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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Facility Governing Board
STAR Community Justice Center
Scioto County
4578 Gallia Pike
Franklin Furnace, Ohio 45629

We have performed the procedures enumerated below, with which the Facility Governing Board and the management of STAR Community Justice Center (the Center) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended June 30, 2014 and 2013, 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 - Fiscal Agent

1. Scioto County is custodian for the Center's State and Federal grant deposits, and therefore the County's deposit and investment pool holds the Center's assets. We compared the Center's June 30, 2014 fund balances for the Ohio Department of Rehabilitation and Correction 501-501 Grant Fund and Federal Ohio Rural Recidivism Reduction Initiative (OR3) Grant Fund reported on the Center's Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances Report to the County's Statement of Cash Position Report. We noted the amounts agreed.
2. We agreed the July 1, 2012 beginning fund balances recorded in the County's Cash Accounts Transaction Ledger to the June 30, 2012 balances in the prior year audited statements for the Ohio Department of Rehabilitation and Correction 501-501 Grant Fund and Federal Ohio Rural Recidivism Reduction Initiative (OR3) Grant Fund. We found no exceptions. We also agreed the July 1, 2013 balances per the County's Cash Accounts Transaction Ledger to the County's June 30, 2013 Statement of Cash Position Report. We found no exceptions.

Cash - Center Maintained Accounts

1. We tested the mathematical accuracy of the June 30, 2014 and June 30, 2013 bank reconciliations for the Health Care, Commissary, Family and Offender accounts. We found no exceptions.

2. We agreed the July 1, 2012 beginning fund balances recorded in the STAR Commissary Account Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register and Offender Account Check and Deposit Register to the June 30, 2012 balances in the prior year audited statements and footnotes. We found no exceptions. We also agreed the July 1, 2013 beginning fund balances recorded in the STAR Commissary Account Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register and Offender Account Check and Deposit Register to the June 30, 2013 balances in the STAR Commissary Account Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register and Offender Account Check and Deposit Register. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the June 30, 2014 and 2013 fund cash balances reported in the STAR Commissary Account Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register and Offender Account Check and Deposit Register. We noted the STARCJC Employee Health Care Fund Register differed \$588 from the June 30, 2013 bank reconciliation as a result of check number 880 being voided but included on the outstanding check listing. We noted the STAR Family Fund Register differed \$245 from the June 30, 2013 bank reconciliation as a result of an outstanding deposit being dated June 28, 2013 in the bank reconciliation compared to the STAR Family Fund Register being dated July 1, 2013. We noted the Offender Account Check and Deposit Register differed \$13 from the June 30, 2014 bank reconciliation.
4. We confirmed the June 30, 2014 bank account balances with the Center's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the June 30, 2014 bank reconciliations without exception.
5. We selected all three reconciling debits (such as outstanding checks) from the June 30, 2014 bank reconciliations:
 - a. We traced each debit to the subsequent July bank statements. We noted check number 2907 with date indicated as March 1, 2011 was outstanding on the Offender account bank reconciliation outstanding check listing. Checks that have been outstanding for an extended period of time (normally more than six months) should be voided and reissued or paid into an unclaimed monies fund. We recommend the Center void and reissue or pay check number 2907 into an unclaimed monies fund.
 - b. We traced the amounts and dates to the STAR Commissary Account Register and prior audit documentation, to determine the debits were dated prior to June 30. We noted no exceptions.
6. We selected the one reconciling credit (such as deposits in transit) from the June 30, 2014 bank reconciliations:
 - a. We traced the credit to the subsequent July bank statement. We found no exceptions.
 - b. We agreed the credit amount to the Offender Account Check and Deposit Register. The credit was recorded as a June receipt for the same amount recorded in the reconciliation.

Intergovernmental Cash Receipts

1. We selected five receipts from the State Distribution Transaction Lists (DTL) from Fiscal Year 2014 and five from Fiscal Year 2013.
 - a. We compared the amount from the above report to the amount recorded in the County's Revenue Audit Trail Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of June 30, 2012.
2. We inquired of management, and scanned the Scioto County Expense Audit Trail Report, Scioto County Revenue Audit Trail Report, STAR Commissary Account Register, Star Operating Grant Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register, Offender Account Check and Deposit Register and OR3 Register for evidence of debt issued during Fiscal Year 2014 or 2013 or debt payment activity during Fiscal Year 2014 or 2013. We noted no new debt issuances, nor any debt payment activity during Fiscal Year 2014 or 2013.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from Fiscal Year 2014 and one payroll check for five employees from Fiscal Year 2013 from the Payroll Transmittal Reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Transmittal Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions however we noted the Center grants administrative pay as a bonus but does not have an official policy regarding administrative pay. We recommend the Center adopt a formal policy regarding administrative pay outlining what constitutes administrative pay and procedures for use.
 - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employee's personnel files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding

- f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended June 30, 2014 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of Fiscal Year 2014. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal Income Tax & Medicare (and social security, for employees not enrolled in pension system)	July 31, 2014	June 13, 2014 and June 27, 2014	\$18,347	\$18,347
State Income Tax	July 15, 2014	June 13, 2014 and June 27, 2014	\$3,357	\$3,357
New Boston Income Tax	July 15, 2014	June 13, 2014 and June 27, 2014	\$29	\$29
City of Portsmouth Income Tax	July 15, 2014	June 13, 2014 and June 27, 2014	\$470	\$470
OPERS Retirement	July 31, 2014	July 14, 2014	\$38,525	\$38,525

4. 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 Payroll Transmittal Report.
- Personal Leave Report
 - 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 a. through c. above.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten total disbursements from the STAR Commissary Account Register, Star Operating Grant Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register, Offender Account Check and Deposit Register and OR3 Register for the year ended June 30, 2014 and ten total from the year ended June 30, 2013 and determined whether:
- The disbursements were for a proper public purpose. Two expenditures were tested during the Special Audit performed by the Public Integrity Assurance Team of the Auditor of State that were deemed to not be for a proper public purpose. These expenditures were for the purchase of meals and beverages that were determined to not be allowable. See Special Audit report released by the Auditor of State for additional information on these findings for recovery.

- 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 STAR Commissary Account Register, Star Operating Grant Register, STAR Family Fund Register, STARCJC Employee Healthcare Fund Register, Offender Account Check and Deposit Register and OR3 Fund Register 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.

Other

We additionally compared the totals per the Offender Account bank reconciliations for Fiscal Years 2014 and 2013 to the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances reports for the periods ended July 1, 2013 to June 30, 2014 and July 1, 2012 to June 30, 2013. We note a difference of \$172 in the Offender account balance as of June 30, 2014 and a difference of \$110 in the Offender account balance as of June 30, 2013.

The reason for the differences resulted from the Center's Fiscal Year 2014 and 2013 Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances reports for the periods ended July 1, 2013 to June 30, 2014 and July 1, 2012 to June 30, 2013 presenting ending balances which agrees to the bank balances instead of reconciled book balances. We recommend reconciled book amounts be used for the Offender Account Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances report.

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, and others within the Center, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

April 5, 2017

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STAR COMMUNITY JUSTICE CENTER

SCIOTO 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 4, 2017