



County of Hamilton

DUSTY RHODES
AUDITOR

COUNTY ADMINISTRATION BUILDING
138 EAST COURT STREET
CINCINNATI, OHIO 45202

STATE AUDITOR YOST COMMENDS OUR OFFICE

Auditor of State Dave Yost visited our office on Thursday, September 29 to announce the County's first unqualified audit in thirteen (13) years. The County's audits since 2003 were qualified by the longtime dispute between the federal and state government over reporting of funds by the Hamilton County Job & Family Service (HCJFS) agency.

Auditor Yost recognized the excellent work of our Finance Department. Thanks to their efforts, County operations, reporting and borrowing continued without problems during the qualified audit years. We also worked with the County Commissioners and the County Prosecutor to bring this issue to a conclusion.

The issue was HCJFS accounting and reporting of federal funds. The agency said it followed state instructions which were challenged by federal auditors. From the outset forensic accountants determined no funds were stolen or lost. Original estimates indicated the County would have to pay back as much as \$220 million. The final settlement was for \$22 million.

This was an incredible waste of time, effort and taxpayer's money. It cost millions of dollars simply because someone or some agency decided that funds spent to provide local JFS services were reported in a way that differed from their preference.

This is an example of government red tape and downright foolish federal regulation. There is no legitimate reason why this took thirteen (13) years to straighten out. It had the potential of severely impacting County operations. Credit our Finance Department staff for successfully avoiding possible problems.

Our experience dealing with this simple accounting and reporting disagreement cries out for some common sense solutions and curbing the ability of federal regulators and agencies to inflict this kind of expensive nonsense on counties and local governments.

Dusty Rhodes
Hamilton County Auditor

September 30, 2016