



Mary Taylor, CPA  
Auditor of State





# Mary Taylor, CPA

## Auditor of State

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

Thomas Sherman, Clerk of the House  
Ohio House of Representatives  
77 S. High Street, 12<sup>th</sup> Floor  
Columbus, Ohio 43215

We performed the procedures enumerated below, to which the Ohio House of Representatives (the House) have agreed, solely to assist the House in evaluating the leave payouts of terminated employees and the Representatives' reimbursements. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and Governmental Auditing Standards for attestation engagements. The sufficiency of the procedures is solely the responsibility of the House. 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.

#### Administrative Employees:

1. We obtained a listing of all employees who separated from the House during calendar years 2007 and 2008 provided by the Ohio Department of Administrative Services' Human Capital Management (HCM) Human Resources division. Using the listing, we determined the administrative employees who received vacation, sick, and/or personal leave payouts upon separation from the House. We eliminated Pages, who do not accrue leave, and employees who transferred to another State agency from the list to determine those employees that required further testing. We identified 78 administrative employees that separated from the House during calendar years 2007 and 2008.
2. For the administrative employees identified in step #1 for further testing, we determined the House properly deleted 68 of the 78 the employee's names from the Payroll Register in the pay period immediately following the pay period of separation. We determined ten of the 78 (12.82%) employee's names were not deleted from the Payroll Register in the pay period immediately following the pay period of separation; however, the employee's names were subsequently deleted from the Payroll Register.

We also determined the vacation, sick, and/or personal leave payouts made by the House were paid in accordance of the Ohio Rev. Code §124.13, §124.384, and §124.386, respectively, at the time of separation for 15 of the 78 employees tested. For 63 of the 78 (80.77%) employees tested, we determined the House incorrectly calculated the employee's vacation, sick, and/or personal leave payouts at the time of separation based upon leave balances. We obtained the employees' separation date, compensation rate, and leave balances for sick, vacation, and personal leave hours from the Ohio Administrative Knowledge System (OAKS) HCM.

3. For any variances identified in step #2, we determined if the original leave payout warrant was voided or cleared the House's bank account. We identified 42 warrants that were voided and 117 warrants that cleared the bank account (some employees received more than one warrant). For the warrants that cleared the House's bank account, we documented the amount overpaid to the administrative employee. This resulted in 15 overpayments (amounts owed to the House) totaling \$3,275.77. This also resulted in 48 underpayments (amounts owed to former employees) totaling \$4,859.41. These underpayments were brought to the Ohio House's attention for further consideration.

Six of the overpayments, totaling \$428.16 of the 15 overpayments noted above, were each less than \$100; therefore, they will not be identified for recovery. Nine of the overpayments, totaling \$2,847.61, resulted in Findings for Recovery, are identified below.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals and in favor of the Ohio House of Representatives. A portion of these findings, as identified in the table below, were repaid under audit to the Ohio House of Representatives.

| NAME               | AMOUNT OF FINDING FOR RECOVERY | AMOUNT REPAID UNDER AUDIT | DATE OF REPAYMENT | AMOUNT OF FINDING UNPAID |
|--------------------|--------------------------------|---------------------------|-------------------|--------------------------|
| Melissa Craddock   | \$445.91                       | \$0.00                    | N/A               | \$445.91                 |
| Kimberly Flasher   | \$203.31                       | \$203.31                  | October 1, 2010   | \$0.00                   |
| Tasha Hamilton     | \$428.85                       | \$0.00                    | N/A               | \$428.85                 |
| Jasmine Khamvongsa | \$319.82                       | \$0.00                    | N/A               | \$319.82                 |
| Halle Pelger       | \$198.97                       | \$0.00                    | N/A               | \$198.97                 |
| Derik Reay         | \$129.35                       | \$0.00                    | N/A               | \$129.35                 |
| Diane Roark*       | \$663.22                       | \$221.22                  | October 2, 2010   | \$442.00                 |
| Zach Trent         | \$272.41                       | \$0.00                    | N/A               | \$272.41                 |
| Justin Walters     | \$185.77                       | \$0.00                    | N/A               | \$185.77                 |
| TOTALS             | \$2,847.61                     | \$424.53                  |                   | \$2,423.08               |

\* Agreed to repay amount of finding in three monthly payments

Representatives:

- Representatives earned an annual salary that was allocated in twelve monthly payments, paid in advance on the first of each month. Therefore, from the employee listing obtained in step #1, we identified the Representatives who left office prior to the end of any month for further testing. Of the eight Representatives identified who left office during calendar years 2007 and 2008, four left office prior to the end of the month.
- For the Representatives identified in step #4 for further testing, we determined if the House issued a Letter Requesting Reimbursement for the amount prorated from their last day in office through the end of that month and whether the Representative reimbursed the House for the amount requested. A letter was sent to, and reimbursement made for the requested amount by one Representative. No letter was sent to the remaining three Representatives. For these three Representatives, we requested the House calculate the amount owed from their last day in office through the end of that month.

We recalculated the amount owed prior to taxes and other withholdings for all four Representatives who left office prior to the end of the month during calendar year 2007 and 2008 and agreed to the amount calculated by the House without exception. We documented the date and amount of all repayments, as well as any unpaid amounts. One of the Representatives repaid the amount owed. For the remaining three Representatives, proper reimbursement was not paid when the Representative left office resulting in a total overpayment of \$3,778.57.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals and in favor of the Ohio House of Representatives. These findings, as identified in the table below, were repaid under audit to the Ohio House of Representatives.

| NAME               | AMOUNT OF FINDING FOR RECOVERY | AMOUNT REPAID UNDER AUDIT | DATE OF REPAYMENT | AMOUNT OF FINDING UNPAID |
|--------------------|--------------------------------|---------------------------|-------------------|--------------------------|
| James Raussen      | \$2,885.32                     | \$2,885.32                | January 15, 2010  | \$0.00                   |
| John H. Widowfield | \$528.90                       | \$528.90                  | December 29, 2009 | \$0.00                   |
| Matthew Barrett    | \$364.35                       | \$364.35                  | October 13, 2010  | \$0.00                   |
| TOTALS             | \$3,778.57                     | \$3,778.57                |                   | \$0.00                   |

**Official's Response:**

The individuals who were responsible for preparing and approving payroll during the period of January 1, 2007 through December 31, 2008, are no longer directly associated with the administrative office. The administrative office was reorganized at the beginning of 2009. When the staff of the reorganized administrative office was made aware of the errors with payouts that occurred during the 2007-2008 audit period, including three reimbursement letters which were not sent, they began working with the auditors to identify these overpayments. The House also prepared and sent letters to the three members requesting reimbursement for the overpayment. Two of the members responded to the letters and sent reimbursement checks for the full amount of the overpayments. The third member failed to respond to the letters sent by the House but did send a reimbursement check on October 13, 2010, after being contacted by the Auditor's Office.

In addition, full or partial payment had been received from two of the former administrative employees who were overpaid. In early 2009, the House began implementing changes to strengthen internal controls as part of the reorganization of the administrative office, and is engaged in an ongoing effort to explore options to strengthen the internal controls and procedures affecting the administrative duties of the House.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the House's leave payouts and Representatives' reimbursements. 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 and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

October 28, 2010

**This Page is Intentionally Left Blank.**



**Mary Taylor, CPA**  
Auditor of State

**OHIO HOUSE OF REPRESENTATIVES**

**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  
NOVEMBER 16, 2010**