



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
Hamilton County
700 Walnut Street, Suite 309
Cincinnati, Ohio 45202

We have performed the procedures enumerated below, to which the Republican Executive Committee, Hamilton County, Ohio (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, 2011. 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. They informed us they did use this fund for all 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 2011. We noted no computational errors.
3. We compared bank deposits reflected in 2011 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2011. The bank deposit amounts agreed to the deposits recorded in the Form with one exception. The Party did not record a receipt from Paycor in the amount of \$8.14.

Officials' Response:

The \$8.14 credit from Paycor was entered into our system on January 17, 2012. We were planning to report it in the 2012 Semi-Annual Report.

4. We scanned the Committee's 2011 bank statements and noted they did not reflect four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-CC did not report one payment in the amount of \$2,603.63 which was voided by the State Tax Commissioner.

Officials' Response:

We were notified by your office during the course of this audit about the existence of a fourth check for \$2,603.63. We followed up by contacting the Department of Taxation and they determined that the check had been lost in the mail. As directed, I mailed a notarized "Claim for Reissuance of Voided Warrant Due to Age" to The Office of Budget and Management, Payment Issuance Unit, on March 1, 2012. We have not yet received the re-issued check.

5. We scanned other recorded 2011 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 2011 on the Secretary of State's website.
7. We scanned other recorded 2011 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.
8. 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 2011 on the Secretary of State's website.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2011 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). We found no computational errors.
2. We agreed the bank balance on the reconciliation to the bank statement balance as of December 31, 2011. The balances agreed.
3. We agreed reconciling items appearing on the reconciliation to canceled checks, deposit slips, or bank statements. We determined that the dates and amounts on those documents support that those items were proper reconciling items and were recorded in the proper amount on the reconciliation as of December 31, 2011.

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 2011. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M filed for 2011 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 amount on the one check written and the amounts of the disbursements reflected in 2011 restricted fund bank statements electronic payments to disbursement amounts reported on Disbursement Forms 31-M filed for 2011. We found 11 disbursements totaling \$686.20 that were disbursed and cleared the bank in 2011 but not reported on the 31-M filed for 2011. These items were included as reconciling items on the December 31, 2011 cash reconciliation.

Officials' Response:

The disbursements totaling \$686.20 were from late 2011 that were entered into our system in early 2012. We are planning to report them in the 2012 Semi-Annual Report.

4. For each disbursement on Disbursement Forms 31-M filed for 2011, we attempted to trace the payee and amount to payee invoices and amount to the payee's name on cancelled checks. All disbursements except for one were made by electronic funds transfer in 2011 therefore only one check was issued to compare. We were able to agree all other disbursements to the bank statement. The payees and amounts recorded on Disbursement Forms 31-M agreed to the payees and amounts on the invoices. The payee and amount recorded on the Disbursement Form 31-M agreed to the payee and amount on the canceled check for the one disbursement made by check.
5. We scanned the payee for each 2011 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 attempted to compare the signature on 2011 checks to the list of authorized signatories the Committee provided to us. All disbursements except for one were made by electronic funds transfer in 2011 therefore only one check was issued to compare signatures. We compared the signature on the one check to the list dated December 31, 2011 of authorized signatories the Committee provided to us. The signatory on the check was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. We scanned each 2011 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 2011 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.
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 2011 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 2011, 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 "D" and "Y".

Dave Yost
Auditor of State

April 12, 2012



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HAMILTON COUNTY REPUBLICAN PARTY

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
MAY 3, 2012