



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANT'S REPORT

Village of Woodlawn
Hamilton County
Ohio Police and Fire Pension Fund
RSM US, LLP
10141 Woodlawn Boulevard
Woodlawn, Ohio 45215

We have examined the Village of Woodlawn, Hamilton County, Ohio management's assertion that the census data and pensionable wages reported to the Ohio Police and Fire Pension Fund as of December 31, 2016, and for the year then ended was accurate and complete.

Management asserts that:

- The census data provided to the Ohio Police and Fire Pension Fund as of December 31, 2016 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 Police and Fire Pension Fund as of December 31, 2016 included all enrolled employees.
- Census data changes occurring during the year ended December 31, 2016 to an enrolled employee's eligible compensation, were properly updated with the Ohio Police and Fire Pension Fund
- All employees required to be enrolled in the Ohio Police and Fire Pension Fund in accordance with statutory requirements were properly enrolled.
- The total pensionable wages and employee contributions information reported to the Ohio Police and Fire Pension Fund for the year ended December 31, 2016 agrees with the payroll records of the employer.

The Village of Woodlawn's management is responsible for the assertions. Our responsibility is to opine on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements included in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Ohio Police and Fire Pension Fund as of and for the year ended December 31, 2016 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 certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in the attached Schedule of Findings.

This report is intended solely for the information and use of the Village of Woodlawn's management, those charged with governance, and Ohio Police and Fire Pension Fund, and RSM US, LLP to provide assurances that the census data reported to the Ohio Police and Fire Pension Fund is accurate and complete. This report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

April 9, 2018

**VILLAGE OF WOODLAWN
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2016**

FINDING NUMBER 2016-001

Significant Deficiency

The Ohio Police and Fire Pension Fund requires employers to submit employee and employer contributions in accordance with **Ohio Rev. Code § 742**. These contributions are based on a percentage of pensionable wages. During the engagement, we selected three police and fire department employees and found each to have discrepancies in their pensionable wages reported by the Pension Fund compared with Village payroll records that netted to 0.5 Percent. Variances ranged from -0.98 percent to 2.53 percent of the pensionable wages for the employees selected for testing.

The Village could not identify specific reasons for these variances, but noted there has been turnover in Village finance personnel and the payroll processor, Paycor, Inc, periodically posted subsequent payroll adjustments for errors or omissions. Reporting incorrect pensionable wages could result in improper calculations of employees' retirement benefits.

We recommend the Village review the requirements of pensionable wages and resolve discrepancies with Ohio Police and Fire to ensure appropriate reporting in the future.

Management's Response:

The Village of Woodlawn has worked closely with the Ohio Police and Fire Pension Fund to ensure that employees have received appropriate credit. Since the middle of 2016, the Village has been copying and forwarding to the Pension Fund staff all paystubs of eligible employees. In conjunction with the Pension Fund staff, the Village has then filed appropriate reports and made the correct payments. Ongoing deficiencies in our payroll system, a system that does not support the required needs for reporting for Police and Fire, are being addressed by switching to a new provider that has proven to meet these needs. This switch will be complete in mid-summer 2018. Some 2016 payroll errors that were corrected in later periods, some as late as 2017, were backdated into 2016 for Pension purposes by the OP&F staff. This correction to place earnings in the correct period earned has resulted in ongoing discrepancies between reported as paid and reported as earned.

FINDING NUMBER 2016-002

Significant Deficiency

All public officials and management are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the operations of their respective public offices.

For four of five (80%) police and fire department employee personnel files reviewed, an Ohio Police and Fire Pension Fund enrollment form was not available for inspection. The Village has experienced turnover in finance personnel and the Village was not able to provide for inspection copies of the forms, submitted to the retirement system, in the identified employee personnel files.

A lack of internal controls increases the risk that errors could occur and not be detected in a timely manner. Failure to maintain complete employee personnel files reduces the Village's ability to ensure proper accountability over the proper reporting of member census data to the retirement system.

FINDING NUMBER 2016-002
(Continued)

We recommend the Village review and update its employee personnel files to include pension enrollment or participation forms.

Management's Response:

Since 2016, The Village of Woodlawn has worked diligently to improve both Financial and Human Resource Systems and processes. Our goal has been to make significant improvements of our internal control systems. In 2017, we assigned a full time clerk to facilitate all Human Resource related transactions, including documenting and maintaining personnel folders. Her presence has led to more efficient and effective process management. An additional step, creating a single storage point for all personnel records, should also improve our processes.



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VILLAGE OF WOODLAWN

HAMILTON 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
APRIL 24, 2018