



Mary Taylor, CPA  
Auditor of State



OAKVIEW JUVENILE RESIDENTIAL CENTER  
BELMONT COUNTY

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# Mary Taylor, CPA

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

Belmont County Commissioners  
Belmont County  
100 West Main Street  
St. Clairsville, Ohio 43950

Ohio Department of Youth Services  
Thomas J. Stickrath, Director  
51 North High Street  
Columbus, Ohio 43215

Governing Board of Oakview Juvenile Residential Center  
67701 Oakview Road  
St. Clairsville, Ohio 43950

We have performed the procedures enumerated below, to which the Belmont County Commissioners, Ohio Department of Youth Services and Governing Board of Oakview Juvenile Residential Center agreed, solely to assist the aforementioned parties in evaluating the operation of the Oakview Juvenile Residential Center. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements. The sufficiency of the procedures is solely the responsibility of the aforementioned parties. 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 performed and the related findings are included in the attached exhibit.

We were not engaged to, and did not perform an examination, the objective of which would be to express an opinion on management's assertions. Accordingly, we do not express 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 Belmont County Commissioners, the Ohio Department of Youth Services and the Governing Board of Department of Youth Services and is not intended to be and should not be used by anyone else.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 8, 2007

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## EXHIBIT

### **PROCEDURES PERFORMED**

The procedures were performed for all expenditures recorded by Belmont County (fiscal agent) and/or submitted for payment by Oakview Juvenile Residential Center for the period July 1, 2004 through May 12, 2006.

**Procedure 1** -- Coding of expenditures and proper posting of capital assets to IntelliTrack System

### **Internal Control Procedures for Disbursement Processing**

The Oakview Juvenile Residential Center (Center) should maintain an accounting system and accounting records sufficient to enable the Center to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements. The Center was responsible for preparing voucher packages for submission to Belmont County (fiscal agent) for eventual payment to vendor. The voucher package should contain a copy of detailed invoice as outlined in Ohio Administrative Code Section 5139-63-10(D), expenditure coding to the chart of accounts as outlined in Ohio Administrative Code Sections 5139-63-03 and 5139-63-04, and Center's signature approval on the voucher package.

We compared the coding of expenditures for the period July 1, 2004 through May 12, 2006 at both the fiscal agent (Belmont County) level and at the Oakview Juvenile Residential Center (Center) level to the Chart of Accounts provided by the Ohio Department of Youth Services. All expenditures were examined for restrictions listed in Ohio Administrative Code Sections 5139-63-03 (budgetary requirements), 5139-63-04 (allowable expenses), 5139-63-05 (non-allowable expenses) and local restrictions contained in the Center's Policy and Procedures manual. We examined the coding of expenditures to determine the expenditure was charged to the proper fund as specified in Ohio Administrative Code Section 5139-63-03 (G), proper expenditure category as specified in Ohio Administrative Code Section 5139-63-04, was for a proper public purpose, and that there was proper source documentation to support the expenditure.

- During the examination of expenditures for the period July 1, 2004 through May 12, 2006, it was noted that expenditures submitted by Oakview Juvenile Residential Center business manager and paid by Belmont County (fiscal agent) were not always supported by adequate source documentation. For three percent of the expenditures we examined, the Center had vendors paid based on packing slips, bid proposals, bid quotes, manual invoices and at times no documentation. Belmont County paid these invoices that did not contain adequate supporting documentation. A complete list of these expenditures is available for review.
- Oakview Juvenile Residential Center entered into contract with DDP and Associates to perform weekly inspections and reporting, construction administration and services and be a liaison with respective contractors for the period March 1, 2004 through June 30, 2004. The contract can be renewed in June of each year upon the agreement of both parties. The contract stipulated that the contractor submit properly documented and signed time sheets to the Oakview business manager with the invoices. For the period July 1, 2004 through May 12, 2006, the Oakview Juvenile Residential Center submitted voucher packages with billings from DDP and Associates, in the amount of \$14,818 to be paid by Belmont County (fiscal agent). These voucher packages did not contain documented and signed time sheets to support the invoice billing as stated per the contractual agreement. Therefore these expenditures were not supported by adequate source documentation.
- The Oakview Residential Juvenile Center used a vendor, Swans Sport Shop, exclusively for the purchase of clothing, shoes and sporting equipment. The vendor did not consistently provide detailed invoices on which to pay. The manually prepared invoices were not detailed, the equipment purchases were listed in even dollar amounts and the manual invoices were not sequentially numbered. A complete list of these expenditures is available for review.

