



Dave Yost • Auditor of State

REPUBLICAN POLITICAL PARTY
ROSS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
129 East Main Street
Chillicothe, Ohio 45601

We have performed the procedures enumerated below, to which the Republican Executive Committee (the Committee) agreed, solely to assist the Committee in evaluating its compliance with certain requirements included in Ohio Rev. Code Sections 3517.1012, 3517.13(X)(1), 2(b), (3)(a), and (4), 3517.17, and 3517.18, for the year ended December 31, 2012. The Committee is responsible for complying with these requirements. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the Committee. 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.

Cash Receipts

1. We inquired of the Committee whether they deposited all gifts from corporations, labor organizations and all gifts restricted to operations into the same fund into which they deposit amounts received from the State Tax Commissioner. Management informed us they received no such gifts.
2. We were unable to foot a Statement of Political Party Restricted Fund Deposits Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC) for 2012. The Committee did not file the required Form 31-CC; rather they filed the *Statement of Contributions Received* (Form 31-A). Therefore, we footed the *Statement of Contributions Received* (Form 31-A), filed for 2012. We noted no computational errors.

Ohio Rev. Code Section 3517.17 states the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Deposits* (Form 31-CC) to report all receipts from the Ohio Political Party Fund.

3. We compared bank deposits reflected in 2012 restricted fund bank statements to total deposits recorded in Deposit Forms 31-A filed for 2012. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Committee's 2012 bank statements and noted they reflected three of the four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-A reported the sum of these four payments without exception. We scanned the Committee's 2012 bank statements and noted they did not reflect four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Form 31-A and the bank statements did not reflect one payment from the State Tax Commissioner in the amount of \$4.

Cash Receipts (Continued)

- We scanned other recorded 2012 receipts for evidence that a corporation or labor organization may have exceeded the \$10,000 annual gift limit Ohio Rev. Code 3517.13(X)(3)(a) imposes. We found no evidence that any corporation or labor organization exceeded this limit.

Cash Reconciliation

- We attempted to agree the bank balance on the reconciliation to the bank statement and recompute the mathematical accuracy of the December 31, 2012 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A) but the Committee does not perform and maintain formal bank account reconciliations. Therefore, we compared the Finance Reports to the Bank Statements. The differences are as follows:

	Per Campaign Finance Reports	Per Bank Statements	Difference
Beginning Cash Balance - Restricted Account	\$ 254	\$ 244	\$ 10
Receipts	2,310	2,285	25
Disbursements	2,222	2,224	(2)
Ending Cash Balance - Restricted Account	<u>\$ 342</u>	<u>\$ 305</u>	<u>\$ 37</u>

Per the table above, when we compared the Campaign Finance Reports to the bank statements we noted a \$10 overstatement in the beginning balance; \$25 overstatement in receipts due to a \$25 contribution received in 2011 but included in 2012 receipts; a \$2 understatement in disbursements due to a bank service charge not included in expenditures; these misstatements resulted in a \$37 overstatement to the ending balance reported in the Campaign Finance Report. We recommend the Committee prepare formal bank reconciliations to ensure the completeness and accuracy of all transactions and to facilitate accurate reporting.

Cash Disbursements

- We were unable to foot a *Statement of Political Party Restricted Fund Disbursements* (Form 31-M) Ohio Rev. Code Section 3517.17 requires for 2012. The Committee did not file the required Form 31-M; instead the Committee filed a *Statement of Expenditures* (Form 31-B). Therefore, we footed the *Statement of Expenditures*, and noted no computational errors.

Ohio Rev. Code Section 3517.17 states the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Disbursement* Form 31-M to report all expenditures from the Ohio Political Party Fund.

- Per Ohio Rev. Code 3517.13(X)(1), we scanned *Statement of Expenditures* (Form 31-B) filed for 2012 and inquired of management whether they transferred any cash from the restricted fund to any other political party account into which contributions may be made or from which contributions or expenditures may be made. We found no evidence of prohibited transfers.

Cash Disbursements (Continued)

3. We compared the amounts on checks or other disbursements reflected in 2012 restricted fund bank statements to disbursement amounts reported on the Statement of Expenditures Form 31-B filed for 2012. We noted the January 2012 bank service charge of \$2 was charged to the bank account but not included in expenditures on the *Statement of Expenditures* Form 31-B.
4. For each disbursement on Expenditure Forms 31-B filed for 2012, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on Expenditure Forms 31-B agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2012 disbursement for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517.13(X)(2)(b) prohibit. We found no evidence that any restricted fund disbursements represented contributions or campaign-related disbursements.
6. We compared the signature on 2012 checks to the list of authorized signatories the Committee provided to us. The signatory on all checks we selected was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. We scanned each 2012 restricted fund disbursement recorded on Expenditure Forms 31-B for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517(X)(4) prohibits. We found no evidence of any transfers.
8. We compared the purpose of each disbursement listed on 2012 Expenditure Forms 31-B to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found no instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.

We were not engaged to, and did not examine each *Statement of Contributions Received* and *Statement of Expenditures* filed for 2012, the objective of which would have been to opine on compliance. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Secretary of State of Ohio and for the Republican Executive Committee and is not intended to be and should not be used by anyone else.



Dave Yost
Auditor of State

May 22, 2013

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ROSS REPUBLICAN PARTY

ROSS 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
JUNE 13, 2013**