



Mary Taylor, CPA
Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Secretary of State
Ohio Republican Party
211 South Fifth Street
Columbus, OH 43215

We have performed the procedures enumerated below, to which the Ohio Republican Party (the Party) agreed, solely to assist the Party 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, 2008. The Party 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 Party. 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 with management to determine whether they deposited all gifts from corporations and 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 deposited all such gifts received during 2008 into the same fund used to deposit amounts received from the State Tax Commissioner.
2. We footed each *Statement of Political Party Restricted Fund Deposits* (Form 31-CC) Ohio Rev. Code Section 3517.17 requires filed for 2008 and agreed the total deposits to the *Ohio Campaign Finance Report* (OCFR, Form 30-A). We noted no computational errors.
3. We compared bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded on Forms 31-CC filed for 2008. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Party's 2008 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). We agreed the sum of these four payments received to the amount reported on Forms 31-CC. The Forms 31-CC reported the sum of these four payments without exception.
5. We scanned other recorded 2008 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. However, as part of these scanning procedures, we identified the following conditions:

- Two contributions were received in excess of \$10,000; one by \$500, the other by \$4,000. Both of these contributions were from partnerships and reported on Forms 31-CC as contributions from the partnership. They did not identify the individual(s) within the partnership to whom the contributions were attributable, as required by Ohio Rev. Code 3517.10 (I).

Officials' Response:

The contributions identified in your audit procedure should have been attributed to specific individuals on the originally filed report. We have subsequently identified the individuals for the June 13th 2008 contribution of five hundred dollars and the October 3rd 2008 contribution of four thousand dollars. The report will be amended online to reflect the additional information as required. Therefore, although the specifics of the individuals attributed with these contributions were inadvertently omitted we do not believe that contribution limits have been exceeded.

Auditor's Conclusion:

We reviewed the revised report 31-CC for 2008 on the Secretary of State's website and noted the Party made changes to identify the individual(s) within the partnership to whom the contributions were attributable. With regard to future payments from partnerships, we recommend the Party implement procedures to reasonably ensure they obtain the required information at the time of contribution, clearly document in their internal records the individuals associated with the contributions, and accurately report the contributions to the Secretary of State.

- Two instances where the Party deposited money into the state's restricted fund when the money was received from a county's restricted fund. The Logan County Republican Party restricted fund contributed \$800 to the Party's restricted fund on November 1, 2008, while the Cuyahoga County Republican Party restricted fund contributed \$10,000 to the Party's restricted fund on December 1, 2008. Ohio Rev. Code 3517.13 (X)(4), states "No state or county political party shall transfer any moneys in the party's restricted fund to any other state or county political party."

Officials' Response:

The contributions identified in your report from the Logan County Republican Party and the Cuyahoga County Republican Party were clearly from the restricted accounts of these entities. We have previously provided copies of deposit slips and checks from the Logan County Republican Central and Executive Committee Political Party Restricted Fund for eight hundred dollars and Republican Party of Cuyahoga County Restricted Account for ten thousand dollars. The Ohio Revised Code Section 3517.13 (X)(4) does not allow transfers to **non-restricted** accounts but **does not** prohibit the transfer of money from one restricted state or county account to a second restricted state or county account.

Auditor's Conclusion:

Based on our interpretation of Ohio Rev. Code 3517.13 (X)(4), no political party shall transfer any money in the party's restricted fund to any other political party, regardless of whether they are paid into restricted or non-restricted accounts. We recommend the Party seek an opinion from the Secretary of State to obtain clarification on the intentions of this requirement.

6. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Party receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for 2008 on the Secretary of State's website.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2008 reconciliation for the bank account(s) 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, 2008. The balances agreed.
3. We agreed the book balance on the reconciliation to the Party's internal ledger and the OCFR (Form 30-A) as of December 31, 2008. The balances agreed.
4. We agreed reconciling items appearing on the reconciliation to canceled checks, deposit slips, or other documentation, without exception. We determined that the dates and amounts recorded on those documents support that those items were proper reconciling items and were recorded in the proper amounts on the reconciliation as of December 31, 2008.

Cash Disbursements

1. We footed each *Statement of Political Party Restricted Fund Disbursements* (Form 31-M) Ohio Rev. Code Section 3517.17 requires filed for 2008 and agreed the total disbursements to the OCFR (Form 30-A). We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Forms 31-M filed for 2008 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. Using nonstatistical sampling, we selected 25 checks or other disbursements reflected in 2008 restricted fund bank statements and compared amounts to the disbursement amounts reported on Forms 31-M filed for 2008. We found no exceptions.
4. Using nonstatistical sampling, we selected 25 disbursements on Forms 31-M for 2008 and we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on Forms 31-M agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2008 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. For the items selected in step 3, we compared the signature on the canceled checks to the list of authorized signatories the Party 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 2008 restricted fund disbursement recorded on Forms 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. For the items selected in step 3, we compared the purpose of the disbursements 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 was inconsistent with the purposes Ohio Rev. Code 3517.18 permits.

9. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Party receives gifts from corporations or labor organizations. We viewed Forms 31-M submitted for 2008 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 2008, 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 Ohio Republican Party 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

September 17, 2009



Mary Taylor, CPA
Auditor of State

OHIO REPUBLICAN PARTY

FRANKLIN 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
OCTOBER 6, 2009**