**EXHIBIT  
(Continued)**

**Procedure 1** (Continued)

**Internal Control Procedures for Disbursement Processing** (Continued)

- The Oakview Juvenile Residential Center business manager was inconsistent in the account coding of expenditures on voucher packages submitted to Belmont County (fiscal agent) for payment. Seven percent of the posted expenditures that we examined were not coded consistently to the account codes specified in Ohio Administrative Code Section 5139-63-04. Some examples of postings that we examined that did not appear reasonable:
  - Warrant #631419 for mounted US & World maps was posted to S06—Motor Vehicle Expense instead of S05—Supplies & Materials.
  - Warrants #603301, #603302 and #603304 to Capital Business Interiors for furniture in nurse's station was posted to S53—Medical instead of S14—Equipment.
  - Warrants #603292, #603293, #603294 to First USA, Inc. in the amount of \$3,530 for router and installation charges were posted to S52—Contract Services and S58—Communications instead of S14—Equipment.
  - Warrants #599081 and #599094 to American Electric Power for transformer, electric line extensions and electric meter for new building construction were posted to S59—Fuel & Utilities (current utility costs) instead of N20 Fund and N01—Contract Project, new Building.
  - Warrant #623694 to Technology Services for computer equipment in the amount of \$4,646 was posted to S05—Supplies instead of S14—Equipment.
  - Warrant #631425 to Thompsons Landscaping in the amount of \$5,184 was posted to S14—Equipment instead of S05—Supplies & Materials.
  - Warrant #603282 to Bridgeport Gas, Inc. in the amount of \$458 for #2 fuel oil posted to S06—Motor Vehicle's Expense instead of S09—Fuels and Utilities

We recommend the Center implement internal control procedures to ensure the proper accountability for expenditure payment. A voucher package should be submitted to the County for payment that contains all the required elements to ensure the payment is properly recorded and paid. The voucher package should contain a valid invoice that details the expenditures as outlined by Ohio Administrative Code Section 5139-63-10(D), the invoice should be approved by the Center as proper and received, the account coding should conform to Ohio Administrative Code Sections 5139-63-03 and 5139-63-04, the final expenditure amount should be net of sales tax, and the voucher package should be approved by a responsible individual at the Center. In addition, Belmont County (fiscal agent) should deny payment for any voucher package submitted by the Center which does not contain adequate supporting documentation. Also, Belmont County should apply skepticism to any expenditure listed for payment in the voucher package and contact the Center if the expenditure does not appear reasonable.

In addition to the expenditures that we disclosed as not coded according to the account codes specified in Ohio Administrative Code Section 5139-63-04 and expenditures that did not contain proper source documentation, we noted the following:

**Capital Asset Management**

Ohio Administrative Code Section 5139-63-10 (F) states that proper inventory schedules must be maintained for all equipment items purchased with grant funds. Inventories must include the following information for all equipment: quantity, description, serial number, identification number, purchase price, date of acquisition, vendor, condition, and location. Ohio Administrative Code 5139-63-10 (G) states that county-established guidelines will be used for salvage of unusable, damaged, and/or unrepairable equipment taken out of the facility. Documentation must be maintained on the disposition of all equipment removed from the facility. The department shall be provided the opportunity to review all equipment to be salvaged. Oakview Juvenile Residential Center's Policy AM-1B-11, Section 3.4 states that all new buildings are to be recorded in IntelliTrack if the construction cost is greater than \$15,000 per component. Oakview Juvenile Residential Centers' Policy AM-1B, Section 3.9 states that the Business Manager shall be responsible for directing a physical inventory of all items recorded in the IntelliTrack System once a year.



