



OHIO BOARD OF EMBALMERS AND FUNERAL DIRECTORS

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

FOR THE PERIOD OF JANUARY 1, 2016 THROUGH AUGUST 5, 2016



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Board of Embalmers
and Funeral Directors
77 South High Street, 16th Floor
Columbus, Ohio 43215

We have performed the procedures enumerated below, with which the Ohio Board of Embalmers and Funeral Directors (the Board) agreed, solely to assist the Board in evaluating the former Executive Director's payroll and pool car usage for the period of January 1, 2016 through August 5, 2016. 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.

Payroll Expenditures

We obtained all payroll registers, time sheets, leave requests, assigned pool car parking garage log showing in/out times, and email correspondence related to leave approvals from the Board for the former Executive Director during the period of January 1, 2016 through August 5, 2016. We reviewed these documents and determined the following for all transactions (15 pay periods occurred during this timeframe) and noted the results below.

1. We determined whether the timesheet was properly approved by the Secretary-Treasurer of the Board. For three of 15 (20%) timesheets tested, there was no evidence of approval by the Secretary-Treasurer. The timesheets missing approval were for pay periods ending February 6, April 16, and June 25, 2016. No exceptions were noted for the remaining 12 timesheets tested.
2. We determined whether the hours worked per the timesheet agreed to the related Payroll Register. For four of 15 (26.7%) timesheets tested, the hours worked per the timesheet did not agree to the Payroll Register, as shown below. No exceptions were noted for the remaining 11 timesheets tested.

Pay Period End	Hours worked per Timesheet	Hours worked per Payroll Register	Variance
Feb. 6, 2016	59.5	59.4	0.1
Apr. 2, 2016	59.6	58.7	0.9
May 14, 2016	72.3	80	7.7
Jul. 9, 2016	39.4	40.2	0.8

3. For the period of April – July 2016, we determined whether the start and end times per the timesheet agreed to the parking garage log-in/out times for the 61 instances when the pool car was used. We identified an exception for any time difference exceeding 15 minutes (the allowance period to get from the parking garage to the office) and reported the actual variances in the tables below. Because garage times included seconds, we rounded to the nearest minute for our calculations.

Payroll Expenditures (Continued)

For 59 of the 61 pool car usages tested (96.7%), the timesheet start time was prior to the garage log-in time or a variance could not be determined, as shown below:

Date	Garage Log-In Time	Timesheet Start Time	Variance (H:MM)
04/01/16	9:47 AM	8:11 AM	-1:36
04/04/16	10:08 AM	9:36 AM	-0:32
04/05/16	10:07 AM	9:05 AM	-1:02
04/05/16	3:50 PM	Not Recorded	Indeterminable
04/06/16	10:22 AM	9:11 AM	-1:11
04/08/16	9:41 AM	9:20 AM	-0:21
04/11/16	10:33 AM	10:30 AM	-0:03
04/12/16	10:45 AM	8:55 AM	-1:50
04/13/16	10:14 AM	9:07 AM	-1:07
04/14/16	10:16 AM	8:50 AM	-1:26
04/15/16	9:47 AM	9:45 AM	-0:02
04/18/16	9:37 AM	9:30 AM	-0:07
04/19/16	9:28 AM	9:17 AM	-0:11
04/20/16	9:38 AM	9:10 AM	-0:28
04/21/16	9:25 AM	9:15 AM	-0:10
04/22/16	9:40 AM	9:27 AM	-0:13
04/25/16	9:47 AM	9:25 AM	-0:22
04/26/16	9:37 AM	8:05 AM	-1:32
04/27/16	9:38 AM	9:33 AM	-0:05
04/28/16	9:17 AM	8:40 AM	-0:37
04/29/16	9:44 AM	9:42 AM	-0:02
05/02/16	9:53 AM	9:28 AM	-0:25
05/03/16	9:40 AM	9:37 AM	-0:03
05/04/16	9:37 AM	9:32 AM	-0:05
05/06/16	10:20 AM	9:22 AM	-0:58
05/09/16	10:08 AM	9:45 AM	-0:23
05/10/16	9:40 AM	9:35 AM	-0:05
05/11/16	11:38 AM	10:30 AM	-1:08
05/13/16	9:35 AM	9:30 AM	-0:05
05/16/16	9:07 AM	8:57 AM	-0:10
05/17/16	10:05 AM	8:39 AM	-1:26
05/19/16	10:51 AM	8:03 AM	-2:48
05/23/16	10:06 AM	10:00 AM	-0:06
05/24/16	9:29 AM	9:10 AM	-0:19
05/31/16	10:16 AM	10:10 AM	-0:06
06/01/16	9:40 AM	9:38 AM	-0:02
06/02/16	9:36 AM	9:35 AM	-0:01
06/02/16	12:53 PM	Not Recorded	Indeterminable
06/03/16	9:47 AM	9:38 AM	-0:09
06/06/16	9:57 AM	9:45 AM	-0:12
06/07/16	9:51 AM	9:04 AM	-0:47
06/08/16	9:42 AM	9:13 AM	-0:29
06/09/16	10:09 AM	10:00 AM	-0:09
06/13/16	10:08 AM	10:00 AM	-0:08
06/14/16	10:16 AM	10:00 AM	-0:16
06/15/16	10:36 AM	7:30 AM	-3:06
06/20/16	9:36 AM	9:35 AM	-0:01
06/21/16	11:33 AM	9:21 AM	-2:12
06/22/16	10:36 AM	10:00 AM	-0:36
06/27/16	10:35 AM	10:30 AM	-0:05
07/07/16	12:07 PM	9:08 AM	-2:59
07/08/16	10:59 AM	9:25 AM	-1:34
07/11/16	9:40 AM	9:07 AM	-0:33
07/12/16	2:35 PM	9:00 AM	-5:35
07/13/16	10:00 AM	9:30 AM	-0:30
07/14/16	10:27 AM	9:11 AM	-1:16
07/15/16	10:01 AM	9:40 AM	-0:21
07/20/16	9:22 AM	9:03 AM	-0:19
07/22/16	10:16 AM	9:00 AM	-1:16

