

FAIRFIELD, HOCKING, ATHENS COUNTIES COUNCIL OF GOVERNMENTS ON
MAJOR CRIMES INVESTIGATIONS UNIT
FAIRFIELD COUNTY
AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020



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OHIO AUDITOR OF STATE
KEITH FABER



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Council Board
Fairfield, Hocking, Athens Council of Governments
on Major Crimes Investigations Unit
240 Baldwin Drive
Lancaster, Ohio 43130

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Fairfield, Hocking, Athens Council of Governments on Major Crimes Investigations Unit, Fairfield County, prepared by Millhuff-Stang, CPA, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Fairfield, Hocking, Athens Council of Governments on Major Crimes Investigations Unit is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 04, 2023

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**Fairfield, Hocking, Athens Council of Governments on
Major Crimes Investigations Unit
Fairfield County**
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Fairfield, Hocking, Athens Council of Governments on
Major Crimes Investigations Unit
Fairfield County
240 Baldwin Drive
Lancaster, Ohio 43130

We have performed the procedures enumerated below on Fairfield, Hocking, Athens Council of Governments on Major Crimes Investigations Unit, Fairfield County's (the Council) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 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, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Council.

The Council Board and the management of the Council have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2021 and 2020, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash (Custodial Fund of County)

1. Fairfield County is the custodian of the Council's deposits, and therefore the County's deposit and investment pool holds the Council's assets. We compared the Council's fund balances reported on its December 31, 2021 and 2020 Financial Reports to the balances reported in Fairfield County's accounting records. The amounts agreed.
2. We agreed the January 1, 2020 beginning fund balances for the general and special revenue funds recorded in the Account Summary Trial Balance Report to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Account Summary Trial Balance Report to the December 31, 2020 balances in the Account Summary Trial Balance Report. We found no exceptions.



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3. We inspected the General Journal Entry Proof Report to determine whether the Finding For Adjustment identified in the prior audit report, due from the MCU Project Income Fund, payable to the MCU Law Enforcement Diversion Program Grant Fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.

Cash (Outside Accounts)

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for the custodial fund recorded in the Financial Report to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for the custodial fund recorded in the Financial Report to the December 31, 2020 balances in the Financial Report. We found no exceptions.
3. We agreed the 2021 and 2020 Bank Reconciliation as of December 31, 2021 and 2020 to the total fund cash balances reported in the financial statements filed by the Council in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2021 bank account balances with the Council's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing on the December 31, 2021 bank reconciliation without exception.

Intergovernmental Cash Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) from 2021 and a total of five from 2020.
 - a. We compared the amount from the above named reports to the amount recorded in the Revenue Account Detail History Reports. The amounts agreed.
 - b. We inspected the Revenue Account Detail History Reports to determine these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We inspected the Revenue Account Detail History Reports to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We agreed the individual amounts paid from the United States Department of Justice to the Council during 2021 and 2020 to documentation supporting the amounts received. We found no exceptions.
 - a. We inspected the Revenue Account Detail History Reports to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We inspected the Revenue Account Detail History Reports to determine whether the receipts were recorded in the proper year. We found no exceptions.

Other Receipts

1. We selected 10 other receipts from the year ended December 31, 2021 and 10 other receipts from the year ended 2020 and:
 - a. Agreed the receipt amount in the Revenue Account Detail History Reports to supporting documentation. We found one receipt in 2021 where the supporting documentation was \$277 higher than the amount recorded in the Revenue Account Detail History Reports.
 - b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
 - c. Inspected the Revenue Account Detail History Reports to determine whether the receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

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Debt

1. From the prior audit documentation, we observed the following leases were outstanding as of December 31, 2019. These amounts agreed to the Council's January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal Outstanding as of December 31, 2019:
2017 Radio Equipment Lease	\$19,104
2018 Vehicle Fleet Lease	22,874