**EXHIBIT  
(Continued)**

**Procedure 1** (Continued)

**Capital Asset Management** (Continued)

- During our examination of eighty-two assets purchased in the period July 1, 2004 through May 12, 2006, there were eight assets (asset #'s 541, 561, 562, 564, 576, 584, 600, and 601) which were recorded at different unit costs than as shown on the invoice. There were 10 assets purchased that did not appear on the IntelliTrack System and were not tagged. There were 2 assets (asset numbers 665 and 680) that were physically observed and did not have a tag on them. There were 2 assets (asset numbers 577 and 532) that were physically observed and had incorrect information listed on the IntelliTrack System (i.e. incorrect tag number, model number and wrong location).
- The Center purchased 3 Plantronic wireless headsets @\$379 per headset on July 18, 2005. These assets would be considered minor equipment greater than \$300 which should be tracked on the Center's asset system, but we determined the assets were not listed on the IntelliTrack asset inventory system.
- The new Oakview Juvenile Residential Center building is not listed on the IntelliTrack System.
- In addition, the Business Manager has not performed any physical inventory of the items recorded in the IntelliTrack System.

We recommend that procedures be implemented to ensure the completeness, accuracy and valuation recording of assets in the IntelliTrack System. In addition, the Business Manager should perform a physical inventory of all items recorded in the IntelliTrack System at least once a year.

**Allowability of Membership Dues**

Ohio Administrative Code Section 5139-63-05(E) lists a non-allowable cost as "all costs related to licensing, professional fees, or dues for personnel, unless required by the job."

- The Association of Ohio Juvenile Community Corrections Director's dues for former Director paid on March 9, 2005 in the amount of \$500 with 403 Community Corrections Facility Grant monies; and the American Correctional Association membership dues for four Oakview Juvenile Residential Center employees was paid on June 3, 2004 in the amount of \$140 with 403 Community Corrections Facility Grant monies.

We recommend that only membership dues required by the job be submitted for payment. The Center should maintain a listing of which membership dues are allowable per employee. This list should be provided to Belmont County (fiscal agent) to use as a guide. Belmont County should deny any payment for membership dues that are not on the list of approved membership dues.

We also noted the following expenditures which were of interest:

- During the examination of expenditures for the period July 1, 2004 through May 12, 2006 it was noted that for five percent of the expenditures examined, the Belmont County (fiscal agent) paid sales tax on various bills submitted by Oakview Juvenile Residential Center business manager. A complete list of these expenditures is available for review. The Oakview Juvenile Residential Center is exempt from sales tax and should file with the Ohio Department of Taxation to recover these payments. Belmont County (fiscal agent) should deny any payment that includes sales tax as part of the amount to be paid.

**EXHIBIT  
(Continued)**

**Procedure 1** (Continued)

- During the construction of new building for Oakview Juvenile Residential Center, the County maintained a separate fund (N20 Fund) for all construction related expenditures. During 2004 and 2005, the Oakview Residential Center business manager submitted expenditures to Belmont County (fiscal agent) to be paid from and posted to the S30 fund, which is used to account for the 403 Community Corrections Facility Grant monies. We are not aware of any prior arrangements between the Ohio Department of Youth Services and Oakview Residential Center over the allowability of equipment for the new building to be purchased with 403 Community Corrections Facility Grant monies.
- During examination of expenditures for the period July 1, 2004 through May 12, 2006, we determined that the Oakview Juvenile Residential Center business manager submitted billings to Belmont County (fiscal agent) that had already been paid or submitted at an earlier time. This resulted in duplicate payments for the same invoice. A complete list of these duplicate payments is available for review.

