



# JOSH MANDEL

## STATE TREASURER OF OHIO

COLUMBUS &dash; Ohio Treasurer Josh Mandel announced today that for the second fiscal year in a row, his administration was issued a "clean" audit by Ohio Auditor of State Dave Yost. In order to receive this positive review, the Auditor's office undertook a thorough review of accounts and transactions, and an inventory of assets and custodial funds of the state treasury.

This annual audit is mandated by state law, and is required to review and report on any significant internal control deficiencies, fraud, or illegal acts &dash; including noncompliance with laws and regulations. The audit also reviewed whether abuse or noncompliance occurred with contracts and grant agreements that could affect financial accounts.

Government Auditing Standards require the Auditor's office to perform testing procedures related to cash, securities, deposits, investments, revenue, taxes, collateral on lent securities/obligations under securities lending, monitoring of service organizations, bank account reconciliations, GAAP package schedules, compliance with certain state laws and regulations, and the Bankmate, QED and BAM systems.

"We reviewed cash balances, securities, compliance with state law, and internal control," Auditor Yost said. "The conclusion is a clear one: Treasurer Mandel and his staff demonstrated good financial reporting."

"My main mission as Treasurer is to protect Ohio's tax dollars. This clean audit confirms that the hard work we are doing on behalf of taxpayers is paying off and that through sound financial management our books are balanced," said Treasurer Mandel. "We have conducted a top-bottom review of office operations and streamlined financial processes to increase efficiency. As a result we have been able to root out waste and redundancy in the Treasurer's office, implement best practices from the financial industry, and run our operation like a private sector business."

### Audit Reviews Internal Controls, Inventory and Procedures

A key part of the audit is an annual inventory of the state treasury. This inventory counts all cash and reconciles it with the daily ledger report, physically inspects securities held in trust by the Treasurer as custodian for other agencies, confirms financial institution statements on cash deposits and investment account balances, and reconciles all of these amounts with the Treasurer's accounting records.

The scope of the audit included testing procedures related to cash, securities, deposits, investments, revenue, taxes, collateral, monitoring of service organizations, bank account reconciliations, treasury financial systems, and compliance with certain state laws and regulations for the period July 1, 2011 through June 30, 2012.

### Auditor's "Clean" Audit Continues Strong Fiscal Performance of Ohio Treasury

The Auditor's review of Treasury operations is the latest in positive achievements which have been accomplished by the



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Treasurer's office:

- After two fiscal years in office, Treasurer Mandel has generated a \$2.6 million surplus for Ohio taxpayers.
- Treasurer Mandel trimmed staff by ten percent, reducing budgeted payroll by \$1.6 million.
- The Ohio Treasury's liquidity portfolio has grown by \$2.7 billion since Treasurer Mandel took office.
- Treasurer Mandel refinanced debt service, completing multiple economic refundings in state bond programs to save the state \$16.7 million.
- Under Treasurer Mandel's leadership, Standard & Poor's has improved Ohio's credit rating outlook, issued the multibillion-dollar STAR Ohio investment fund the highest rating possible (even as multiple other local investment pools were downgraded), and upgraded the Ohio Enterprise Bond Fund for the first time in nearly a decade.

[View Management Letter from Auditor of State Dave Yost](#)

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