



OHIO AUDITOR OF STATE
KEITH FABER



**SOUTHEAST EMERGENCY COMMUNICATIONS CENTER
CUYAHOGA COUNTY
FOR THE PERIOD MARCH 1, 2016 TO DECEMBER 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

Southeast Emergency Communications Center
Cuyahoga County
5661 Perkins Road
Bedford Heights, Ohio 44146

To the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Southeast Emergency Communications Center, Cuyahoga County, Ohio (SECC) for the period March 1, 2016 to December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to SECC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of SECC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, SECC prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the SECC does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of SECC for the period March 1, 2016 to December 31, 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Southeast Emergency Communications Center, Cuyahoga County, for the period March 1, 2016 to December 31, 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2019, on our consideration of the SECC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SECC's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

March 12, 2019

Southeast Emergency Communications Center

Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis)

For the year ended December 31, 2017

	<u>2017</u>
Cash receipts:	
Intergovernmental member contributions	\$ 2,024,398
Miscellaneous income	<u>41,274</u>
Total cash receipts	<u>2,065,672</u>
Cash disbursements:	
Current:	
Salaries and wages	1,239,288
Fringe benefits	509,265
Contractual services	206,576
Supplies and materials	6,921
Equipment	<u>2,981</u>
Total cash disbursements	<u>1,965,031</u>
Net change in fund cash balances	100,641
Fund cash balances, January 1	<u>210,558</u>
Fund cash balances, December 31:	
Unassigned	<u>311,199</u>
Fund cash balances, December 31	\$ <u>311,199</u>

The accompanying notes are an integral part of these financial statements

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2017

Note 1: Reporting Entity

Description of the Entity

The Southeast Emergency Communications Center (SECC), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The SECC was initially established in November of 2012 as a sub-group of the pre-existing Southeast Regional Council of Governments (SRCG), which was originally formed in June of 2002. Financial activity for the SECC began in January of 2015, for the purpose of providing Police and Fire dispatching services for four (4) member municipalities: Bedford, Bedford Heights, Garfield Heights, and Maple Heights. Each of the four cities designates one official to represent the respective municipality in the governance of the SECC (i.e. Mayor and/or City manager). Effective March 1, 2016, the SECC officially separated from the SRCG. On August 31, 2017 the City of Bedford withdrew from the SECC.

The Governing Board of the SECC appoints a full-time Administrator to supervise the employees and manage the day-to-day operations of the entity. A part-time Fiscal Officer as well as a part-time Law Director is also appointed by the governing Board.

Related Organizations

The Governing Board of the SECC has entered into a contract with the Regional Income Tax Agency (RITA) for the provision of payroll and financial/budgetary services, including report generation using SSI software applications. The part-time Fiscal Officer of the SECC, Ted Gordon, works closely with representatives of RITA with respect to the various payroll and financial matters. The Fiscal Officer certifies his belief that the cash basis financial statements present fairly all activities for which the SECC is financially responsible.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The SECC's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for the General Fund, which is a governmental fund type. There are no other funds for the year ended 2017.

Fund Accounting

For 2017, the SECC used only the General Fund to maintain its financial records. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The General Fund of the SECC is presented below:

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the SECC for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code provisions pertaining to budgetary requirements for governmental entities do not apply to a Council of Governments entity such as the SECC.

Capital Assets

The SECC records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as capital assets.

Accumulated Leave

In certain circumstances, employees may be entitled to cash payments for unused sick leave and/or vacation accruals earned prior to ending employment with the SECC. Unless a separate fund gets established to account for these payments, these obligations will be a liability of the General Fund.

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the SECC must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The SECC classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Governing Board can *commit* amounts via formal action (resolution). The SECC must adhere to these commitments unless the Governing Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the General Fund, *assigned* amounts represent intended uses established by the Governing Board or an official delegated that authority by resolution, or by State statute.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications.

The SECC applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2017

Note 3: Deposits and Investments

Deposits

The SECC maintains a deposit and cash balance reserve in a business checking account with PNC Bank. At December 31, 2017 \$61,199 of the SECC's bank balance of \$311,199 was uninsured and collateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with federal requirements could potentially subject the SECC to a successful claim by the FDIC. The financial institution is in the process of joining OPCS; however, at December 31, 2017, the financial institution still maintained its own collateral pool.