**Procedure 2** – Proper Bidding Procedures

Oakview Juvenile Residential Center's Policy AM-1B-12 Section 3.3 states that price quotations will not be necessary on an item of less than \$300. The Business Manager will attempt to obtain the best quality item(s)/services at the lowest cost. Two informal (verbal) quotes will be obtained on items between \$300 and \$999. Two written quotes will be obtained on items of \$1,000 or more. The Director will review applicable bids and select the most appropriate and responsible one. This policy was updated and approved January 5, 2006. We compared the expenditures for the period July 1, 2004 through May 12, 2006 that exceeded \$1,000 for proper bidding procedures.

We examined 60 transactions that were greater than \$300 from the period July 1, 2004 through May 12, 2006 for proper bidding. The Oakview Juvenile Residential Center made purchases during the period in which we found no evidence of informal quotes for items between \$300 and \$999 or two written quotes on items of \$1,000 or more. The purchases for which we found no evidence of informal or formal quotes were:

- The Oakview Residential Juvenile Center purchased weight equipment in the amount of \$17,700 from West Penn Fitness.
- The Oakview Juvenile Residential Center purchased 100 prepaid calling cards from Evercom in the amount of \$700.
- The Oakview Residential Juvenile Center made purchases with Swans Sporting Goods for the following items:
  - On June 22, 2004 the bulk purchase of 50 pairs of Nike and Reebok youth tennis shoes in the amount of \$1,500.
  - On June 15, 2005 the purchase of cardio equipment in the amount of \$2,500.
  - On April 18, 2006 the purchase of an Elliptical machine for \$2,500
- The Oakview Juvenile Residential Center made a bulk food purchase from Green Valley Packing in the amount of \$4,300.
- The Oakview Juvenile Residential Center purchased 50 haircuts from Denny's House of Hair in the amount of \$550.

**EXHIBIT  
(Continued)**

**Procedure 2** (Continued)

- The Oakview Juvenile Residential Center purchased 100 movie tickets from Carmike Cinemas, Inc. in the amount of \$560.
- The Oakview Juvenile Residential Center made a bulk meat purchase from Alberts in the amount of \$2,700.
- The Oakview Residential Juvenile Center purchased computer support services from Technology Services Group in the amount of \$29,116.
- The Oakview Residential Juvenile Center purchased letterhead and envelopes from Print N' Copy in the amount of \$2,500.

We recommend the Oakview Juvenile Residential Center's Director and Business Manager follow the Center's Policy and Procedure manual when making purchases of goods and/or services in excess of \$300.

**Procedure 3** – Whiteside Billing

We requested a copy of a maintenance agreement between Oakview Juvenile Residential Center and Whiteside Chevrolet. We examined all billings from Whiteside Chevrolet to Oakview Juvenile Residential Center for automobile fleet services. We examined the Whiteside Chevrolet invoices to determine if Chad Sokolowski (previous Director) had work performed by Whiteside Chevrolet on the previous Director's personal vehicle and if this work was invoiced to Oakview Juvenile Residential Center. In addition, we examined detailed listing of cash receipts maintained at Belmont County Auditor's office for any reimbursements from previous Director for service work on his personal vehicle, if applicable.

- The Center's business manager submitted two invoices to Belmont County to be paid to Whiteside Chevrolet. The first invoice from Whiteside Chevrolet dated June 29, 2004 indicated maintenance agreement with balance due of \$2,100. The second invoice from Whiteside Chevrolet dated June 27, 2005 indicated invoice #34932 maintenance agreement balance due in the amount of \$900. These two invoices contained no other information. The Center did not provide evidence of a maintenance agreement between the Center and Whiteside Chevrolet to provide annual maintenance at an agreed-upon amount.
- The Center's business manager provided no invoices that would pertain to each vehicle serviced at Whiteside Chevrolet, except for the annual maintenance agreement invoices. We obtained copies of all fleet service invoices for the period July 1, 2004 through May 12, 2006 from Whiteside Chevrolet. These fleet service invoices are not billed to the Center but are for services provided under the annual maintenance agreement for the fleet paid by the Center. All fleet service invoices reflected service performed on vehicles by VIN number. The VIN numbers were verified to titles maintained in the Belmont County Commissioners name. No fleet service invoice indicated service work being performed on Chad Sokolowski's (previous Director) personal vehicles. Our examination of the receipt journal maintained by Belmont County (fiscal agent) did not reveal any reimbursements from previous Director for service worked performed at Whiteside Chevrolet on his personal vehicles.

