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**GUERNSEY COUNTY EMERGENCY MANAGEMENT AGENCY
GUERNSEY COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Guernsey County Commissioners
Guernsey County Sheriff
627 Wheeling Avenue, Suite 300
Cambridge, OH 43725

We have performed the procedures enumerated below as of May 7, 2013, which were agreed to by the addressees, related to payroll, non-payroll disbursements including gas purchases, fund activity, and equipment in the custody of the Guernsey County Emergency Management Agency (EMA) Office solely to assist you in the transition from the EMA office to the Sheriff. The transition is the responsibility of the present and former officeholder. 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 addressees. 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. Our procedures were as follows:

Payroll

1. We haphazardly selected ten payroll checks issued to EMA Department employees from the period January 1, 2012 through April 8, 2013 from the Payroll Distribution Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Distribution Report to supporting documentation (timesheet, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. For any leave or compensatory time earned or used, we attempted to compare the hours to supporting documentation and determine the appropriateness of the leave based on the County's policies and/or employment contract. We noted that sick and vacation leave appeared to be accrued at the correct rates each pay period tested. However, compensatory time earned and used by Gerry Beckner, EMA Director, for the dates tested did not appear to follow the Guernsey County Policy Handbook for Employees. The only record of compensatory time balances maintained was a spreadsheet developed and maintained by Ms. Beckner. This spreadsheet was submitted annually to the County Commissioners' office to be included in the personnel file maintained by the Commissioners' office staff; however, we noted no evidence that would indicate the report was reviewed or approved by any County official.

For the payroll checks selected for testing, we noted a total of 43 hours of compensatory time used by Ms. Beckner. We noted no documentation where a county official (County Commissioner) approved the use of compensatory time on the dates in question. Additionally, for the payroll checks selected for testing, we noted a total of 112 hours of compensatory time earned by Ms. Beckner. There was no evidence of approval by a county official (County Commissioner) for compensatory time earned as directed in the Guernsey County Policy Handbook for Employees. However, we did note that Ms. Beckner had maintained various types of documentation to support the activities that led to the accrual of compensatory time, such as training certificates and meeting sign-in sheets.

Payroll (Continued)

Finally, our scanning of the spreadsheet of compensatory time revealed time that was earned was not consistently used within 180 days of having been earned as required by County policy.

We recommend that the County develop standard forms to properly document the earning and usage of compensatory time by its employees. The forms should be approved by a County official whenever compensatory time is earned or used, and a method to track compensatory time should be developed similarly to the method used to track sick leave and vacation leave. We further recommend that the method of tracking compensatory time include provisions to determine whether compensatory time is being utilized within 180 days of being earned in order to comply with the County's policy.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the EMA funds in the County's Transaction History Report for the period January 1, 2012 through April 8, 2013 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Transaction History Report and to the names and amounts on the supporting invoices. We noted one disbursement on warrant number 185010 dated May 22, 2012, for which the invoice and canceled check indicated the vendor's name was "Cambridge Classic Ford;" however, the County's Transaction History Report listed the vendor's name as "Chad Company." We found no other exceptions.

We recommend that the County's standing vendor data be reviewed periodically to determine that the data is accurate to ensure payments are directed to the correct recipients.

- c. 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.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found no exceptions.
2. We scanned the disbursements in the EMA funds in the County's Transaction History Report for reasonableness and proper public purpose. We found no exceptions.

Gas Purchases

1. We haphazardly selected ten disbursements for gas purchases from the EMA funds in the County's Transaction History Report for the period January 1, 2012 through April 8, 2013 and determined whether:
 - a. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Transaction History Report and to the names and amounts on the supporting invoices. We also assessed the gas purchases for reasonableness. We noted one disbursement on warrant number 197497 dated January 17, 2013 issued to Wex Bank in the amount of \$229.60 for the payment of fuel purchases made at Sheetz Fueling Stations. The current invoice amount was only \$77.09. However, the County had not issued the previous payment by the invoice due date; therefore, the balance due on the invoice in question included the \$145.21 already paid with the previous warrant (warrant number 197229 dated January 9, 2013) issued to this vendor, and a \$10 late fee. By paying the entire balance due on the invoice as indicated, the County paid the invoiced amount of \$145.21 twice, which resulted in a credit against future billings. We found no other exceptions.

