CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY

INITIAL AUDIT/REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Mary Taylor, CPA
Auditor of State

CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY

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Mary Taylor, CPA
Auditor of State

Champaign Countywide Public Safety Communications Center
Council of Governments
Champaign County
1512 S. U.S. Highway 68, Suite A100
Urbana, OH 43078

To the Members of the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor, CPA
Auditor of State

September 25, 2007

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Champaign Countywide Public Safety Communications Center
Council of Governments
Champaign County
1512 S. U.S. Highway 68, Suite A100
Urbana, OH 43078

To the Members of the Board:

We have audited the accompanying financial statements of the Champaign Countywide Public Safety Communications Center, Champaign County, (the Council of Governments), as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Council of Governments' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council of Governments has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Council of Governments does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the Council of Governments to reformat their statements. The Council of Governments has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council of Governments as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Champaign Countywide Public Safety Communications Center, Champaign County, as of December 31, 2006 and 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Council of Governments has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2007, on our consideration of the Council of Governments internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 25, 2007

CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
CHAMPAIGN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	General
Cash Receipts:	
Property and Other Local Taxes	$629,619
State Wireless 911 Assistance	82,912
Intergovernmental Revenue	88,391
Intergovernmental Revenue City/County	568,447
Start Up Contributions from County	95,688
Miscellaneous	1,818
Total Cash Receipts	1,466,875
Cash Disbursements:	
Current:	
Salaries	187,798
Insurance	16,755
Public Employees Retirement	25,363
Worker's Compensation	384
Supplies	2,892
Equipment	641,875
Professional Services	22,197
Repair and Maintenance	2,704
Capital Improvements	407,361
Communications	3,732
Advertising	1,161
Travel and Meetings	813
Training	658
LEADS and Licensing	2,624
Settlement Fees	15,617
Reimbursement	188
Construction Services	22,034
Total Cash Disbursements	1,354,156
Total Receipts Over Disbursements	112,719
Fund Cash Balance, January 1	
Fund Cash Balance, December 31	**$112,719**

The notes to the financial statements are an integral part of this statement.

CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
CHAMPAIGN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	General
Cash Receipts:	
City/County Share of Operating Expenses	$18,855
Start Up Contributions from County	63,814
Total Cash Receipts	82,669
Cash Disbursements:	
Current:	
Salaries	12,681
Insurance	7
Public Employees Retirement	1,694
Supplies	70
Equipment	850
Professional Services	315
Capital Improvements	34,061
Advertising	4,159
Trash Disposal	1,230
Reimbursement	314
Construction Services	27,288
Total Cash Disbursements	82,669
Total Receipts Over Disbursements	
Fund Cash Balance, March 22	
Fund Cash Balance, December 31	**$0**

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Champaign Countywide Public Safety Communications Center Council of Governments' (COG) rights and privileges are established by the authority provided by law, resolution, ordinance or regulation that is available individually to the City of Urbana or Champaign County, which have combined to form the Council of Governments. The Council of Governments is comprised of two separate, but interdependent Boards; the Fiscal Management Board and the Operations Board. The Council of Governments was created for the purpose of operating an enhanced 911 Public Safety Answering Point (PSAP), including public safety communications and dispatching operations, and providing those services to all political subdivisions and districts in Champaign County.

The COG's Management believes these financial statements present all activities for which the COG is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council of Government recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Champaign County Auditor acts as the fiscal agent for the Council of Governments. The County's cash and investment pool holds the Council of Governments' assets, valued at the County Treasurer's reported carrying value.

D. Fund Accounting

The Council of Governments uses fund accounting to segregate cash and investments that are restricted as to use. The Council of Governments has one fund.

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

1. Appropriations

The bylaws of the Council of Governments require the Council to annually adopt a capital and operating budget and appropriate funds accordingly out of funds made available under the Financial Provisions of the Council of Governments agreement. The Council may not expend more in any one fiscal year than the funds made available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Encumbrances

The Council of Governments reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not re-appropriated.

A summary of 2006 and 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The Council of Governments records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$1,354,156	$1,354,156	$0

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$82,669	$82,669	$0

3. INTERGOVERNMENTAL FUNDING

The agreement creating the Council of Governments stipulates that until a levy is enacted by the voters, the County and City of Urbana shall provide 60% and 40% respectively, of the start up costs of establishing and constructing, equipping, and supplying the 911 Communications Center. The agreement also provides that the two governments will provide support for operating costs and capital outlays for equipment upgrades.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the COG.

