



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Lawrence-Scioto County Solid Waste Management District  
Lawrence County  
101 North 3<sup>rd</sup> Street  
Ironton, Ohio 45638

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Lawrence-Scioto County Solid Waste Management District (the District), on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

### Cash

1. Scioto County is custodian for the District's deposits, and therefore the County's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2019 Financial Statements to the balances reported in Scioto County's accounting records. The amounts agreed.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Statement of Revenue and Expense Report to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Statement of Revenue and Expense Report to the December 31, 2018 balances in the Statement of Revenue and Expense Report. We found no exceptions.

### Other Confirmable Cash Receipts (e.g. Charges for Services)

1. We confirmed the amounts paid from the Lawrence and Scioto Counties to the District during 2019 and 2018. They confirmed payment of the following amounts to the District:

Company	2019 Payments	2018 Payments
Lawrence County	\$379,694	\$381,441
Scioto County	\$463,040	\$455,505

- a. We compared the amount confirmed with the amount the District recorded in its receipt records. We found no exceptions.

- b. We inspected the Revenue Audit Trail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- c. We inspected the Revenue Audit Trail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Distribution Report and:
  - a. We compared the hours and pay rate, or salary amount recorded in the Distribution Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We inspected the fund and account code to which the check was posted to determine if they were reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
  - c. For any new employees selected, we compared whether the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
    - i. Name
    - ii. Authorized salary or pay rate and department and fund to which the check should be charged
    - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 to confirm remittances were timely charged by the fiscal agent Scioto County, and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2019. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	December 24, 2019	\$773	\$773
State income taxes	January 15, 2020	December 26, 2019	\$78	\$78
Portsmouth City Tax	January 15, 2020	December 31, 2019	\$11	\$11
Ironton Income Tax	January 15, 2020	December 31, 2019	\$115	\$115
OPERS retirement	January 30, 2020	December 12, 2019	\$3,668	\$3,668

### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Expense Audit Trail Report for the year ended December 31, 2019 and 10 from the year ended 2018 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 Expense Audit Trail Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - 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 Sections 5705.41(D). We found no exceptions.
  - e. The disbursement was allowable under Ohio Rev. Code Section 3734.57(G), and the Districts policies and procedures. We found no exceptions.

### **Compliance – Budgetary**

1. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General and Tire Amnesty fund. We observed that expenditures did not exceed appropriations.
2. We inspected the 2019 and 2018 Revenue Audit Trail Report and Expense Audit Trail Report for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We observed no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or and Court of Common Pleas (effective through June 30, 2017).
3. We inspected the Statement of Cash from Revenue and Expense Report for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We observed no funds having negative cash fund balances.

### **Sunshine Law Compliance**

1. We obtained and inspected the District's Public Records Policy to determine the policy 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. The only limit in the policy is the office may limit the number of records requested by a person that the office will transmit by United States mail to ten per month. No other limits to requests were found.
2. We inquired with District management and determined that the District did not have any completed public records requests during the engagement period.
3. We inquired with District management and determined that the District did not have any denied public records requests during our engagement period.

4. We inquired with District management and determined that the District did not have any public records requests with redactions during the engagement period.
5. We inquired with District management and determined that the District did have a records retention policy in place during our engagement period and that it was readily available to the public.
6. We inspected written evidence that the Public Records Policy was provided to the Director. We found no exceptions.
7. We inspected the District's policy manual and determined the public records policy was included. We found no exceptions.
8. We observed the District's poster describing their Public Records Policy was displayed conspicuously in the office of the District. We found no exceptions.
9. We inquired with District management and determined that the District did not have any applications for record applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with District management and determined that public records requests are handled through the Scioto County Commissioners office since Scioto County is the fiscal agent for the District. The Scioto County Commissioners also make up half of the Board for the District. We inspected individual training certificates and determined whether each of the Commissioners (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions.
11. We inspected the public notices for the public meetings held during our engagement period and determined the District notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period 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.

13. We inspected the minutes from the engagement period 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 Ohio Rev. Code Section 121.22(G)
  - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

## Other Compliance

1. Ohio Rev. Code Section 117.38 requires these districts 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 District 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, 2019 and 2018 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list of authorized users, and
  - a list of all credit card account transactions.
  - a. We inspected the established policy obtained above and determined it is:
    - i. in compliance with the HB 312 statutory requirements, and
    - ii. implemented by the entity.

We found no exceptions.
  - b. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.
  - c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
    - i. No unpaid beginning balance was carried forward to the current billing cycle,
    - ii. Ending statement balance was paid in full, and
    - iii. Statement contained no interest or late fees.

We found no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District'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.

This report is to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

May 27, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**LAWRENCE SCIOTO SOLID WASTE MANAGEMENT DISTRICT**

**LAWRENCE 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  
JUNE 11, 2020**