



County of Hamilton

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Budget Impact Analysis

2013 Hamilton County Auditor's Office

Dusty Rhodes, Auditor

Currently there are 16 employees in the Auditor's Finance Department. Of the 16 there are 13.75 FTE general fund employees. The remaining positions are allocated to the REA fund. The Finance Department would be impacted the most, as a majority of the cuts, if not all, would occur there.

Six positions would need to be eliminated. If all of these cuts are made in the Finance Department, it would represent a 44% reduction in staff. This would be in addition to the approximately 60% cut in staff that has occurred over the last five years. Daily operations in all divisions of the Finance Department - Accounting, Financial Reporting, Accounts Payable, Payroll and support to the Hamilton County Budget Commission - would be severely impacted.

Finance staff would be unable to respond to the state auditors in a timely manner. Thus, we would not meet the deadlines for completion of the 2011 and 2012 audits that Auditor Yost has mandated. There are also ongoing requests for information concerning the agreed upon procedures for 2004-2006 – for the County, Family and Children First, General Health District and Regional Planning Commission. These would be severely hampered as the state auditors try to complete this work also.

Response to requests for payroll research for current and former employees would be curtailed. This could impose additional costs for those employees seeking to purchase service credits or delay the processing of retirement information, thus delaying retirement payments that are made to retired employees.

Daily interaction with OPERS would be slowed to the point where the County would be exposed to fines and penalties.

Daily payment of County bills would no longer be timely, exposing the County to penalties and interest and potential litigation.

The interaction with the plethora of financial institutions that the County does business with would be imperiled. A missed positive pay file will generate additional work within the office as the bank will question payroll checks and AP checks, as will employees when they discover that the bank will not accept their checks. There would be no record of the check in the banking system and the bank would reject the check or call to question its authenticity.

The response time to the numerous public information requests would be slowed considerably to the point where the County could be in legal jeopardy.

Daily communication with federal and state agencies would be slowed to the point where deadlines would be routinely missed.

Statutory and contractual obligations prohibit the Auditor from transitioning from a bi-weekly payroll schedule to monthly payments for County employees. There would also be a severe backlash from County employees. Otherwise, the Auditor's Office would pursue the option as a cost savings measure.

Deadlines missed as they relate to the work of the Budget Commission would mean the delay of filing the real property tax rates and the required tax abstracts, resulting in the delay of tax bills, collections, and settlements.