5. RETIREMENT SYSTEMS

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Council of Government's OPERS members contributed 8.5 percent of their gross salaries for 2005 and 9 percent for 2006. The Council of Government contributed an amount equal to 13.55 percent of participants' gross salaries for 2005 and 13.7% for 2006. All required contributions have been paid through December 31, 2006.

6. RISK MANAGEMENT

A. Commercial Insurance

The Council of Government has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

B. Risk Pool Membership

The COG is exposed to various risks of property and casualty losses, and injuries to employees.

The COG insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

6. RISK MANAGEMENT (Continued)

The COG belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to $250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding $250,000, up to $1,750,000 per claim and $10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to $350,000 per occurrence, including loss adjustment expenses. Claims exceeding $350,000 are reinsured with APEEP in an amount not to exceed $2,650,000 for each claim and $10,000,000 in the aggregate per year. Governments can elect up to $10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to $5,000,000 per year, subject to a per-claim limit of $2,000,000 (for claims prior to January 1, 2006) or $3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to $100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding $100,000 up to $500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding $250,000 up to $600 million per occurrence. APEEP reinsures members for specific losses exceeding $100,000 up to $250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between $100,000 and $250,000, Travelers will reinsure specific losses exceeding $100,000 up to their $600 million per occurrence limit. The aggregate stop-loss limit for 2006 was $1,901,127.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005.

6. RISK MANAGEMENT (Continued)

Casualty Coverage	2006	2005
Assets	$30,997,868	$29,719,675
Liabilities	(15,875,741)	(15,994,168)
Retained earnings	$15,122,127	$13,725,507

Property Coverage	2006	2005
Assets	$5,125,326	$4,443,332
Liabilities	(863,163)	(1,068,245)
Retained earnings	$4,262,163	$3,375,087

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately $14.4 million and $14.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately $14.4 million and $14.3 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The County's share of these unpaid claims collectible in future years is approximately $1,348. This payable includes the subsequent year's contribution due if the County terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP	
2005	$ 0
2006	$674

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

7. SUBSEQUENT EVENTS

Champaign County and the City of Urbana entered into an agreement to share the start up costs of the communications center 60/40 respectively. As of December 2006, the county owed $346,766 and the city owed $72,002 of reimbursable expenses. All of the reimbursements owed by the county and city were paid to the COG by August 2007.

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Champaign Countywide Public Safety Communications Center
Council of Governments
Champaign County
1512 S. U.S. Highway 68, Suite A100
Urbana, OH 43078

To the Council of Government Board of Trustees:

We have audited the financial statements of the Champaign Countywide Public Safety Communications Center, Champaign County, (the Council of Governments), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 25, 2007, wherein we noted the Council of Government prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council of Governments' internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council of Governments' internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council of Governments' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council of Governments' ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council of Governments' internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-002 through 2006-004.

First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
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A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council of Governments' internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we believe finding numbers 2006-002, 2006-003 and 2006-004 are also material weaknesses, as defined above.

We also noted a certain internal control matter that we reported to the Council of Governments' management in a separate letter dated September 25, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Council of Governments' financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-001 through 2006-002.

We did note a certain noncompliance or other matter that we reported to the Council of Governments' management in a separate letter dated September 25, 2007.

The Council of Government's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Council of Government's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Fiscal Management Board and the Operations Board. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 25, 2007

SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING 2006-001

Finding for Recovery Repaid Under Audit

Pursuant to Ohio Rev. Code Section 9.38, the definition of "public official" found in R.C. 117.01 is applicable to R.C. 9.39. "Public official" is defined in R.C. 117.01(E) as "any officer, employee, or duly authorized representative or agent of a public office." In turn, "public office" is defined as "any state agency, public institution, political subdivision, or other organized body, office, agency, institution, or entity established by the laws of this state for the exercise of any function of government." R.C. 117.01(D).

Ohio Rev. Code Section 9.39 states that all public officials are held liable for all public money received or collected by them or by their subordinates under color of office. Further, Ohio Atty Gen. Op. No. 93-004 provides that the language of Ohio Rev. Code Section 9.39 with respect to the liability of public officials is plain and unambiguous stating that a public official will be held personally liable if public moneys that come into his possession or custody in his official capacity are lost.