We recommend the Center enter into a formal signed agreement with Whiteside Chevrolet for maintenance work on the vehicle fleet. In addition, for each vehicle that obtains maintenance work, a copy of the invoice should be filed and maintained by the Center.

**EXHIBIT  
(Continued)**

**Procedure 4** – Instruction contract for classes taught at Ohio University and Belmont Technical College

We examined the contracts between Chad Sokolowski (previous Director), and Ohio University-Belmont and Belmont Technical College for the Director to instruct part-time classes. We examined the previous Director's time spent instructing classes to determine that the previous Director's time spent on contractual work instructing classes was not charged to Oakview Juvenile Residential Center as compensation time.

- Chad Sokolowski, previous Director taught Criminology class at Belmont Technical College from March 27, 2006 to June 19, 2006 from 6:00 pm to 10:00 pm (Wednesday nights).
- Chad Sokolowski, previous Director taught Community Corrections class at Belmont Technical College from March 28, 2005 to June 11, 2005 from 6:00 pm to 9:00 pm (Monday nights).
- Chad Sokolowski, previous Director taught Sociology of Sport class at Ohio University Eastern Campus from January 3, 2005 to March 19, 2005 from 6:05 pm to 9:50 pm (Wednesday nights).
- Chad Sokolowski, previous Director taught Sociology of Sport class at Ohio University Eastern Campus from January 3, 2006 to March 18, 2006 from 6:05 pm to 9:50 pm (Thursday nights).
- We examined the previous Director's Employee Time Sheets for the periods he was teaching classes and the timesheets did not reflect any time, comp or regular time, being charged to Oakview Juvenile Residential Center for time spent teaching at Belmont Technical College and/or Ohio University Eastern Campus.

The Oakview Juvenile Residential Center does not have a policy concerning employees contracting for work outside of regular employment hours. By not having a formal policy concerning outside employment for employees, Oakview Juvenile Residential Center could have employees entering into contracts that increase the liability issues against Oakview Juvenile Residential Center.

We recommend that Oakview Juvenile Residential Center adopt a policy concerning outside employment by employees.

**Procedure 5** – Directors Time Sheet

We examined Chad Sokolowski's (previous Director) payroll records for period July 1, 2004 through May 12, 2006 for time and effort documentation requirements.

Oakview Juvenile Residential Center policy AM-1B-02(B) adopted on April 7, 2006, Procedure 3.3 requires the Assistant Director to authorize the Director's Time Report. This procedure was utilized before the policy was formally adopted on April 7, 2006.

Chad Sokolowski, (previous Director) completed a Employee Time Sheet for each pay period, which detailed time-in, time-out, hours worked, leave used, memo entry column and was signed by the previous Director and Todd Mizer, Assistant Director. There was a completed timesheet for the previous Director on file for each pay period from July 1, 2004 through May 12, 2006.

The practice of having a subordinate review and approve payroll time reports weaken the internal control process. This practice fosters the potential for coercion or the fear of reprisals. We recommend the Board amend policy AM-1B-02(B), Procedure 3.3, to have a member from the Executive Board of Judges or a Belmont County Commissioner be authorized to review and approve the Director's Time Report.

**EXHIBIT  
(Continued)**

**Procedure 6** -- Elan Financial Services Credit Card (Credit/Purchasing Card Policies and Payments)

We examined each monthly Visa credit card statement issued by Elan Financial Services to Oakview Juvenile Residential Center during the period July 1, 2004 through May 12, 2006 for any credit card charges by previous Director, Chad Sokolowki. We were examining for on-line gambling charges and/or pornographic site charges. We examined Belmont County receipt ledger for any reimbursements from previous Director for on-line gambling charges and pornographic charges to Oakview Juvenile Residential Center credit cards.

