



Dave Yost • Auditor of State





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

Ohio Secretary of State  
Ohio Republican Party  
211 South Fifth Street  
Columbus, OH 43215

We have performed the procedures enumerated below, to which the Ohio Republican Party (the Party) agreed, solely to assist the Party in evaluating its compliance with Ohio Revised Code Sections 3517.1012, 3517.13(X)(1), (2)(b), (3)(a), and (4), 3517.17, and 3517.18, for the period January 1, 2012 through December 31, 2012. The Party is responsible for complying with these requirements. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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 Party. 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.

### Cash Receipts

1. We inquired with management to determine whether they deposited all gifts from corporations, labor organizations and all gifts restricted to operations into the same fund into which they deposit amounts received from the State Tax Commissioner. Management informed us they did use this fund for all such gifts.
2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Form 31-CC), filed for 2012, and agreed the total deposits to the OCFR (Form 30-A). We noted no computational errors.
3. We compared bank deposits reflected in 2012 Restricted Fund bank statements to total deposits recorded on the Forms 31-CC filed for 2012. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Party's 2012 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). We agreed the sum of these four payments received to the amount reported on the Forms 31-CC without exception.
5. We scanned other recorded 2012 receipts for evidence that a corporation or labor organization may have exceeded the \$10,000 annual gift limit Ohio Rev. Code 3517.13(X)(3)(a) imposes. We found no evidence that any corporation or labor organization exceeded this limit.
6. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Party receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for 2012 on the Secretary of State's website.

### **Cash Reconciliation**

1. We recomputed the mathematical accuracy of the December 31, 2012 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). We found no computational errors.
2. We agreed the bank balance on the reconciliation to the bank statement balance as of December 31, 2012. The balances agreed.
3. We agreed the book balance on the reconciliation to the Party's internal ledger and the OCFR (Form 30-A) as of December 31, 2012. The balances agreed.
4. We agreed reconciling items appearing on the reconciliation to canceled checks, deposit slips, or other appropriate documentation without exception. We noted three checks issued in July 2012 had not been cashed as of December 31, 2012 and through the date of our testing. The Party voided these three checks and re-issued new checks to the payees in March 2013.

### **Cash Disbursements**

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2012 and agreed the total disbursements to the OCFR (Form 30-A). We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M filed for 2012 and inquired of management whether they transferred any cash from the restricted fund to any other political party account into which contributions may be made or from which contributions or expenditures may be made. We found no evidence of prohibited transfers.
3. Using nonstatistical sampling, we selected 25 checks or other disbursements reflected in the 2012 Restricted Fund bank statement and compared the amounts to the disbursement amounts reported on Disbursement Forms 31-M filed for 2012. We found no discrepancies.
4. Using nonstatistical sampling, we selected 25 disbursements on Disbursement Form 31-M filed for 2012, and traced the payee and amount to payee invoices and canceled checks. The payees and amounts recorded on Disbursement Forms 31-M agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2012 disbursement recorded on Form 31-M for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517.13(X)(2)(b) prohibit. We found no evidence that any restricted fund disbursements represented contributions or campaign-related disbursements.
6. For the items selected in step 3, we compared the signature on the canceled check to the list of authorized signatories the Party provided to us. The signatory on all checks we selected was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. We scanned each 2012 restricted fund disbursement recorded on Form 31-M for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517.13(X)(4) prohibits. We found no evidence of any transfers.

**Cash Disbursements (Continued)**

8. For the items selected in step 3, we compared the purpose of the disbursements to the purpose listed on the vendor invoice and to the purposes permitted by Ohio Rev. Code Section 3517.18. We noted all but three of the selected disbursements were a permissible use of funds in accordance with Ohio Rev. Code Section 3517.18 as noted below.

<i>Check Number</i>	<i>Date</i>	<i>Vendor Name / Payee</i>	<i>Amount</i>
2338	8/3/2012	American Express	\$3,967.05

- The Party was unable to provide documentation for two purchases: one made at an electronics store and one made at a telecommunications company in the amount of \$64.33 and \$13.87, respectively. Therefore, we were unable to determine the allowability of these purchases.

<i>Check Number</i>	<i>Date</i>	<i>Vendor Name / Payee</i>	<i>Amount</i>
1319	1/26/2012	American Express	\$1,838.65

- The Party spent \$750 on gift cards; \$488.57 on a holiday lunch; \$346.49 on gas, an oil change, and tire rotation for a Party owned vehicle; and \$24.20 on bagels. These purchases were not an allowable use of restricted funds under Ohio Rev. Code Section 3517.18.

<i>Check Number</i>	<i>Date</i>	<i>Vendor Name / Payee</i>	<i>Amount</i>
1412	8/10/2012	3-Shark Inc.	\$125.00

- The Party provided a handwritten receipt; as a result, we were unable to determine the allowability of this payment due to the insufficient documentation.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Adjustment for public money illegally expended is hereby issued against the Ohio Republican Party in the amount of \$1,812.46 and in favor of the restricted funds of the Ohio Republican Party.

On August 14, 2013, and September 12, 2013, the Ohio Republican Party transferred a total of \$1,812.46 into the Restricted Fund from another funding source as reimbursement for these expenditures.

9. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Party receives gifts from corporations or labor organizations. We viewed Forms 31-M submitted for 2012 on the Secretary of State's website.

We were not engaged to, and did not examine each *Statement of Political Party Restricted Fund Deposits* and *Statement of Political Party Restricted Fund Disbursements* filed for 2012, the objective of which would have been to opine on compliance. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Ohio Secretary of State and for the Ohio Republican Party and is not intended to be and should not be used by anyone else.

A handwritten signature in black ink that reads "Robert R. Hinkle". The signature is written in a cursive, slightly slanted style.

**Robert R. Hinkle, CPA, CGFM**  
Chief Deputy Auditor

October 4, 2013



# Dave Yost • Auditor of State

**OHIO REPUBLICAN PARTY**

**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  
NOVEMBER 7, 2013**