2. We inquired of management, and inspected the Revenue and Expense Account Detail History Reports for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. There were no new debt issuances. We noted the Council entered into new leases in 2021 and 2020, however, due to the Council's use of the cash basis of accounting, the inception of these leases are not recognized in the financial reports. We did note that the Council included new leases within its note disclosures, although amounts differed by our calculations and the disclosures by \$8,616 and \$75,061 for 2021 and 2021, respectively. We also noted differences in payment activity as described in procedure 3.
3. We obtained a summary of lease activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedule(s) to the special revenue fund payments reported in the Expense Account Detail History Reports. We also compared the date the debt service payments were due to the date the Council made the payments. We noted that the 2017 radio equipment lease payments were made on behalf of the Council by another organization, but these on behalf of payments were not reported in the Expense Account Detail History Reports or financial reports for 2021 or 2020. Documentation could not be provided to determine whether those payments were made timely. We also noted that the Council did not pay the 2020 annual payment timely for the 2018 vehicle fleet lease. We also noted that the 2020 vehicle fleet lease payments were made on behalf of the Council by another organization. These on behalf of payments were not reported in the Expense Account Detail History Reports but were recognized in the financial reports for 2021 and 2020. Documentation could not be provided to determine whether those payments were made timely.
4. For new leases issued during 2021 and 2020, we inspected the Council legislation, which stated the Council enter into an agreement(s) for the purchase of vehicles. We inspected the lease agreements and observed the Council purchased vehicles in 2021 and 2020. The Council did not record the 2021 or 2020 lease outlays in the Expense Accounting Detail History Report or the inception of leases in the Revenue Account Detail History Reports due to the Council's use of the cash basis of accounting.

Payroll Cash Disbursements

1. We selected one payroll check for all employees from 2021 and one payroll check for all employees from 2020 from the Earnings and Deductions Detail Proof Reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Earnings and Deductions Detail Proof Reports to supporting documentation (timecard, legislatively or statutorily- approved rate or salary).
 - i. We inspected the employees' personnel files and/or minute record for the Retirement system, Federal, State, and Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
We found no exceptions.
 - b. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and/or minute record. We found no exceptions.

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- c. We confirmed 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, 2021 to confirm remittances were timely charged by the fiscal agent Fairfield County, and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2021. We found the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2022	December 30, 2021	\$978.17	\$978.17
State income taxes	January 15, 2022	December 30, 2021	208.70	208.70
Local income taxes	January 15, 2022	December 30, 2021	179.90	179.90
OPERS retirement	January 30, 2022	January 24, 2022	1,979.37	1,979.37

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Expense Account Detail History Report for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:
- The disbursements were for a proper public purpose. We found no exceptions.
 - The check number, date, payee name and amount recorded on the returned, cancelled check agreed to the check number, date, payee name and amount recorded in the Expense Account Detail History Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - 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

- We obtained and inspected the Council's Public Records Policy to determine the policy was in accordance with Ohio Revised Code Sections 149.43(E)(2) and 149.43(B)(7)(c) and 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.
- We inquired with Council management and determined that the Council did not have any completed public records requests during the engagement period.
- We inquired with Council management and determined that the Council did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Revised Code Section 149.43(B)(2).
- We inquired of Council management and determined that the Council does not have a records custodian as required by Ohio Revised Code Section 149.43(E)(2).
- We inquired with Council management and determined the public records policy was included in the policy manual as required by Ohio Revised Code Section 149.43(E)(2).
- We inquired with Council management and determined that the Council's poster describing their Public Records Policy was displayed conspicuously in all branches of the Council as required by Ohio Revised Code Section 149.43(E)(2). We found no exceptions.

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7. 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 as required by Ohio Revised Code Sections 149.43(E)(1) and 109.43(B).
8. We inquired of Council management and determined that the Council did not provide public notices for public meetings held during the engagement period as required by Ohio Revised Code Section 121.22(F).
9. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Revised Code Section 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
 - 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.
10. We inspected the minutes from the engagement period in accordance with Ohio Revised Code Section 121.22(G) 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 Revised Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

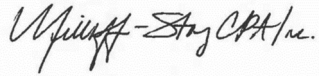
1. Ohio Revised Code Section 117.38 requires councils to file their financial information in the Hinkle system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for 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, 2021 and 2020 in the Hinkle system. We found no exceptions.
2. We inspected the Auditor of State's listing of registered Council of Governments to determine if the Council of Government had completed the registration process with the Auditor of State as required. We found that the Council has not yet registered with the Auditor of State.

We were engaged by the Council to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Council'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.

We are required to be independent of the Council and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

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Respectfully,

A handwritten signature in black ink, appearing to read "Millhuff-Stang CPA, Inc.", is written over a light gray rectangular background.

Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

March 28, 2023

OHIO AUDITOR OF STATE KEITH FABER



**FAIRFIELD-HOCKING-ATHENS COUNCIL OF GOVERNMENTS ON MAJOR CRIMES
INVESTIGATIONS UNIT**

FAIRFIELD 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 5/16/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov