

**MULTI-COUNTY CORRECTIONAL CENTER**

**MARION COUNTY**

**JANUARY 1, 2011 TO DECEMBER 31, 2012  
AGREED UPON PROCEDURES**





# Dave Yost • Auditor of State

Board of Commissioners  
Multi-County Correctional Center  
1514 Victory Road  
Marion, Ohio 43302

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Multi-County Correctional Center, Marion County, prepared by Holbrook & Manter, for the period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Multi-County Correctional Center is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 4, 2014

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

Board of Commissioners  
Multi-County Correctional Center  
Marion County  
1514 Victory Road  
Marion, Ohio 43302

We have performed the procedures enumerated below, with which the Board of Commissioners and the management of Multi-County Correctional Center (the Center) and the Auditor of State agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2012 and 2011, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 and Investments**

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations for all accounts maintained by the Center.
  - We noted that the bond account reconciliations included transactions that were dated after the December 31, 2012 and December 31, 2011 cutoff dates, respectively; however, due to the nature of the account, when H&M recalculated the reconciliation the ending balances did not change.
  - We noted that the trust account reconciliations included transactions that were dated after the December 31, 2012 and December 31, 2011 cutoff dates, respectively, which resulted in a difference of \$675 and \$611 for 2012 and 2011, respectively.
  - We found no exceptions in the commissary account reconciliations.
  - We found no exceptions in the employee account reconciliations.

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**Cash and Investments (continued)**

2. Marion County is custodian for other deposits not listed in step 1 above for the Center and therefore the County's deposit and investment pool holds a portion of the Center's assets. The Center maintains an accounting ledger provided by the fiscal agent and we compared the Center's fund balances report maintained by the County on its December 31, 2012 Combined Statement of Receipts, Disbursements and Changes in Fund balances to the balances reported in Marion County's accounting records.
  - The amounts agreed between the reports provided by the County at year end to the accounting records.
3. We agreed the January 1, 2011 beginning fund balances recorded in the account ledgers/cash journals to the December 31, 2010 balances in the prior year audited statements. We also agreed the January 1, 2012 beginning fund balances recorded in the account ledgers/cash journals to the December 31, 2011 balances in the account ledgers.
  - We found no exceptions in the Governmental Funds beginning fund balances for January 1, 2012 or January 1, 2011, which is maintained by the Fiscal Agent.
  - We noted a difference of \$1,115 in the Fiduciary Funds held by the Center when comparing the December 31, 2010 ending audited balance to the January 1, 2011 beginning fund balance in the account ledgers.
  - We found no exceptions in the Fiduciary Funds beginning fund balances at January 1, 2012.
4. For all accounts maintained by the Center, we agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the respective account ledgers.
  - We found that the reconciliations for the bond account were not completed properly throughout the year. Once corrections were made to the reconciliations, the amounts agreed to the account ledger.
  - We found that the reconciliations for the trust account were not completed properly throughout the year. Once corrections were made to the reconciliations, the amounts agreed to the account ledger.
  - We found no exceptions in the commissary account cash balances.
  - We found no exceptions in the employee account cash balances.
5. For all accounts held and maintained by the Center, we confirmed the December 31, 2012 bank account balances with the Center's financial institution. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliations.
  - We found that the reconciliations for the bond account were not completed properly throughout the year. Once corrections were made to the reconciliations, the amounts agreed to the bank confirmations.

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**Cash and Investments (continued)**

- We found that the reconciliations for the trust account were not completed properly throughout the year. Once corrections were made to the reconciliations, the amounts agreed to the bank confirmations.
  - We found no exceptions in the commissary account.
  - We found no exceptions in the employee account.
6. We selected all reconciling debits (such as outstanding checks) from the December 31, 2012 bank reconciliations and traced each debit to the subsequent January bank statement and traced the amounts and dates to the check register, to determine the debits were dated prior to December 31.
- We noted that the bond account reconciliation included transactions that were dated after the December 31, 2012 cutoff date; however, with those that were dated prior to December 31, no exceptions were noted.
  - We noted that the trust account reconciliation included transactions that were dated after the December 31, 2012 cutoff date; however, with those that were dated prior to December 31, no exceptions were noted.
  - We found no reconciling debits in the commissary account reconciliation.
  - We found no reconciling debits in the employee account reconciliation.
7. We selected all reconciling credits (such as deposits in transit) from the December 31, 2012 bank reconciliations and traced each credit to the subsequent January bank statement and agreed the credit amounts to the receipt register to verify that each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
- We noted that the bond account reconciliation included transactions that were dated after the December 31, 2012 cutoff date; however, with those that were dated prior to December 31, no exceptions were noted.
  - We noted that the trust account reconciliation included transactions that were dated after the December 31, 2012 cutoff date; however, with those that were dated prior to December 31, no exceptions were noted.
  - We found no reconciling debits in the commissary account reconciliation.
  - We found no reconciling debits in the employee account reconciliation.

