



OHIO AUDITOR OF STATE  
**KEITH FABER**







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

Facility Governing Board  
Community Correctional Center of Butler, Clermont, and Warren Counties  
Warren County  
5234 State Route 63  
Lebanon, Ohio 45036

We have performed the procedures enumerated below, which were agreed to by the Facility Governing Board and the management of Community Correctional Center of Butler, Clermont, and Warren Counties (the Facility), on the receipts, disbursements and balances recorded in the Facility's cash basis accounting records for the years ended June 30, 2020 and 2019 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Facility. The Facility is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended June 30, 2020 and 2019 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Facility. 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. Talbert House is custodian for the Facility's deposits, and therefore Talbert House's deposit and investment pool holds the Facility's assets. We compared the Facility's fund balances reported on its June 30, 2020 Quarterly Financial Report to the balances reported in Talbert House's accounting records. We found a difference of \$1,877. The accounting system has been adjusted for this difference.
2. We agreed the July 1, 2018 beginning fund balances recorded in the Quarterly Financial Report to the June 30, 2018 balances in the prior year audited statements. We found no exceptions. We also agreed the July 1, 2019 beginning fund balances recorded in the Quarterly Financial Report to the June 30, 2019 balances in the Quarterly Financial Report. We found no exceptions.

### Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) and County Auditor DTLs from fiscal year 2020 and five from fiscal year 2019.
  - a. We compared the amount from the above reports to the amount recorded in the Quarterly Financial Report. We found one receipt in fiscal year 2019 of \$656 for a federal lunch reimbursement recorded in another program for Talbert House that should have been recorded in the Facility's Federal Fund.
  - b. We inspected the Quarterly Financial Report to determine these receipts were allocated to the proper funds. We found one receipt in fiscal year 2019 of \$656 for a federal lunch reimbursement recorded in another program for Talbert House that should have been recorded in the Facility's Federal Fund. The accounting system has been adjusted for this difference.

- c. We inspected the Quarterly Financial Report to determine the receipts were recorded in the proper year. We found no exceptions.

#### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of June 30, 2018.
2. We inquired of management, and inspected the Quarterly Cost Report for evidence of debt issued during fiscal year end 2020 or 2019 or debt payment activity during fiscal years 2020 or 2019. We observed no new debt issuances, nor any debt payment activity during fiscal years 2020 or 2019.

#### **Payroll Cash Disbursements**

1. We selected one payroll check for five employees from fiscal year 2020 and one payroll check for five employees from fiscal year 2019 from the Labor Distribution Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Labor Distribution Report to supporting documentation (timecard, legislatively or statutorily-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 fund and account code to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
  - d. For any new employees selected we inspected the employees' personnel file for the following information and compared it with the information used to compute gross and net pay related to this check:
    - i. Name
    - ii. Authorized salary or pay rate and department and fund to which the check should be charged
    - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended June 30, 2020 to confirm remittances were timely paid by the fiscal agent (Talbert House), and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of fiscal year 2020. We observed the following, representing all withholdings for Talbert House, including the Facility:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare, and social security	July 31, 2020	July 1, 2020	\$1,662,453.52	\$1,662,453.52
State income taxes - Indiana	July 15, 2020	July 20, 2020	\$683.89	\$638.89
State income taxes - Kentucky	July 15, 2020	July 10, 2020	\$26,916.79	\$26,916.79
State income taxes - Ohio	July 15, 2020	July 1, 2020	\$149,025.10	\$149,025.10
Local income tax - Hamilton	July 15, 2020	July 15, 2020	\$2,585.50	\$2,585.50
Local income tax - Cincinnati	July 15, 2020	July 3, 2020	\$123,949.23	\$123,949.23
Local income tax - Franklin	July 15, 2020	July 15, 2020	\$720.42	\$720.42
Local income tax – Georgetown Village	July 15, 2020	July 15, 2020	\$1,342.26	\$1,342.26
Local income tax - Lebanon	July 15, 2020	July 15, 2020	\$1,377.69	\$1,377.69
Local income tax – Mount Orab	July 15, 2020	July 15, 2020	\$798.15	\$798.15
Local income tax - Wilmington	July 15, 2020	July 15, 2020	\$1,453.06	\$1,453.06
Local income tax – School District	July 15, 2020	July 15, 2020	\$1,118.05	\$1,118.05

**Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the General Ledger for the year ended June 30, 2020 and 10 from the year ended June 30, 2019 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The date, payee name and amount recorded on the returned, canceled check agreed to the date, payee name and amount recorded in the General Ledger 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 inquired with Facility management and determined that the Facility did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We inquired with Facility management and determined that the Facility did not have any completed public records requests during the engagement period.
3. We inquired with Facility management and determined that the Facility did not have any denied public records requests during the engagement period.
4. We inquired with Facility management and determined that the Facility did not have any public records requests with redactions during the engagement period.
5. We inquired whether the Facility had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.

6. We inquired with Facility management and determined that the Facility did not have a public records policy during the engagement period, and therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Facility management and determined that the Facility did not have a public records policy during the engagement period; therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
8. We inquired with Facility management and determined that the Facility did not have a public records policy during the engagement period; therefore it could not be displayed in all the branches of the Facility as required by Ohio Rev. Code § 149.43(E)(2).
9. We inquired with Facility management and determined that the Facility did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with Facility management and determined that the Facility did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
11. We inquired with Facility management and determined that the Facility did not notify the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F).
12. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) 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
  - d. Maintained - retained, at a minimum, for the engagement period
  - e. Open to public inspection – available for public viewing or request.

We found no exceptions.

13. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Formal governing board actions were adopted in open meetings.

We found no exceptions.

#### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires Facilities 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 Facility 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 June 30, 2020 and 2019 in the Hinkle system. There were no exceptions.

2. For all credit card accounts we obtained:

- copies of existing internal control policies,
- a list(s) of authorized users, and
- a list of all credit card account transactions.

a. We inspected the established policies obtained above and determined they are:

- i. in compliance with the HB 312 statutory requirements, and
- ii. implemented by the entity.

We found no exceptions.

b. We selected 3 credit card transaction from each credit card account for each year for testing. For selected transactions we inspected documentation to determine that:

- i. Use was by an authorized user within the guidelines established in the policy, and
- ii. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.

c. We selected 3 credit card statements from each credit card account for each year for testing. For selected statements we inspected documentation to determine that:

- i. No unpaid beginning balance was carried forward to the current billing cycle,
- ii. Ending statement balance was paid in full, and
- iii. Statement contained no interest or late fees.

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 Facility's 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 Facility's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended June 30, 2020 and 2019, 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  
March 26, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**COMMUNITY CORRECTIONAL CENTER OF BUTLER CLERMONT AND WARREN**

**WARREN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 4/13/2021**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)