



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANT'S REPORT

Ohio Public Employees Retirement System
CliftonLarsonAllen LLP
1966 Greenspring Drive
Suite 300
Timonium, Maryland 21093

We have examined Mark-Milford-Hicksville Joint Township Hospital District, Defiance County, Ohio's management's assertion that the census data and pensionable wages reported to the Ohio Public Employees Retirement System as of December 31, 2015, and for the year then ended was accurate and complete.

Management asserts that:

- The census data provided to the Ohio Public Employees Retirement System as of December 31, 2015 is accurate and complete. Census data includes
 - First and Last Name;
 - Last four digits of the social security number;
 - Contributions remitted to the plan;
 - Pensionable Compensation;
- The census data provided to the Ohio Public Employees Retirement System as of December 31, 2015 included all enrolled employees.
- Census data changes occurring during the year ended December 31, 2015 to an enrolled employee's eligible compensation were properly updated with the Ohio Public Employees Retirement System.
- All employees required to be enrolled in the Ohio Public Employees Retirement System were properly enrolled.
- The total pensionable wages and employee contributions information reported to the Ohio Public Employees Retirement System agrees with the payroll records of the employer.

Mark-Milford-Hicksville Joint Township Hospital District's management is responsible for the assertions. Our responsibility is to opine on the assertions based on our examination.

Our examination followed attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements included in the Comptroller General of the United States' *Government Auditing Standards* and, accordingly, included examining, on a test basis, evidence supporting management's assertions and performing other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertions related to the accuracy and completeness of the census data and pensionable wages as described above provided to the Ohio Public Employees Retirement System as of and for the year ending December 31, 2015 are fairly stated in all material respects.

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the accuracy and completeness of the census data and pensionable wages; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether management's assertion regarding the accuracy and completeness of the census data reported to the retirement system is fairly stated, and not for the purpose of expressing an opinion on the internal control over the accuracy and completeness of the census data provided to the pension system, or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under Government Auditing Standards and that finding, along with the views of responsible officials, is described in the attached Schedule of Findings.

This report is intended solely for the information and use of Mark-Milford-Hicksville Joint Township Hospital District's management, those charged with governance, the Ohio Public Employees Retirement System, and CliftonLarsonAllen LLP and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

April 28, 2016

**MARK-MILFORD-HICKSVILLE JOINT TOWNSHIP HOSPITAL DISTRICT
DEFIANCE COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NUMBER 2015-001

Material Weakness

Public employers are required to accurately report pensionable wages and remit the related employee and employer contributions to the Ohio Public Employees Retirement System (OPERS). The District lacked a policy regarding payroll processing and review, including data submission of pension plan information each month, which contributed to the following discrepancies occurring without detection:

- The District did not properly report to OPERS the “pensionable” compensation and OPERS contributions for all of its employees for the September 4, 2015 payroll.
- For one employee tested, the employee’s “pensionable” compensation and OPERS contributions did not get reported for one pay period for the November 27, 2015 payroll.
- For one employee tested, the employee’s “pensionable” compensation and OPERS withholdings were incorrectly calculated due to a “pre-tax” deduction being withheld from the employee’s OPERS pensionable wages in error, which resulted in the employee’s “pensionable” wages to be incorrectly reported to OPERS for the March through August 2015 reporting periods.

As a result of the discrepancies described above, \$394,420 in pensionable wages were not properly reported, and \$39,737 in employee contributions were not timely remitted to OPERS.

The District should continue to work with OPERS to determine how to correct the aforementioned errors and to determine the extent of any unpaid prior liabilities owed to OPERS until the issue has been resolved. The failure of the District to properly withhold and remit retirement contributions to OPERS may subject the District to penalties and charges. The District should also develop procedures to ensure pensionable wages are properly reported and contributions are properly remitted to OPERS.

Management’s Response:

The District will more closely monitor data submission of pension plan information each month in the future.

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**MARK-MILFORD-HICKSVILLE JOINT TOWNSHIP HOSPITAL DISTRICT - OPERS
DEFIANCE 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
MAY 12, 2016**