**Intergovernmental and Other Confirmable Cash Receipts**

1. We selected five receipts from the Hardin County Auditor's Distribution Transaction Lists (DTL) from 2012 and five from 2011 and compared the amount to the amount recorded in the Receipt Register. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
- We found no exceptions when comparing the County confirmations to the Receipt Register.

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**Intergovernmental and Other Confirmable Cash Receipts (continued)**

2. We selected five receipts from the Marion County Auditor's Distribution Transaction Lists (DTL) from 2012 and five from 2011 and compared the amount to the amount recorded in the Receipt Register. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
  - We found no exceptions when comparing the County confirmations to the Receipt Register.
3. We confirmed the amounts allocated from the Marion County General Fund to the Center during 2012 and 2011 with Marion County. We determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year. We also viewed the annual budget approved by the Center's Board for operations to verify the amount allocated to the Center is the agreed upon amount and that it was being allocated to the Center's Fund within fiscal agents accounting ledger.
  - We found no exceptions when comparing the over-the-counter receipts from Marion County to the Receipt Register Report for 2012 and 2011.

**Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Receipt Ledger and Payment Register Detail for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011.
  - We noted no new debt issuances, nor any debt payment activity during 2012 or 2011. All debt is maintained and paid by the fiscal agent.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Payroll Worksheet Report and compared the hours and pay rate, or salary recorded in the Payroll Worksheet Report to supporting documentation (timecards, legislatively or statutorily approved rate or salary). We also determined that the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and whether it was posted to the proper year.
  - We noted one instance where the hours paid did not tie to the employee's time cards. One employee took a vacation day that did not get recorded against their accumulated vacation balance. 8 hours were deducted from this employees accrued vacation balance during 2013 to correct the issue.
  - No other exceptions were noted when testing individual payroll checks.



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**Payroll Cash Disbursements (continued)**

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely charged by the fiscal agent Marion County, and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2012. We noted the following:

<b>Withholding</b> (plus employer share where applicable)	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid **</b>
Federal income tax & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2013	December 20, 2012	11,895	183,293
State income taxes	January 15, 2013	December 20, 2012	2,800	35,786
OPERS retirement	January 31, 2013	January 31, 2013	49,379	553,999
Marion city income tax	January 31, 2013	January 10, 2013	2,027	18,129
Delaware city income tax	January 31, 2013	January 10, 2013	46	1,940
Upper Sandusky income tax	January 31, 2013	January 10, 2013	31	428
Mt. Vernon City income tax	January 31, 2013	January 10, 2013	33	159
Village of Mt. Gilead income tax	January 31, 2013	January 10, 2013	12	72
School district tax	January 31, 2013	January 10, 2013	260	1,915

\*\*:- Amount Paid is the total amount paid by Marion County for all employees of Marion County including employees of the Multi County Correctional Center.

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.
3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the expense register:
- Accumulated leave records
  - The employee's pay rate in effect as of the termination date
  - The Center's payout policy.
  - The amount paid was consistent with the information recorded in the steps above.
- The amount paid was consistent with the information recorded in the steps above.

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**Non-Payroll Cash Disbursements**

1. From the payment register, we re-footed checks recorded within the Commissary Fund disbursements and verified the checks were recorded to the proper account code within the Fund for 2012.
  - We were unable to perform this procedure to verify the checks were recorded properly within the Commissary Fund for 2012 as the Center did not summarize their disbursements by account code. A cash journal is all that is provided and maintained for accounting purposes.
2. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended December 31, 2011 to determine the following:
  - The disbursements are for a proper public purpose.
  - 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 Payment Register Detail Report and to the names and amounts on the supporting invoices.
  - The disbursements are posted to a fund consistent with the restricted purpose for which the fund's cash can be used.
  - We found 1 instance in 2012 where a duplicate invoice was paid. Because we did not test all disbursements, our report provides no assurance whether or not additional similar errors occurred.

**Official's Response** – The vendor was contacted and agreed with the error in overpayment and subsequent to year end, the money was refunded to the Center.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Center's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, the Auditor of State, and others within the Center, and is not intended to be, and should not be used by anyone other than these specified parties.



Certified Public Accountants

November 26, 2013



# Dave Yost • Auditor of State

**MULTI-COUNTY CORRECTIONAL CENTER**

**MARION 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  
FEBRUARY 18, 2014**