



Dave Yost • Auditor of State

June 10, 2011

The Honorable Greg Hartmann
President
Hamilton County Commission
138 East Court Street
Room 603
Cincinnati, Ohio 45202

Dear Commissioner Hartmann:

Since taking office in January, I have asked my staff to prioritize getting current all of Hamilton County's outstanding financial and compliance audits. I am writing to provide you with an update on where we are in this process and request your assistance as we continue to work toward this goal.

For audits 2004, 2005 and 2006, auditors in our Cincinnati region continue to work with Deloitte to get these audits completed prior to the end of 2011. To facilitate completion by this date, we have recently undertaken some of this unfinished work.

I also recently met with County Auditor Dusty Rhodes to discuss the critical need for the County to complete its 2009 and 2010 financial statements so that my staff can also complete audits for these years by the end of 2011. As you are aware, Ohio law requires each public office reporting pursuant to generally accepted accounting principles to file a financial report within 150 days after the close of the fiscal year. Therefore, according to the ORC, not only is 2009 over a year past due, but 2010 is also delinquent.

In order to assist the County Auditor's office in completing the County's 2009 and 2010 financial statements, Auditor Rhodes and I discussed the County expanding its current contract with our Local Government Services (LGS) division to work on its 2010 financial statements. While I understand the tight budgetary constraints facing the County, I encourage you to provide the resources for this contract to be expanded. Given the nature of this work, its possible enterprise funds could be charged and this assistance will help the County meet its statutory obligations.

I would also like to bring to your attention a performance audit my office completed for the Cuyahoga County Auditor's office in 2010. As part of that performance audit, Hamilton

County was compared with Cuyahoga as a peer county, along with others. On several staffing and service levels, the Hamilton County Auditor's office not only had fewer FTEs than its peers, but also significantly higher workload per FTE. I have attached a summary of this information for you to review. Based on this information and the delays the County has experienced in completing its financial reports, it appears Auditor Rhodes's office may be understaffed. Adding one accountant may address these concerns.

I hope you find this information helpful. If you would like to discuss these matters further, please do not hesitate to contact me, or Christa Criddle, my SW Regional Liaison, at (513) 255-8040.

Sincerely,



Dave Yost
Ohio Auditor of State

cc: Christa Criddle, Southwest Regional Liaison; Dusty Rhodes, Hamilton County Auditor; Chris Monzel, Hamilton County Commissioner; Todd Portune, Hamilton County Commissioner

DY/cc/dr/cm/tp

Peer Comparison per Performance Audit Cuyahoga County Auditor's Office 2010.

- Peer counties: Cuyahoga, Franklin, Hamilton, Summit
- Staffing- FTE per 100,000
 - **Finance & Accounting**- HCAO.1.1 Peer Average 1.7
 - HCAO lowest of peers
 - Warrants processing- HCAO has 1.1 which is lower than peer average of staffers, in addition, the number of warrants processed in 2008 per FTE is over four times the average of the rest of the peer counties (HCAO/FTE= 38,222 Rest of peers= 9,875 avg.)
 - **Tax Admin & Property Services**- HCAO 6.1 Peer Average 8.0
 - HCAO lowest of peers
 - HCAO also has the highest number of property parcels per FTE
 - HCAO= 6,802 Peer Avg= 5,696
 - **Consumer Services**- HCAO .2 Peer Average .7
 - HCAO lowest of peers
 - **Estate Tax processing**- HCAO has .4 which is equal to peer average of staffers, however the number of estate tax filings processed in 2008 per FTE is over twice the average of the rest of the peer counties (HCAO/FTE= 1,439 Rest of peers= 675 avg.)
 - **Weights and Measures**- HCAO has .4 FTEs per 100,000 citizens (which is equal to the Peer Average). However, It processes a significantly higher volume than the peer average.
 - # Agencies per FTE- HCAO= 357, Peer Avg= 282
 - # Inspections per FTE- HCAO= 551, Peer Avg = 437
 - # Tests per FTE- HCAO= 3,890 Peer Avg= 2,841

IMPORTANT UPDATE

Auditor Yost's attachment with respect to Weights & Measures staffing in Hamilton County reflects the full-time employees of 3.6 from the time the Performance Audit was conducted. Today there are 2 Weights & Measures staff and using the population data from the time of the Performance Audit there are actually .235 per 100,000 population rather than the .4 noted above.

June 29, 2011