



Dave Yost • Auditor of State

**REPUBLICAN PARTY
LUCAS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Party Executive Committee
Lucas County
10 S. Superior Street
Toledo, Ohio 43604

We have performed the procedures enumerated below, to which the Republican Executive Committee (the Committee) agreed, solely to assist the Committee in evaluating its compliance with certain requirements included in Ohio Rev. Code Sections 3517.1012, 3517.13(X)(1), 2(b), (3)(a), and (4), 3517.17, and 3517.18, for the year ended December 31, 2010. The Committee is responsible for complying with these requirements. 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 Committee. 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.

Cash Receipts

1. We inquired of the Committee whether they deposited all gifts from corporations, labor organizations and all gifts restricted to operations into the same fund into which they deposit amounts received from the State Tax Commissioner. Management informed us they received no such gifts.
2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2010. We noted no computational errors.
3. We compared bank deposits reflected in 2010 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2010. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Committee's 2010 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-CC reported the sum of these four payments without exception.
5. We scanned other recorded 2010 receipts for evidence that a corporation or labor organization may have exceeded the \$10,000 annual gift limit Ohio Rev. Code 3517.13(X)(3)(a) imposes. We found no evidence that any corporation or labor organization exceeded this limit.

6. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for 2010 on the Secretary of State's website.

Cash Reconciliation

1. Cash reconciliations were not prepared and or not provided to us by the Republican Executive Committee.

We recommend the party perform bank reconciliations on a monthly basis.

Officials' Response

The party has complied with the requirements of R.C. 3517 and will take the Auditor's recommendation in consideration.

Cash Disbursements

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2010. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M filed for 2010 and inquired of management whether they transferred any cash from the restricted fund to any other political party account into which contributions may be made or from which contributions or expenditures may be made. We found no evidence of prohibited transfers.
3. We compared the amounts on checks or other disbursements reflected in 2010 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for 2010. We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-M filed for 2010, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on Disbursement Forms 31-M agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2010 disbursement for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517.13(X)(2)(b) prohibit. We found no evidence that any restricted fund disbursements represented contributions or campaign-related disbursements.
6. We compared the signature on 2010 checks to the list dated August 15, 2008 of authorized signatories the Committee provided to us. The signatory on all checks we selected was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. We scanned each 2010 restricted fund disbursement recorded on Form 31-M for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517(X)(4) prohibits. We found no evidence of any transfers.

8. We compared the purpose of each disbursement listed on 2010 Disbursement Forms 31-M to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found no instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18. However, we noted reimbursements made to individuals totaling \$1,288 for purchase that were made during 2008 and 2009 and reimbursed during 2010; one reimbursement for \$13 did not have any support attached.

We recommend the Republican Executive Committee establish a Reimbursement Policy detailing but not limited to what expenses can be reimbursed and how long an individual has to submit expense for reimbursement.

Proper supporting documentation is not given to the Treasurer at the time the check is cut for the reimbursement. We noted that a reimbursement was made in the amount of \$1,182 on November 8, 2010 for a cell phone and the support showed the "payment history report", which the reimbursement was made from, was dated April, 27 2011. There was a total of \$2,682 reimbursed for cell phones during the period.

We recommend the Republican Executive Committee establish a Cell Phone Reimbursement Policy detailing but not limited to which calls were for personal use, including percentages of bills, time period for reimbursement, and who/whom can obtain reimbursement from the Party.

Officials' Response

The party has complied with the requirements of R.C. 3517 and will take the Auditor's recommendation into consideration. Note that the party bylaws provide that the Chairman has the authority to remunerate individuals for expenses incurred. Per the Auditor's suggestion last year, the party's executive committee met and approved the reimbursement of cell phones and other party-related expenses at the discretion of the Chairman and Treasurer.

Auditor's Analysis

The Auditor of State made several requests to obtain a copy of the policy approved by the Executive Committee.

9. **Ohio Rev. Code 3517.1012** requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-M submitted for 2010 on the Secretary of State's website.

We were not engaged to, and did not examine each *Statement of Political Party Restricted Fund Deposits* and *Statement of Political Party Restricted Fund Disbursements* filed for 2010, the objective of which would have been to opine on compliance. 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 Secretary of State of Ohio and for the Republican Executive Committee and is not intended to be and should not be used by anyone else.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

May 10, 2011



Dave Yost • Auditor of State

REPUBLICAN PARTY

LUCAS 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 31, 2011**