We did not find any charges related to on-line gambling or pornographic internet site visits being charged to the monthly credit card statements. Although, we did note the following during our observation of the monthly credit card statements:

- Chad Sokolowski, (previous Director) was reimbursed \$263.24 on February 14, 2005 for hotel expenses as reported on his Travel Expense Report. The supporting documentation for these hotel expenses was an email confirmation from Priceline that the bid was accepted, not an invoice. In addition, Belmont County (fiscal agent) paid Elan Financial (Visa credit card) statement for period December 17, 2004 through January 8, 2005, an extra \$198.39 on February 14, 2005 for hotel expenses of previous Director that were not even charged to the credit card. This hotel expense amount had already been reimbursed to the previous Director.
- For twenty-five percent of the monthly Elan Financial Services statements (Visa credit cards) we examined, the Center's business manager did not consistently provide supporting documentation (credit card slips signed by employee when purchase made) with the voucher package that was submitted to Belmont County (fiscal agent) to pay the vendor.
- November 2005 billing statement for Elan Financial Services (Visa credit card) contained charges for restaurant meals at Longhorn and Mongolian Barbeque. Credit card slip used for support indicated the meals were for Oakview employees. This credit card statement was paid with 403 Community Corrections Facility Grant monies. Ohio Administrative Code Section 5139-63-05(l) lists a non-allowable cost as "food cost for staff and visitors."
- Three monthly credit card statements for Elan Financial Services (Visa credit cards) for the period May 17, 2005 through August 15, 2005 were not submitted by Center's business manager to Belmont County (fiscal agent) for payment until September 9, 2005. The cumulative accrued finance charges for these late paid statements amounted to \$234.23.
- Four monthly credit statements for Elan Financial Services (Visa credit cards) for the period January 14, 2005 through May 16, 2005 were not submitted by Center's business manager to Belmont County (fiscal agent) for payment until June 14, 2005. The cumulative accrued finance charges for these late paid statements amounted to \$267.96.
- Elan Financial Services statements (Visa credit cards) for meals at DeFelice pizza ( 6 times) and AmeriAsian Buffet were paid with 403 Community Corrections Facility Grant monies, but receipt does not indicate who was served. Expenditure could be in conflict with Ohio Administrative Code Section 5139-63-05(l) lists a non-allowable cost as "food cost for staff and visitors."
- Elan Financial Services statement (Visa credit card) contained a charge for Ohio Valley Mall Gift Certificate in the amount of \$50 and a charge for \$50 from Cabelas Retail Store. These transactions were paid with 403 Community Corrections Facility Grant monies. These expenditure are in conflict with Ohio Administrative Code Section 5139-63-05(B) lists a non-allowable cost as "all costs for awards or social functions for staff."

**EXHIBIT  
(Continued)**

**Procedure 6 -- (Continued)**

We recommend the Business Manager develop internal control procedures to ensure receipts are attached to credit/purchasing card bills prior to payment and that when no receipt is attached that approval of the respective charges be obtained prior to payment of charges. If no approval is obtained, the individual making the purchase should be responsible for payment of such charges. It is also recommended that internal control procedures be developed to ensure credit/purchasing card payments are remitted in a timely manner so as not to incur late payment fees/penalties and interest charges. Also, we recommend Oakview Juvenile Rehabilitation Center's Executive Board of Judges adopt a policy pertaining to credit/purchasing card usage. Some of the controls that should be considered are: (1) stipulation specifying who is authorized to use credit cards, (2) a limit on the amount an employee can spend on a single purchase, (3) restriction on type of vendors from whom purchases can be made, (4) credit card user must retain copies of all original, signed receipts and submit to business manager, (5) statement that credit card can only be used for official government business and (6) set a spending limit on card.

**Procedure 7 – Gasoline Credit Card**

We examined each monthly gasoline credit card statement for the period July 1, 2004 through May 12, 2006, for purchases of gasoline by Chad Sokolowki (previous Director). We compared date and location of gasoline purchase to previous Director's Employee Time Sheets to support the proper documentation of time sheet and the proper business use of Oakview Juvenile Residential Center car.

