

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: All IPA Firms

Subject: AUP Credit Card Procedures

Date: April 30, 2019

The following testing should replace Other Compliance step 4 for applicable Agreed-Upon Procedure (AUP) engagements.

Please follow guidance provided in Audit Division Advisory Memo 2019-01 and the references in the AUP report shells for applicability of these procedures.

[Delete this procedure if your entity does not have credit cards. If the entity does not have a policy adopted under HB 312 and did not have a policy adopted prior to, that identified authorized users, you may remove procedures a. and b.i. If no cash withdrawals were made, remove procedure c. If the policy was not adopted by December 31, 2018, auditors should verbally discuss with management the need to develop a policy prior to using a credit card account and document the discussion in the working papers. In subsequent engagements / audits, auditors should follow up to determine if the local government is complying with the requirements outlined in HB 312.]

For all credit card accounts we obtained:

- copies of existing internal control policies,
- a list(s) of authorized users, and
- a list of all credit card account transactions.

- a. We inspected the established policy(ies) obtained above and determined [it is] **OR** [they/are]:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.
- b. We selected 5 *[or all if less than 5]* credit card transactions made by employees and 3 *[or all if less than 3]* credit card transactions from each of the **[chief executive officer,**

- chief fiscal officer, and elected officials] *[List correct Elected Official Titles]* for testing. For selected transactions we inspected documentation to determine that:
- i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.
- c. For cash withdraws made. We selected 5 *[or all if less than 5]* cash withdraws and inspected supporting documentation to determine:
- The policy explicitly allowed for cash withdraws and when related legislative or administrative action was passed.
 - Appropriate and specific additional controls were implemented for cash withdraw transactions.

Please contact Teresa Hicks with the Center for Audit Excellence at TMHicks@ohioauditor.gov with any questions.