their designees, attend the required public records training. Failure to do so could result in violation of Sunshine laws.

4. A necessary step in internal control over financial reporting is to determine the accuracy of both the balance of the bank and the balance of cash in the accounting records. As part of the bank reconciliation, all differences between the balance appearing on the bank statements and the balance of cash according to the accounting records should be accounted for. Cash is the asset most susceptible to theft and misappropriation. There was an unreconciled difference of \$14,630 as of December 31, 2021. The Village was able to provide support for this variance and correct it during 2022. This represents a control weakness over the bank reconciliation process. Accurate reconciliations are a basic and essential internal control component for sound fiscal management. Village officials rely on accurate reconciliations to make sound financial decisions. Failure to resolve reconciling items could result in misappropriation of funds, bank reconciliation errors, increased audit costs and could lead to the Village being unauditible. The Fiscal Officer should ensure bank to book reconciliations are performed using accurate and reliable information, which include explanations and supporting documentation for all reconciling items and require all variances between the bank and book balances be investigated and timely resolved.

Current Status of Matters Reported in our Prior Engagement

1. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not have supporting documentation for garbage and trash receipts other than the deposit slips. This issue will be repeated as current year observation #1 above for the years ended December 31, 2021 and 2020.
2. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted that during the March 13, 2018 meeting, the minutes did not document that Mayor Travis Wilker abstained from the formal vote regarding the wage scale for the Fiscal Officer, Carolyn Wilker, who is his wife. This matter was corrected for the years ended December 31, 2021 and 2020.
3. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village had a credit card policy. However, the policy had not been updated to include an accurate list of authorized users. Also, Council had not approved an updated credit card policy in compliance with HB 312 statutory requirements. This issue will be repeated as current year observation #2 above for the years ended December 31, 2021 and 2020.
4. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village fiscal officer did not complete the required fiscal integrity training as required by the Ohio Rev. Code Section § 733.81. This matter was corrected for the years ended December 31, 2021 and 2020.
5. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted none of the Village Council members attended public records training as required by Ohio Rev. Code § 109.43(B). This issue will be repeated as current year observation #3 above for the years ended December 31, 2021 and 2020.
6. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not have a records retention policy or schedule as required by Ohio Rev. Code § 149.43(B)(2). This matter was corrected for the years ended December 31, 2021 and 2020.



Keith Faber
Auditor of State
Columbus, Ohio

July 25, 2022

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NORTH STAR

DARKE 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 8/16/2022

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