



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Southeast Ohio Public Energy Council  
Athens County  
P.O. Box 825  
Athens, Ohio 45701

We have performed the procedures enumerated below on the Southeast Ohio Public Energy Council, Athens County, Ohio (the Council) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2020 and 2019 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Council. The Council is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2020 and 2019 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Council.

The Council Board and the management of the Council have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Council's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2020 and 2019, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

### Cash

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balance recorded in the General Ledger Report to the December 31, 2018 balance in the prior year audited statements. We found the January 1, 2019 beginning fund balance recorded in the General Ledger Report exceeded the December 31, 2018 balance in the prior year audited statements by \$366 due to voided checks. We also agreed the January 1, 2020 beginning fund balance recorded in the General Ledger Report to the December 31, 2019 balance in the General Ledger Report. We found no exceptions.

### **Cash (Continued)**

3. We compared the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the Balance Sheet Report and the financial statements filed by the Council in the Hinkle System. The December 31, 2019 cash balance as stated on the Balance Sheet Report exceeded the financial statements filed by the Council in the Hinkle System by \$1,967 as the result of a 2019 adjustment posted in 2020, after the 2019 financial report was filed, to correct the QuickBooks system reconciliation. The December 31, 2019 cash balance as stated on the financial statements filed by the Council in the Hinkle System exceeded the cash balance as stated on the Reconciliation Summary by \$138 as the result of check 1632 subsequently voided. The December 31, 2020 cash balance as stated on the financial statements filed by the Council in the Hinkle System exceeded the cash balance as stated on the Reconciliation Summary by \$100 as the result of check 1780 subsequently voided.
4. We confirmed the December 31, 2020 bank account balances with the Council of Government's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation. We found one exception. During our testing, we found a bank account though Ohio University Credit Union that was opened in May of 2020 in the Council's name. This account was established to receive proceeds from a tax levy through the City of Athens for a carbon fee. The account balance of \$38,349 was not included on the Council's bank reconciliation or annual financial report filed in the Hinkle system.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. There were no exceptions.

### **Confirmable Cash Receipts**

We agreed individual amounts paid from American Electric Power (AEP) relating to grant proceeds to documentation supporting the amount received by the Council during 2020. We found no exceptions.

- a. We inspected the General Ledger Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We inspected the General Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Other Receipts**

We selected 10 other receipts from the year ended December 31, 2020 and 10 other receipts from the year ended 2019 and:

- c. Agreed the receipt amount in the Deposit Detail Report to supporting documentation. The amounts agreed. However, we found the only supporting documentation that was available for four entries in 2019 from Simec LLC totaling \$6,825 was the bank notification indicating the receipt had been received.
- d. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions except for the four entries in 2019 from Simec LLC totaling \$6,825. The supporting documentation provided for these four receipts were not in sufficient detail to support the proper calculation of commission earned.
- e. Inspected the Deposit Detail Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

**Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2018.
2. We inquired of management, and inspected the General Ledger Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. No new debt issuances, nor any debt payment activity during 2020 or 2019 was found.

**Payroll Cash Disbursements**

1. We selected one payroll check for all three employees from 2020 and one payroll check for five employees from 2019 from the Check Register Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Report to supporting documentation (legislatively approved rate or salary).
    - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found Ohio Public Employee Retirement System enrollment forms were not on file for any employee tested despite proper amounts being withheld and remitted. We brought this to management's attention.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions. We found no exceptions.
  - c. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files. We found no exceptions.
  - d. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2020 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 2020. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	01/31/2021	01/15/2021	\$1,655	\$1,655
State income taxes- Ohio	01/15/2021	01/20/2021	\$250	\$250
State income taxes- West Virginia	01/15/2021	01/20/2021	\$184	\$184
School District taxes	01/15/2021	01/20/2021	\$37	\$37
Local income tax	01/31/2021	02/02/2021	\$784	\$784
OPERS retirement	02/01/2021	01/15/2021	\$3,392	\$3,392

**Non-Payroll Cash Disbursements**

- We selected 10 disbursements from the Check Register Report for the year ended December 31, 2020 and 10 from the year ended 2019 and determined whether:
- a. The disbursements were for a proper public purpose. We found no exceptions.

### **Non-Payroll Cash Disbursements (Continued)**

- 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 Check Register Report and to the names and amounts on the supporting invoices. We found check 1548 was not dated despite a date on the Check Register Report of August 12, 2019 while the date on check 1553 did not match the date in the Check Register Report of September 10, 2019.
- 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.

### **Sunshine Law Compliance**

1. We obtained and inspected the Council's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected both public records requests from the engagement period and inspected each request to determine the following:
  - a. The Council was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
  - b. We inquired with Council management and determined that the Council did not have any denied public records requests during the engagement period.
  - c. The Council was redacting records and making the redactions visible, and provided an explanation which included the legal authority to the requester as required by Ohio Rev. Code §§ 149.43(B)(1) and 149.43(B)(3). We found management did not provide copies of the public records requests to determine compliance.
3. We inquired whether the Council had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with Council management and determined that the Council did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Council's poster describing their Public Records Policy was displayed conspicuously in all branches of the Council as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Council management and determined that the Council did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with Council management and determined that the Council did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).

### Sunshine Law Compliance (Continued)

9. We inspected the public notices for the public meetings held during the engagement period and determined the Council notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

### Other Compliance

1. Ohio Rev. Code § 117.38 requires councils to file their financial information in the HINKLE system within 150 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. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Council filed their financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2020 and 2019 in the Hinkle system. However, the financial statements did not include activity relating to proceeds of a tax levy passed by the City of Athens held in a bank account in the Council's name. This understated receipts and ending balance by \$38,349.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list of authorized users, and
  - a list of all credit card account transactions.
  - a. We inspected the established policy obtained above and determined it is:
    - i. in compliance with the HB 312 statutory requirements, and
    - ii. Implemented by the entity.We found no exceptions.
  - b. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.

**Other Compliance (Continued)**

- c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
  - i. No unpaid beginning balance was carried forward to the current billing cycle,
  - ii. Ending statement balance was paid in full, and
  - iii. Statement contained no interest or late fees.

We found no exceptions.

We were engaged by the Council to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Council'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.

We are required to be independent of the Council and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed-upon procedures engagement.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 29, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**SOUTHEAST OHIO PUBLIC ENERGY COUNCIL**

**ATHENS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/16/2021**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)