Note 4: Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Entity pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The SECC has obtained commercial insurance from Travelers Casualty and Surety Company of America through the Wichert Insurance Agency for the following risks:

- Comprehensive property and general liability;
- Employment Practices
- Errors and omissions.

Note 5: Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All employees of the SECC, including the Administrator and part-time employees, participate with the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. SECC has paid all contributions required through December 31, 2017.

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2017

Note 6: Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1% during calendar year 2017.

Note 7: Management's Plans

On May 31, 2018 the City of Garfield Heights and the City of Maple Heights withdrew from the SECC. On June 1, 2018 the City of Bedford Heights withdrew from the SECC and the operations of the SECC ceased. Effective December 31, 2018, the part-time fiscal officer and SECC's final employee stopped being paid by the SECC. The SECC is still in existence as a legal organization; however, there is no activity and future plans are still being analyzed to determine the SECC's viability.

Southeast Emergency Communications Center

Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis)

For the ten month period ended December 31, 2016

	<u>2016</u>
Cash receipts:	
Intergovernmental member contributions	\$ 1,868,747
Miscellaneous income	<u>26,227</u>
Total cash receipts	<u>1,894,974</u>
Cash disbursements:	
Current:	
Salaries and wages	1,151,702
Fringe benefits	443,929
Contractual services	186,151
Supplies and materials	5,296
Equipment	<u>9,494</u>
Total cash disbursements	<u>1,796,572</u>
Net change in fund cash balances	98,402
Fund cash balances, March 1	<u>112,156</u>
Fund cash balances, December 31:	
Unassigned	<u>210,558</u>
Fund cash balances, December 31	\$ <u><u>210,558</u></u>

The accompanying notes are an integral part of these financial statements

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2016

Note 1: Reporting Entity

Description of the Entity

The Southeast Emergency Communications Center (SECC), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The SECC was initially established in November of 2012 as a sub-group of the pre-existing Southeast Regional Council of Governments (SRCG), which was originally formed in June of 2002. Financial activity for the SECC began in January of 2015, for the purpose of providing Police and Fire dispatching services for four (4) member municipalities: Bedford, Bedford Heights, Garfield Heights, and Maple Heights. Each of the four cities designates one official to represent the respective municipality in the governance of the SECC (i.e. Mayor and/or City manager).

The Governing Board of the SECC appoints a full-time Administrator to supervise the employees and manage the day-to-day operations of the entity. A part-time Fiscal Officer as well as a part-time Law Director is also appointed by the governing Board.

Effective March 1, 2016, the SECC officially separated from the SRCG. The financial statements for fiscal year 2016 reflect activity relative to the SECC for the period March 1, 2016 through December 31, 2016.

Related Organizations

The Governing Board of the SECC has entered into a contract with the Regional Income Tax Agency (RITA) for the provision of payroll and financial/budgetary services, including report generation using SSI software applications. The part-time Fiscal Officer of the SECC, Ted Gordon, works closely with representatives of RITA with respect to the various payroll and financial matters. The Fiscal Officer certifies his belief that the cash basis financial statements present fairly all activities for which the SECC is financially responsible.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

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Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the SECC for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code provisions pertaining to budgetary requirements for governmental entities do not apply to a Council of Governments entity such as the SECC.

Capital Assets

The SECC records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as capital assets.

Accumulated Leave

In certain circumstances, employees may be entitled to cash payments for unused sick leave and/or vacation accruals earned prior to ending employment with the SECC. Unless a separate fund gets established to account for these payments, these obligations will be a liability of the General Fund.

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the SECC must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The SECC classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Governing Board can *commit* amounts via formal action (resolution). The SECC must adhere to these commitments unless the Governing Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the General Fund, *assigned* amounts represent intended uses established by the Governing Board or an official delegated that authority by resolution, or by State statute.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications.

The SECC applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2016

Note 3: Deposits and Investments

Deposits

The SECC maintains a deposit and cash balance reserve in a business checking account with PNC Bank. The carrying amount of deposits at December 31, 2016 was \$210,558. Deposits are insured by the Federal Depository Insurance Corporation. At times, the cash balances held at the financial institution might exceed insured limits. The financial institution is in the process of joining OPCS; however, at December 31, 2016, the financial institution still maintained its own collateral pool.

Note 4: Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Entity pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The SECC has obtained commercial insurance from Travelers Casualty and Surety Company of America through the Wichert Insurance Agency for the following risks:

- Comprehensive property and general liability;
- Employment Practices
- Errors and omissions.

Note 5: Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All employees of the SECC, including the Administrator and part-time employees, participate with the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. SECC has paid all contributions required through December 31, 2016.

Southeast Emergency Communications Center

Notes to the Financial Statements

December 31, 2016

Note 6: Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2% during calendar year 2016.

Note 7: Subsequent Event

On August 31, 2017 the City of Bedford withdrew from the SECC. On May 31, 2018 the City of Garfield Heights and the City of Maple Heights withdrew from the SECC.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Southeast Emergency Communications Center
Cuyahoga County
5661 Perkins Road
Bedford Heights, Ohio 44146

To the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Southeast Emergency Communications Center, Cuyahoga County, (SECC) for the period March 1, 2016 to December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated March 12, 2019, wherein we noted SECC followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered SECC's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of SECC's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of SECC's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-002 to be a material weakness.

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Compliance and Other Matters

As part of reasonably assuring whether SECC's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2017-001.

SECC's Responses to Findings

SECC's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject SECC's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of SECC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering SECC's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

March 12, 2019

**SOUTHEAST EMERGENCY COMMUNICATIONS CENTER
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
FOR THE PERIOD MARCH 1, 2016 TO DECEMBER 31, 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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1. Notification of Meetings and Recording of Minutes

<i>Finding Number</i>	2017-001
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NONCOMPLIANCE

Ohio Rev. Code §121.22(C) states, in part, that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection. Ohio Rev. Code §121.22(F) states every public body, by rule, shall establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings.

The Southeast Emergency Communications Center (SECC) submitted evidence of only two board meetings during the period, even though it appears several meetings were held. No other evidence was provided that they had more than two board meetings during the period. Since the minute record is the voice of the SECC Board, failure to adequately detail all actions taken by the Board allows for questions of actions taken to go unanswered and could result in the Board not being credited with fully complying with requirements of the Ohio Revised Code and other state and/or federal laws, rules and regulations. The minutes, once accepted by a vote of the Board, should be signed by the proper officials.

Additionally, SECC did not notify the public of any of its meetings. Without proper notification, the public may not have the required transparency of the business of SECC.

We recommend the SECC Board obtain a permanent minute record book for the minutes to be recorded in. Minutes should be entered in this book in chronological order and indexed. All formal actions (resolutions, rules, policies, appointments, resignations, bid openings, awarding of contracts, etc.) should be recorded in the minute record book and in sufficient detail to support compliance with laws, rules, and regulations. We also recommend the Board provide notice to the public when its meeting are occurring, either on its web site or in public at the site of the meeting.

Official's Response: Minutes of any SECC Board meeting will be recorded and retained in chronological order in a designated minute record file. In addition, the SECC Board will notify the public of the time and location or any future regular or special meeting.

**SOUTHEAST EMERGENCY COMMUNICATIONS CENTER
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
FOR THE PERIOD MARCH 1, 2016 TO DECEMBER 31, 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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2. Membership Rate Approval

<i>Finding Number</i>	2017-002
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MATERIAL WEAKNESS

The SECC Bylaws and Standard Operating Procedures outline many aspects of the SECC, including but not limited to, the purpose, board make-up, operations, sharing operating and capital costs, and budget and purchasing.

Any membership fees charged should be done so at rates set by the SECC and in accordance with their Bylaws and Standard Operating Procedures. SECC failed to provide supporting documentation for calculation or approval of rates; consequently, we were unable to verify the amounts charged complied with rates in force during the audit period. Additionally, SECC did not consistently charge rates on a month-by-month basis to its member cities.

Failure to establish rates in accordance with the Bylaws and Standard Operating Procedures, document how calculated, and / or charge them consistently can lead to lost revenue and can cause contention if costs are not reasonably or equitably shared.

We recommend the SECC Board approve all service rates and keep adequate and authorized support for the membership rates. Once established, SECC should ensure rates are being charged to its member consistently each month.

Official's Response: SECC will approve any future membership rates for member entities and will strive to ensure rates are being charged to its members consistently each month.

OHIO AUDITOR OF STATE KEITH FABER



SOUTHEAST EMERGENCY COMMUNICATIONS CENTER

CUYAHOGA 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
APRIL 4, 2019**