Gas Purchases (Continued)

We recommend that the EMA department review all invoices prior to forwarding them to the County Auditor's office for processing to determine that amounts charged on the invoices are accurate and do not include amounts previously paid with prior warrants.

EMA Fund Activity

1. We scanned the EMA funds in the County's Transaction History Report for the period January 1, 2012 through April 8, 2013 and determined whether there were any transfers among funds and if they were properly recorded in the accounting records.

We noted four transactions which were recorded as Transfers In within the Emergency Management Agency Fund (Fund W00) on the Transaction History Reports, three during 2012 and one during 2013. Of the three transactions within 2012, we noted that two of the transactions were actual transfers in the amount of \$24,217 each from the County General Fund as approved by the Board of County Commissioners. The remaining item in 2012 was posted to the Transaction History Report as a Transfer In; however it was actually a receipt received from the Local Emergency Planning Commission Fund (Fund W01) in the amount of \$15,000 for contracted services. The payment from the Local Emergency Planning Commission Fund to the Emergency Management Agency Fund was made on warrant #181726 on March 16, 2012. The supporting documentation for the warrant included a copy of the signed purchase service agreement between the Emergency Management Agency and the Local Emergency Planning Committee. The agreement was signed by the President of the Board of County Commissioners; Commissioners' Clerk; EMA Director; Chairperson of the Local Emergency Planning Committee; and Administrative Assistant to the EMA Director. Furthermore, there was a copy of a County resolution from the January 18, 2012 Commissioners' meeting approving the agreement which was signed by all three County Commissioners.

We recommend that only transactions that represent formal transfers of funds as approved by the Board of County Commissioners, not the payment of approved service contracts between funds, be recorded on the County's accounting system as Transfers In.

The one transaction we noted in 2013 was a Transfer In of \$24,217 in the Emergency Management Agency Fund (Fund W00) from the County General Fund as approved by the Board of County Commissioners. We noted no Transfers Out activity on the Transaction History Reports.

Equipment

1. We randomly selected five items from the equipment listing dated April 11, 2013 representing equipment assigned to the County Commissioners for the EMA, recorded at a value exceeding \$1,000. On April 11, 2013, we traced the items to their location described in the equipment listing. We found each item in the assigned location.
2. On April 11, 2013, we randomly selected five items with a value exceeding \$1,000 assigned to the EMA office, and traced the item to the equipment listing. All items we selected agreed to the description and location recorded in the equipment listing dated April 11, 2013.
3. We selected two possible equipment purchases from the non-payroll disbursement testing and traced the items purchased to the equipment listing dated April 11, 2013. We noted the following items which were purchased but not included on the equipment inventory listing dated April 11, 2013:
 - a. Warrant number 180113 dated February 15, 2012 paid to Staley Communications in the amount of \$19,860 included the purchase of an antenna and lines at an equipment cost of \$15,781.20, with the remaining cost incurred representing installation and shipping charges. This antenna was purchased for the use by the Sheriff's Department. This antenna was not included on either the EMA's inventory listing or the Sheriff Department's inventory listing.

Equipment (Continued)

- b. Warrant number 187714 dated July 12, 2012 paid to Kmart in the amount of \$564.79 included the purchase of several cameras and related accessories. These items were added to the EMA's inventory on April 22, 2013 once brought to the Department's attention per interview the Jane Yoder, EMA Administrative Assistant.

Ohio Admin. Code Section 117-2-02(D)(4)(c) states in part all local public offices should maintain or provide a report similar to the following accounting records: Capital asset records including such information as the original cost, acquisition date, voucher number, the asset type (land, building, vehicle, etc.), asset description, location, and tag number. Local governments preparing financial statements using generally accepted accounting principles will want to maintain additional data.

While Guernsey County does not report its annual financial report using generally accepted accounting principles (GAAP), the requirement to maintain capital asset records apply to GAAP and non-GAAP mandated public offices. We recommend that all potential purchases of equipment be reviewed at the time the item(s) is/are received and added to the County's inventory, whether maintained at a department level or by a central County-wide inventory tracking system.

We were not engaged to and did not audit payroll, non-payroll disbursements including gas purchases, fund activity, and equipment, the objective of which would be the expression of an opinion. Accordingly, we do not express such 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 addressees listed above and is not intended to be and should not be used by anyone else.



Dave Yost
Auditor of State

May 7, 2013



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GUERNSEY COUNTY EMERGENCY MANAGEMENT AGENCY

GUERNSEY 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 28, 2013**