



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Southwest Council of Governments
Cuyahoga County
14600 State Road
North Royalton, Ohio 44133

We have performed the procedures enumerated below, which were agreed to by the Council Board and the management of Southwest Council of Governments (the Council), on the receipts, disbursements and balances recorded in the Councils cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Council. The Council is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Council. 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. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the General Ledger report to the December 31, 2017 balances in the prior year audited statements. There was a difference of \$311 in the January 1, 2018 beginning fund balances, due to corrections made by the Council. We also agreed the January 1, 2019 beginning fund balances recorded in the General Ledger report to the December 31, 2018 balances in the General Ledger report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the General Ledger report and the financial statements filed by the Council in the Hinkle System. The fund cash balance recorded in the bank reconciliation for December 31, 2018 agreed to the financial statements filed by the Council in the Hinkle System; however, it did not agree to the General Ledger report by \$1,474, due to corrections made by the Council.
4. We confirmed the December 31, 2019 bank account balance with the Council of Governments' financial institution through the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2019 bank reconciliation without exception.

5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

Member Contributions

We selected five member contribution cash receipts from the year ended December 31, 2019 and five member contribution cash receipts from the year ended 2018 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Deposit Detail report. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Deposit Detail report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following leases outstanding as of December 31, 2017. These amounts agreed to the Council of Governments' January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Technical Rescue Response Vehicle	\$168,595
Southwest Enforcement Bureau Vehicle	\$ 27,696

2. We inquired of management, and scanned the detailed annual reports for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt noted agreed to the summary we used in procedure 3. We noted no new debt issuances.
3. We obtained a summary of lease debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to debt service payments reported in the detailed annual reports. We also compared the date the debt service payments were due to the date the Council of Governments made the payments. Two of four lease payments were paid after the due date and the Council of Governments incurred and paid late fees totaling \$148. We brought this to the attention of management.

Payroll Cash Disbursements

1. We selected one payroll check for the only employee from 2019 and one payroll check for the only employee from 2018 from the Payroll Expenditures summary and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Expenditures summary to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.

- c. We inspected the General Ledger report to determine whether the fund and account code to which the check was posted were reasonable based on the minute record. We also inspected the General Ledger report to determine whether the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 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 2019. We observed the following:

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, 2020	April 24, 2020	\$732	\$732
State income taxes	January 15, 2020	March 26, 2019	\$51	\$51
Local income tax	January 31, 2020	March 26, 2019	\$160	\$160
OPERS retirement	January 30, 2020	March 26, 2019	\$1,920	\$1,920

As stated above the Council of Governments paid Federal income taxes & Medicare on April 24, 2020 after the due date of January 31, 2020.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Check Detail report for the year ended December 31, 2019 and 10 from the year ended 2018 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 Check Detail 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.

Sunshine Law Compliance

1. We obtained and inspected the Council's Public Records Policy to determine the policy did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with Council management and determined that the Council did not have any completed public records requests during the engagement period.
3. We inquired with Council management and determined that the Council did not have any denied public records requests during the engagement period.
4. We inquired with Council management and determined that the Council did not have any public records requests with redactions during the engagement period.

5. We inquired whether the Council has a records retention policy, and if that policy is readily available to the public. We found no exceptions.
6. We inquired whether the Council had written evidence that the Public Records Policy was provided to the records custodian/manager. The Council did not have a written evidence that the Public Records Policy was provided to the records custodian/manager.
7. We inquired with Council management and determined that the Council did not have a policy manual during the engagement period therefore the public records policy could not be included.
8. We inquired whether the Council's poster describing their Public Records Policy was displayed conspicuously in all branches of the Council. The Council does not have a Public Records Policy poster.
9. We inquired with Council management and determined that the Council did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with Council management and determined that the Council did not have any elected officials subject to the Public Records Training requirements during the engagement period.
11. We inspected the public notices for the public meetings held during the engagement period and determined the Council notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
13. We inspected the minutes from the engagement period and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires councils 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 Council 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, 2019 and 2018 in the Hinkle system. Financial information for the year ended on December 31, 2019 was filed on April 9, 2020 which was not within the allotted timeframe.

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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 Council of Governments' 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 Council's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

May 27, 2020

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OHIO AUDITOR OF STATE
KEITH FABER



SOUTHWEST COUNCIL OF GOVERNMENTS

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
JUNE 23, 2020**