The 911 Communication Center staffing schedules resulted in employees working non-standard hours. As a result, employees worked, in some cases either more or less than the standard 80 hours for a given bi-weekly pay period. The employees were compensated for 80 hours worked, with the understanding that any variances would equal out over time. However, due to errors in creating the work schedules, certain employees were overcompensated, as shown in the table below. These overpayments occurred from 9/16/2006, when the Center went online, to 12/22/2006, the last pay period of the year. Mike Iiames, Center Director, calculated and approved the pay for the employees.

Employee	Pay Rate	Unearned Hours Compensated	Overpayment
Robin Ballard	$14.60	7.50	$109.50
Catherine Duvall	16.00	7.25	116.00
Linda Fleming	14.50	7.25	105.13
Teresa Gutherie	16.00	12.50	200.00
Lisa Jordan	13.50	11.00	148.50
Mary Kinney	14.60	9.50	138.70
Miranda Lafary	14.60	23.75	346.75
Melissa Miller	13.50	20.75	280.13
Mindy North	14.60	16.50	240.90
Eric Shonkwiler	14.60	18.50	270.10
Aimie Varner	14.60	25.75	375.95

Therefore, based on the foregoing facts, and in accordance with Ohio Rev. Code 117.28, a Finding for Recovery for monies illegally expended is hereby issued against the individuals listed above, in favor of the Champaign Countywide Public Safety Communications System General Fund in the amount of $2,331.66.

FINDING 2006-001
(Continued)

Official's Response:

The finding was repaid based on a Payroll Withholding Agreement dated August 2, 2007 between the Council of Governments and Michael Iiames in the amount of $2,331.66. The finding will be repaid over eight pay periods, ending on November 9, 2007. This issue was due to the work schedule the employees were assigned to. An agreement has been signed for deduction from the payroll for the agreed amount.

To prevent from having overpayments, due to not enough hours being worked, a new schedule is being enacted September 1, 2007. All 2007 payroll records are being examined and any shortages will be repaid by the end of 2007.

FINDING NUMBER 2006-002

Material Noncompliance Citation and Significant Deficiency/Material Weakness

Ohio Rev. Code Section 149.351 (A), states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under **sections 149.38** to **149.42** of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred or destroyed unlawfully.

There were six instances where time sheets could not be produced for 2006. Failure to retain time sheets could result in employees being paid incorrectly and no means of recalculating the payment amount. The Communications Center should implement procedures to make sure that all time sheets are completed and maintained as required.

Official's Response:

Procedures have been in place that all schedules, time sheets and other documents must be given to the Director for proper handling. The majority of the missing time sheets occurred during the transition from one location to the current location. Time sheet procedures have been implemented to ensure that supervisors sign off before they are forwarded to the Director. The procedure indicates that if a time sheet is not submitted, no pay will be issued to the offending employee.

FINDING NUMBER 2006-003

Significant Deficiency/Material Weakness

Classification of Intergovernmental Revenue and Taxes

Property Taxes were overstated by $139,782 in 2006 which caused Intergovernmental, refunds and State Wireless 911 Assistance to be understated accordingly. The financial statements have been adjusted to correct this error. To reduce the risk of in accurate reporting of revenue from other governments, the COG should meet with the County Auditor in order to determine the appropriate code classification.

Official's Response:

We are working with the Champaign County Auditor's Office to be certain revenues are being entered in the proper code classification.

FINDING NUMBER 2006-004

Significant Deficiency/Material Weakness

Development and Implementation of Payroll Processing Procedures

Our test of payroll disclosed the following control weaknesses;

- Six time sheets were missing for 2006.
- Time sheets were not always signed and approved.
- Time sheets did not foot, which resulting in variances between the actual number of hours worked and the total number of hours paid.
- The center has both part time and full time employees. Full time employees are paid to stay an additional 15 minutes at the end of their shift. Employees did not record this time on their time sheets.
- Full time employees were paid 80 hours but frequently only worked 72 hours.

Failure to establish an effective control environment resulted in overpayment of wages. The Communications Center should develop and implement policies and procedures that require all time sheets to be thoroughly evaluated for completeness and accuracy. Furthermore, completed time sheets should be signed by authorized personnel. In addition to developing procedures for time sheets, the center should make sure that all data transferred from time sheets to the Payroll Transmittal Report is also verified for accuracy and completeness. Implementing these policies and procedures will assist in mitigating the chance of incorrectly calculating payroll.

Official's Response:

As stated above, new procedures have been put in place to eliminate all the issues raised. A new work schedule where the employee will work 80 hours per pay cycle is being implemented September 1, 2007.

Mary Taylor, CPA
Auditor of State

CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER – 911 COG

CHAMPAIGN 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
OCTOBER 11, 2007

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us