



Dave Yost • Auditor of State

DISTRICT BOARD OF HEALTH
MEIGS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

District Board of Health
Meigs County
112 E. Memorial Drive, Suite A
Pomeroy, Ohio 45769

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the District Board of Health, Meigs County, Ohio (the District), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2013 and 2012, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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. Meigs County is custodian of the District's deposits, and therefore the County's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its Year End Annual Report to the balances reported in the Meigs County accounting records for 2013 and 2012. The amounts agreed. Additionally, the District maintained an outside checking account, to account for Board contributions to fund insurance deductibles for covered employees. We tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations for this account. We found no exceptions.
2. We traced the January 1, 2012 beginning fund balances recorded in the Fund History Report to the December 31, 2011 balances in the prior audited statements. Amounts did not agree as follows:

Fund	12/31/11 Audited Balance	1/1/12 Fund History Balance	Variance
General	\$ 144,504	\$ 138,454	\$ 6,050
Federal WIC	51,888	51,949	(61)
2005 ARC Dental Clinic	22,833	23,471	(638)
Other Governmental Funds	145,162	149,092	(3,930)

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Cash (Continued)

We also agreed the January 1, 2013 beginning fund balance recorded in the Fund History Report to the December 31, 2012 balances in the Fund History Report. We found no exceptions.

3. We agreed the totals per the bank reconciliations for the outside checking account discussed above to the total of the December 31, 2013 and 2012 fund cash balances reported in Board of Health checkbook for the Insurance Fund. The amounts agreed. We noted that no fund balance was included in the Fund Status Reports for this Fund.
4. We confirmed the December 31, 2013 outside checking account balance with District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 bank reconciliation of the outside checking account:
 - a. We traced the debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the checkbook, to determine the debits were dated prior to December 31. We noted no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2013 and one from 2012:
 - a. We traced the gross receipts from the Statement to the amount recorded in the Revenue History Report. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Revenue History Report to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2013 and five from 2012.
 - a. We compared the amount from the above report to the amount recorded in the Revenue History Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2012 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register Report. The amounts agreed.

Over-The-Counter Cash Receipts (Continued)

- b. Amount charged complied with rates in force during the period. We noted two exceptions. The Dental Clinic closed March 31, 2012. The District received a list of outstanding bills from the clinic and invoices were sent in an attempt to collect on the amounts owed. While the billing invoices agreed to the outstanding list provided by the Dental Clinic, we were unable to determine if the amounts charged to the patients agreed to the fee schedule because the financial records and receipts for the Clinic were not available.
- c. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Revenue History Report and Appropriation History Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted neither new debt issuances, nor any debt payment activity during 2013 or 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Pay Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Pay Register to supporting documentation (timecard, legislatively or statutorily approved rate or salary). We found two employees whose pay rates we could not trace to an approved rate.
 - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For new employees selected in step 1 we determined whether the following information in the employees' personnel files and minute record 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(s) and fund(s) 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 steps a. – f. above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether 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 2013. We noted the following:

Payroll Cash Disbursements (Continued)

Withholding employer share, where applicable)	(plus Date Due	Date Paid	Amount Due	Amount Paid
Federal Income Taxes and Medicare	01/31/14	12/19/13	\$ 39,069	\$ 39,069
State Income Taxes	01/15/14	12/19/13	\$ 7,450	\$ 7,450
Local Income Tax	01/31/14	01/21/14	\$ 4,144	\$ 4,144
OPERS Retirement	01/31/14	01/21/14	\$ 150,606	\$ 150,606

4. We haphazardly 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 Employee Detail Adjustment Report:
 - a. Accumulated leave records.
 - b. The employee's pay rate in effect as of the termination date.
 - c. The District's payout policy.

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

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Appropriation History Report and from the outside checking account register for the year ended December 31, 2013 and ten from the year ended 2012 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 Appropriation 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.
- d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found six instances where the certification date was after the vendor invoice date and there was no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code § 5705.36(A)(1), to the amounts recorded in the Revenue Account Report for the General Health District, Federal WIC and 2005 ARC Dental Clinic Funds for the years ended December 31, 2013 and 2012. The amounts on the Certificate agreed, except for the 2012 General Fund, wherein the Revenue History Report recorded budgeted (i.e. certified) resources for the General Fund of \$423,589 while the final Amended Official Certificate of Estimated Resources reflected \$418,569.
2. We scanned the appropriation worksheets adopted for 2013 and 2012 to determine whether, for the General Health District, Federal WIC and 2005 ARC Dental Clinic Funds, the Trustees adopted itemized appropriations, as is required by Ohio Rev. Code § 3709.28. We found no exceptions.

Compliance – Budgetary (Continued)

3. We compared total appropriations required by Ohio Rev. Code § 3709.28, to the amounts recorded in the Appropriation Report for 2013 and 2012 for the following funds: General Health District, Federal WIC and 2005 ARC Dental Clinic funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Report.
4. Ohio Rev. Code § 3709.28 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General Health District, Federal WIC, and 2005 ARC Dental Clinic Funds for the years ended December 31, 2013 and 2012. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2013 and 2012 for the General Health District, Federal WIC, and 2005 ARC Dental Clinic Funds, as recorded in the Appropriation Report. We noted that, contrary to Ohio Rev. Code § 5705.41(B), the 2012 General Fund expenditures exceeded total appropriations by \$15,869.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

September 16, 2014

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MEIGS COUNTY DISTRICT BOARD OF HEALTH

MEIGS 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
OCTOBER 2, 2014**