Payroll Expenditures (Continued)

For 28 of the 61 pool car usages tested (45.9%), the timesheet end time was subsequent or equal to the garage log-out time, the garage log-out time exceeded the timesheet end time by 15 minutes or more (allowance period to go between the office and the parking garage), or a variance could not be determined as shown below:

Date	Timesheet End Time	Garage Log-Out Time	Variance (H:MM)
04/01/16	4:00 PM	5:18 PM	1:18
04/05/16	Not Recorded	1:42 PM	Indeterminable
04/06/16	5:45 PM	6:01 PM	0:16
04/12/16	8:00 PM	7:52 PM	-0:08
04/18/16	6:30 PM	6:28 PM	-0:02
04/25/16	3:00 PM	2:47 PM	-0:13
04/26/16	5:00 PM	5:27 PM	0:27
05/02/16	1:30 PM	1:28 PM	-0:02
05/09/16	4:00 PM	4:00 PM	-0:00
05/12/16	5:00 PM	4:56 PM	-0:04
05/13/16	5:00 PM	4:35 PM	-0:25
05/16/16	9:15 PM	9:15 PM	-0:00
05/17/16	7:00 PM	2:06 PM	-4:54
05/23/16	3:59 PM	3:25 PM	-0:34
05/24/16	12:30 PM	12:49 PM	0:19
06/02/16	Not Recorded	11:14 AM	Indeterminable
06/02/16	6:45 PM	6:45 PM	-0:00
06/03/16	5:00 PM	4:20 PM	-0:40
06/13/16	5:00 PM	4:59 PM	-0:01
06/14/16	6:00 PM	5:56 PM	-0:04
06/15/16	7:00 PM	6:48 PM	-0:12
06/21/16	6:30 PM	6:25 PM	-0:05
06/22/16	6:20 PM	6:40 PM	0:20
07/08/16	6:00 PM	6:29 PM	0:29
07/11/16	4:30 PM	4:09 PM	-0:21
07/18/16	6:00 PM	6:23 PM	0:23
07/20/16	5:40 PM	N/A	Indeterminable
07/22/16	4:00 PM	4:30 PM	0:30

An Executive Director and Staff Time policy was in place during the audit period (adopted by the Board on November 18, 2013 and last revised July 20, 2015) which indicated the Executive Director may utilize "teleworking". This was defined in the policy as "a flexible work arrangement where designated employees may work remotely at locations including government facilities, the employee's home or any location where the employee is working with a licensee or on board business". In addition, the policy indicated "the Executive Director may utilize a "flex-time" schedule which may include any combination of hours which equal eighty per pay period with any hours in excess of eight recorded as "unclaimed hours worked" and receiving no compensation".