- Gasoline credit cards were issued for each vehicle owned by Oakview Juvenile Residential Center. For twenty-five percent of the monthly Speedway gasoline credit card statements we examined, the Center's business manager did not consistently provide supporting documentation (credit card slips signed by employee who purchased gasoline) with the voucher package that was submitted to Belmont County (fiscal agent) to pay the invoice.

See recommendation in **Procedure 6**.

**Procedure 8 – Funds maintained by County**

Ohio Administrative Code Section 5139-63-03 (H) (L) states funds from other sources which are not used to expand existing services (i.e. reimbursement from food sold to staff and visitors, refunds, rebates, etc) will be reported as a reduction in expenditures.

Ohio Administrative Code Section 5139-63-03(G) specifies revenues from sources other than grant funds received from the department (i.e. donations) will not be deposited or commingled with grant funds. Grant funds from the department should be readily identifiable and able to be audited independently.

We examined Belmont County's (fiscal agent) chart of funds to ascertain that the County maintained separate funds for Ohio Department of Youth Service monies.

- Belmont County (fiscal agent) maintained an Agency Fund, N-20 Oakview Juvenile Rehabilitation Construction Fund for the monies used for activity related to the new building construction at Oakview Juvenile Residential Center.
- Belmont County (fiscal agent) maintained an Agency Fund, S30 Oakview Juvenile Rehabilitation Center Fund for the activity of the 403 Community Facility Grant from Ohio Department of Youth Services.

**EXHIBIT  
(Continued)**

**Procedure 8 -- (Continued)**

- The 2005 receipt ledger for S30 Oakview Juvenile Rehabilitation Center Fund reflected \$426 of meal reimbursements and \$455 of workers compensation reimbursements that were not drawn from 403 Community Facility Grant. These revenues (refunds and reimbursements) were coded under a different cost center within the fund to maintain separate accountability. However, the County (fiscal agent) should have reported the refunds and reimbursements as a reduction of expenditures rather than as revenue in separate revenue cost centers within the S30 Fund. .

We recommend the County (fiscal agent) code funds from other sources as reimbursements to the applicable expense accounts outlined in Ohio Administrative Code Section 5139-63-04.

**Procedure 9 -- 20 Computers**

We examined 2005 invoices for the period January 1, 2005 through December 31, 2005, looking for an invoice where twenty (20) computers were purchased by Chad Sokolowski (previous Director). We examined the invoice for return of computers and subsequent credit to vendor account. In addition, we examined all invoices to the vendor to assure the previous Director did not purchase unauthorized personal merchandise against the credit, if applicable, issued to Oakview Juvenile Residential Center.

- Per invoice dated April 8, 2005, only seventeen HP computers were purchased from TSG. These seventeen computers were listed on the IntelliTrack asset inventory system and observed as being physically located in the classroom module. Our examination of vendor invoices did not reflect any computers returned or credits being issued.

**Procedure 10 – Direct TV purchase**

We examined 2005 invoices and equipment listing on IntelliTrack System for a television satellite package that was approved by the Governing Board of Oakview Juvenile Residential Center to be purchased.

- Chad Sokolowski, (previous Director) signed an agreement with Advanced Home Theater & Satellite on June 28, 2005 to purchase 10 Direct TV receivers, one 24 inch commercial dish and a 16-way multi switch for \$3,254 that included labor costs.
- Belmont County (fiscal agent) paid the invoice on August 16, 2005 with warrant # 627870.
- These assets were listed on the IntelliTrack System as asset #509. The inventory report's location description was blank.
- We physically observed the ten receivers and the 24 inch commercial dish. These assets did not contain any inventory tags.

We recommend the Center follow their policy AM-1B-11, 3.8 which states all items that require inventory control procedures are to be tagged with DuraGuard tamper resistant tags.







**Mary Taylor, CPA**  
Auditor of State

**OAKVIEW JUVENILE RESIDENTIAL CENTER**  
**BELMONT 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**  
**JULY 10, 2007**