



JOSH MANDEL

STATE TREASURER OF OHIO

COLUMBUS ‐ Auditor of State Dave Yost today issued a "clean" audit of Ohio Treasurer Josh Mandel's office, after a thorough review of accounts and transactions, and an inventory of assets and custodial funds of the state treasury. The audit was conducted in accordance with Government Auditing Standards and revealed no matters of non-compliance, or internal control weaknesses.

"Every week, my office recognizes governments throughout Ohio for their dedication to good bookkeeping. We know what good books look like, and so does Josh Mandel," said Auditor of State Dave Yost. "This report reflects a commitment to good reporting and efficient operations."

"I launched a top-bottom review of the Ohio Treasury upon taking office in order to root out waste, increase efficiencies and improve operations. We have tightened the belt of government to ensure that Ohio taxpayer dollars are secure and conservatively managed," said Treasurer Mandel. "I would like to thank Auditor Yost and his staff for their comprehensive review of treasury accounts, transactions and processes, and for their thorough inventory of state assets and custodial funds. This clean outside audit of the Treasurer's office affirms that the modernization and improvements we have made to our banking and accounting practices are consistent with the highest in Government Auditing Standards."

Audit Reviews Internal Controls, Inventory and Procedures

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 ‐ 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.

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, 2010 through June 30, 2011.

Auditor's 'Clean' Report is the Latest Positive Review of the Ohio Treasury

The Auditor's review of Treasury operations is the latest in positive reviews that have been received by the Ohio Treasurer's office: In July 2011, Treasurer Mandel released a Fiscal Year 2011 Top-Bottom Review that outlined achievements, cost savings and modernized banking practices during the first half of 2011;

In September 2011, The Treasurer announced that Standard & Poor's gave the \$4 billion investment pool that the Treasurer manages on behalf of local governments and school districts, STAR Ohio, their highest rating possible as they downgraded the federal government and 14 other similar local government investment pools;

In November 2011, Fitch gave the highest possible rating for Ohio General Obligation Bonds as they downgraded the United States' outlook from stable to negative;

In January 2012, Treasurer Mandel released a second Top-Bottom Review for Calendar Year 2011, which outlined more ways the office was safeguarding taxpayer dollars through a conservative investment strategy; and,

In March 2012, S&P Upgraded the Ohio Enterprise Bond Fund Ratings Two Notches to 'AA+', citing a strong risk profile and sound financial policies.



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"I am proud of the strong financial record that the Ohio Treasury is compiling, and believe that our focus on fiscal responsibility and a conservative investment strategy is paying off for Ohio taxpayers," concluded Treasurer Mandel.

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