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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Medway Drug Enforcement Agency
Wayne County
PO Box 872
Wooster, Ohio 44691

We have performed the procedures enumerated below, which were agreed to by the Agency Board and the management of Medway Drug Enforcement Agency (the Agency), on the receipts, disbursements and balances recorded in the Agency's cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Agency. The Agency is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Agency. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. Wayne County is custodian for the Agency's deposits, and therefore the County's deposit and investment pool holds the Agency's assets. We compared the Agency's fund balances reported on its December 31, 2018 financial statements to the balances reported in Wayne County's accounting records. The amounts agreed.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Fund File Report to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balance recorded in the Fund File Report to the December 31, 2017 balances in the Fund File Report. We found no exceptions.
3. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations for the Drug Buy and Seized Funds Accounts. We found no exceptions.
4. We agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 balances in the prior year audited notes for the Drug Buy and Seized Funds Accounts. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the Fund Ledger Report for the Drug Buy and Seized Funds Accounts. We found no exceptions.
5. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the Fund Ledger Report for the Drug Buy and Seized Funds Accounts. The amounts agreed.

Cash (Continued)

6. We confirmed the December 31, 2018 bank account balances with the Agency's financial institutions for the Drug Buy and Seized Funds Accounts. We found no exceptions.

Property Taxes & Intergovernmental Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes (the statement)* for 2018 and one from 2017.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Account History Report. The amounts did not agree. Wayne County (fiscal agent) posted the taxes at net rather than gross. Property tax receipts and corresponding expenditures were understated by \$3,725 in 2017 and \$5,047 in 2018. We also traced the advances noted on the *Statement* to the Account History Report. However, because we did not inspect all property tax receipts our report provides no assurance regarding whether or not similar errors occurred.
 - b. We inspected the Account History Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the Account History Report to confirm whether the receipts were recorded in the proper year. We found no exceptions.
2. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2018 and all for 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Account History Report. The amounts agreed.
 - b. We inspected the Account History Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the Account History Report to confirm whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended December 31, 2018 recorded in the Account History Report and:

- a. Agreed the receipt amount to the amount recorded in the Account History Report. The amounts agreed.
- b. Agreed receipt amount to supporting documentation (court judgement entries, bank statements, etc). We found no exceptions.
- c. Inspected the Account History Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Drug Buy Account Cash Receipts

We selected all of Drug Buy Account cash receipts from the year ended December 31, 2018.

- a. We confirmed the amounts to the Agency for the receipts selected. We found no exceptions.
- b. We inspected the Fund Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Seized Funds Account Cash Receipts

We selected a sample (agreed upon) of 2 Seized Funds cash receipts from the year ended December 31, 2018 and 2 Seized Funds cash receipts from the year ended 2017 recorded in the Fund Ledger Report and:

- a. Agreed the receipt amount to the amount recorded in the bank statement. The amounts agreed.
- b. We agreed the amounts to supporting Court Documents for amounts to be received. We found no exceptions.
- c. Inspected the Fund Ledger Report to determine the receipt was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management, and inspected the Account History Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. No new debt issuances, nor any debt payment activity during 2018 or 2017 was found.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the PREDIT Report and:
 - a. We compared the hours and pay rate, or salary recorded in the PREDIT Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the Check Register Report to determine whether the fund and account codes to which the check was posted were reasonable based on the employees' personnel files. We also inspected the Check Register Report to determine whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2018. We observed the following:

Payroll Cash Disbursements (Continued)

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2019	December 21, 2018	\$3,261	\$3,261
State income taxes	January 15, 2019	December 21, 2018	\$753	\$753
Local income tax	April 15, 2019	December 21, 2018	\$647	\$647
OPERS & SPRS retirement	January 30, 2019	December 21, 2018	\$10,717	\$10,717

4. We selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Check Register Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Agency's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the Account History Report for the year ended December 31, 2018 and 10 from the year ended 2017 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Account History Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Non-Payroll Drug Buy Account Cash Disbursements

1. From the Fund Ledger Report, we re-footed checks recorded as disbursements for the Drug Buy Account for 2018 and 2017. We found no exceptions.
2. We selected a sample (agreed upon) of 2 disbursements from the Fund Ledger Report for the year ended December 31, 2018 and 2 from the year ended 2017 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The withdrawal slip date, payee name and amount recorded on the bank statement agree to the withdrawal number, date, payee name and amount recorded in the Fund Ledger Report.

Non-Payroll Seized Funds Account Cash Disbursements

1. From the Fund Ledger Report, we re-footed checks recorded as disbursements for the Seized Funds Account for 2018 and 2017. We found no exceptions.
2. We selected a sample of 2 disbursements from the Fund Ledger Report for the year ended December 31, 2018 and 2 from the year ended 2017 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The withdrawal slip, cashier check, date, payee name and amount recorded on the bank statement agree to the withdrawal number, date, payee name and amount recorded in the Fund Ledger Report and to the names and amounts on the supporting invoices. We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system 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 confirmed the Agency filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle system. Financial information was filed on March 11, 2019 for the December 31, 2017 Report which was not within the allotted timeframe.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in the evaluation of the Agency's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

August 5, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



MEDWAY DRUG ENFORCEMENT AGENCY

WAYNE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 3, 2019**