



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO



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

State and Local Government Commission of Ohio
c/o Office of Budget and Management
30 East Broad Street, 34th Floor
Columbus, Ohio 43216

We have performed the procedures enumerated below, which were agreed to by the Office of Budget and Management (OBM), solely to assist in the close-out of the State and Local Government Commission of Ohio (the Commission) for the period July 1, 2000 through June 15, 2001, and to satisfy the final audit requirements of Ohio Rev. Code Section 126.29(B). This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the 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. The results of these procedures are as follows:

Non-Payroll Expenditures

1. We selected the ten largest non-payroll expenditure items, based on dollar amount, and 20 other non-payroll expenditure items, selected haphazardly, from CAS transactions processed for the audit period for a total sample size of 30 items. We obtained the voucher and related supporting documentation from OBM and determined if:
 - The proper CAS fund and object class, as documented in OBM's CAS Master Table, was charged for the type of expenditure made
 - The expenditure was related to the operations of the Commission
 - The voucher was properly computed, net of applicable credits
 - The voucher amount and payee agreed to the invoice and other attached supporting documentation
 - The voucher amount and payee agreed to the warrant journal

For 25 of the 30 items tested, we noted no exceptions with the above criteria. The remaining five items contained exceptions or could not be tested, as detailed below:

- ◆ One voucher did not have adequate supporting documentation attached. Therefore, we were unable to determine if the correct object category was charged, if the charge was related to the operations of the Commission, or if the voucher amount and payee agreed to the invoice or other supporting documentation.
- ◆ One voucher and its corresponding support could not be located. Therefore, we were unable to perform any testing related to the expenditure.
- ◆ Two items were coded using an incorrect object class. These disbursements were coded to object class 21 – Office Supplies, Equipment and Maintenance whose unit price is less than \$300. The expenditures (voucher #400033 for camera equipment totaling \$782 and voucher # 400015 for a storage cabinet totaling \$387) should have been coded to object class 31 – Office Supplies, Equipment and Maintenance greater than \$300 unit price.

Non-Payroll Expenditures (Continued)

- ◆ The supporting documentation for one expenditure (voucher #400061 totaling \$1,259.65) indicated the supplies were returned subsequent to payment. On March 15, 2001, the Commission requested a reimbursement from the vendor. However, based on our review of the revenue transactions, this reimbursement was not received by the close of operations on June 15, 2001. As a result, we recommend the Office of Budget and Management contact the vendor and ensure the appropriate reimbursement is made to the State.
 - ◆ One expenditure, totaling \$387, appears to have been paid twice; once on voucher #40015 and again on voucher #40023. The supporting documentation for both vouchers was identical. As a result, we recommend the Office of Budget and Management contact the vendor to ensure the appropriate reimbursement is made to the State.
2. We compared the total amount of local government distributions made by OBM on behalf of the Commission on July 13, 2001, as recorded in CAS, to the amount authorized for distribution by the State Controlling Board. We haphazardly selected five individual counties from the local government distributions voucher supporting documentation, independently calculated the distribution amount (based on information provided in the support), and identified any discrepancies between our calculation and the amount paid to the county.

We noted a variance of \$1.13 between the amount authorized and the amount distributed. No other exceptions were noted as a result of our procedures.

Payroll Disbursements

1. We determined the following for each Commission employee listed on the payroll disbursement journal for two pay periods haphazardly selected from the fiscal year:
- Hours worked agreed to the related time sheet or other appropriate supporting documentation
 - Leave time and type charged, if any, agreed to the related leave form(s) or other appropriate supporting documentation
 - Hourly rate agreed to the Personnel Action Form

We noted no exceptions as a result of our procedures.

2. We independently calculated the vacation leave pay outs of each Commission employee based on information recorded in the payroll records provided by OBM (July 1, 2000 balances, plus amounts accrued based on service time, less amounts used during the period). We compared these calculated amounts to the actual vacation amounts paid upon termination and identified any discrepancies.

We noted no exceptions as a result of our procedures. Two employees received vacation pay-outs during the period. The remaining three employees were transferred to other state agencies. Therefore, their vacation leave balances were transferred; they did not receive a vacation leave pay-out.

On June 5, 2002, we held an exit conference with the Ohio Office of Budget and Management and discussed the contents of this letter.

The procedures we performed do not constitute an examination conducted in accordance with auditing standards generally accepted in the United States of America; therefore, we express no opinion or limited assurance on any of the accounts or items referred to above. Also, we express no opinion on the State and Local Government Commission's internal control system over financial reporting or any part thereof. The State and Local Government Commission is part of the State of Ohio and is included in as part of the State of Ohio's financial audit. Had we performed additional procedures, or had we conducted an examination of the financial statements in accordance with auditing standards generally accepted in the United States of America, other matters might have come to our attention that would have been reported to you. This report relates only the transactions and procedures identified above, and does not extend to any financial statements of the State of Ohio taken as a whole.

This report is intended solely for the information and use of the specified users identified above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

May 29, 2002



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OFFICE OF THE AUDITOR

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STATE AND LOCAL GOVERNMENTS COMMISSION OF OHIO

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
JULY 2, 2002**