4. We determined whether leave approved by the Secretary-Treasurer of the Board agreed to the timesheet tested. Seven of the seven (100%) timesheets with leave taken did not have documented approval by the Secretary-Treasurer of the Board. Leave was used for pay period-endings February 6th, March 5th, April 2nd, May 14th, May 28th, July 9th, and July 23rd, 2016. We noted for the leave used for pay period ending July 23, 2016; there were emails stating leave was going to be utilized but the emails did not have an approval associated with them.

Payroll Expenditures (Continued)

The Executive Director and Staff Time policy referenced above did not address the procedures to be used when leave was requested/taken by the Executive Director or staff.

5. We determined whether leave taken on the timesheet agreed to the related Payroll Register. For two of seven (28.6%) timesheets where leave was taken, the timesheet did not agree to the Payroll Register, as shown below. No exceptions were noted for the remaining five timesheets tested.

Pay Period End	Leave Taken per Timesheet	Leave Taken per Payroll Register	Variance
Apr. 2, 2016	20.4	21.3	0.9
May 14, 2016	7.7	0	7.7

6. We evaluated the following information to determine if the proper final payout was given to the former Executive Director based upon leave balances.
 - a. Final timesheet, Payroll Register, and applicable leave requests,
 - b. The employee's pay rate in effect as of the termination date as well as all applicable leave balances recorded in the Ohio Administrative Knowledge System Human Capital Management system.
 - c. Applicable Department of Administrative Services' policies and procedures.

The former Executive Director was paid the correct amount, as recorded in the final Payroll Register, based on her available leave balances in her final payroll payout.

Pool Car Approval

We obtained the Ohio Department of Administrative Services Assigned Pool Car Request Form for the former Executive Director and determined whether it was approved by the Secretary-Treasurer of the Board. We noted the Assigned Pool Car Request Form was not approved by the Secretary-Treasurer of the Board. The former Executive Director approved her own request for the Pool Car.

Additionally, we noted the State Fleet Administrator of the Ohio Department of Administrative Services recommended, in a memo dated December 7, 2015, the Board obtain an additional fleet vehicle based upon one board member receiving travel reimbursements in excess of the state breakeven amount of \$3,380. The completed response form indicated the Board agreed with the 2016 Vehicle Replacement as outlined in the memo, and was signed by the former Executive Director. However, the additional vehicle recommended by the Ohio Department of Administrative Services and received by the Board was assigned to the former Executive Director.

Furthermore, we noted only certain members of the Board were aware of the approval and assignment of the car to the former Executive Director. We also noted the approval and assignment of the car were not documented with the Meeting Minutes of the Board or any of its subcommittees.

Recommendations

1. We recommend the Board evaluate and strengthen its control policies and procedures related to payroll as follows:
 - Reasonably ensure timesheets are approved by the appropriate supervisor, agree to the Payroll Register, and are indicative of actual time worked and leave hours used.
 - The Executive Director and Staff Time policy should be updated to include procedures to be utilized when requesting leave and the subsequent approval or denial of leave.

Recommendations (Continued)

- The policy regarding "teleworking" should include proper control procedures to ensure use of this option is being properly approved, documented, and not being abused.
 - The Board should periodically monitor the controls to help ensure they are working as intended. Evidence of such monitoring procedures should be maintained and the results evaluated to identify the need for additional training or needed modifications of the existing procedures.
2. We recommend the Board establish and implement a policy and control procedures regarding the Board's pool cars to reasonably ensure proper use of Board and State resources. These policies and procedures should include:
- Periodically evaluating the need for and number of pool cars.
 - The process and required approvals for obtaining and utilizing pool cars.
 - The process for determining how the cars are assigned.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Board's receipts, disbursements, 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 Board, 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

April 28, 2017

This page intentionally left blank.



Dave Yost • Auditor of State

OHIO BOARD OF EMBALMERS AND FUNERAL DIRECTORS

FRANKLIN 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
MAY 11, 2017**