

**STARK REGIONAL COMMUNITY CORRECTION
CENTER**

STARK COUNTY, OHIO

AGREED UPON PROCEDURES

For the Years Ended June 30, 2018 and 2017



OHIO AUDITOR OF STATE KEITH FABER



January 17, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Ohio Auditor of State

A handwritten signature in cursive script that reads "Keith Faber".

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Dave Yost • Auditor of State

Facility Governing Board
Stark Regional Community Correction Center
4433 Lesh Street NE
Louisville, Ohio 44641

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Stark Regional Community Correction Center, Stark County, prepared by Charles E. Harris & Associates, Inc., for the period July 1, 2016 through June 30, 2018. 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 Stark Regional Community Correction 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

January 4, 2019

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**STARK REGIONAL COMMUNITY CORRECTION CENTER
STARK COUNTY
Agreed Upon Procedures
For the Years Ended June 30, 2018 and 2017**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Facility Governing Board
Stark Regional Community Correction Center
Stark County
4433 Lesh Street NE
Louisville, Ohio 44641

We have performed the procedures enumerated below, which were agreed to by the Facility Governing Board and the management of the Stark Regional Community Correction Center (the Center) and the Auditor of State, on the receipts, disbursements and balances recorded in the Center's cash basis accounting records for the years ended June 30, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Center. The Center is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended June 30, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Center. 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 (State Appropriations and Grant Funds)

1. Stark County is custodian for the Center's deposits, and therefore the County's deposit and investment pool holds the Center's assets. We compared the Center's fund balances reported on its June 30, 2018 QuickBooks Balance Sheet and Excel worksheet for its Capital fund to the balances reported in Stark County's accounting records. The amounts agreed.
2. We agreed the July 1, 2016 beginning fund balances recorded in the QuickBooks Balance Sheet and Excel worksheet for its Capital fund to the June 30, 2016 balances as documented in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the July 1, 2017 beginning fund balances recorded in the QuickBooks Balance Sheet and Excel worksheet for its Capital fund to the June 30, 2017 balances in the QuickBooks Balance Sheet and Excel worksheet for its Capital fund. We found no exceptions.

Cash (Offender Funds)

1. We recalculated the June 30, 2018 and June 30, 2017 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2016 beginning fund balances recorded in the QuickBooks Balance Sheet to the June 30, 2016 balances as documented in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the July 1, 2017 beginning fund balances recorded in the QuickBooks Balance Sheet to the June 30, 2017 balances in the QuickBooks Balance Sheet. We found no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the June 30, 2018 and 2017 fund cash balances reported in the QuickBooks Balance Sheet. The amounts agreed.
4. We confirmed the June 30, 2018 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, 2018 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the June 30, 2018 bank reconciliation:
 - a. We traced each debit to the subsequent July bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to June 30. There were no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all receipts from the Ohio Department of Rehabilitation and Correction (ODRC) from 2018 and all from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the General Ledger. The amounts agreed.
 - b. We inspected the General Ledger to confirm whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the General Ledger to confirm whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of June 30, 2016.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. We observed no new debt issuances, nor any debt payment activity during 2018 or 2017.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and minute records. We also confirmed the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in procedure 1 we compared the employees' personnel files and minute records 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 and fund 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 procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended June 30, 2018 to confirm 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 2018. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	July 31, 2018	June 27, 2018	\$8,732.86	\$8,732.86
State income taxes	July 15, 2018	June 27, 2018	\$1,744.27	\$1,744.27
OPERS retirement	June 30, 2018	June 21, 2018	\$63,557.18	\$63,557.18
City of Canton income tax	July 31, 2018	June 27, 2018	\$1,661.89	\$1,661.89
City of North Canton income tax	July 31, 2018	June 27, 2018	\$45.27	\$45.27

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 Register:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. 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 disbursements from the General Ledger for the year ended June 30, 2018 and ten from the year ended June 30, 2017 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - 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 General Ledger 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 Compliance

Ohio Rev. Code Section 117.38 requires facilities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Center's deadline where the initial filing was filed on time but incomplete. We confirmed the Center filed their complete financial statements, as defined by AOS Bulletin 2015-007 and the Auditor of State established policy within the allotted timeframe for the years ended June 30, 2018 and 2017 in the Hinkle system. There were no exceptions.

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

This report is to provide assistance in the evaluation of the Center's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended June 30, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
December 12, 2018

OHIO AUDITOR OF STATE
KEITH FABER



STARK REGIONAL COMMUNITY CORRECTION CENTER

STARK 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
JANUARY 17, 2019**