

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: ALL IPA Firms

Subject: 2020 Ohio Compliance Supplement

Date: January 31, 2020

The 2020 Ohio Compliance Supplement (OCS) (PDF and Word versions) has been posted to the web at: <http://www.ohioauditor.gov/references/compliancemanuals.html>.

A summary of changes from 2019 to 2020 is attached, those highlighted we consider to be *significant* changes.

Audit years ending 12/31/19 must include the new 2020 OCS if compliance testing has not yet started. If you have already used the 2019 compliance supplement, you must replace or add the *significant* sections applicable to your engagement. All other modified sections should be evaluated for applicability, and you may include the attached file in your work papers with cross references to updated compliance testing where applicable.

The Optional Procedures Manual is not included in the link above. It will be published soon.

Please contact the Center for Audit Excellence with any questions.

Ohio Compliance Supplement 2020

Summary of Changes

Chapter 1	<p>1-4: Establishing funds and permission to establish funds – removed guidance for Medicaid Sales Tax Transition Fund.</p> <p>1-5: Distributing Revenue – minor updates to requirements</p> <p>1-11: Classroom facilities assistance programs – minor updates to requirements and testing</p> <p>1-13: Issuing or Retiring Bonds and Notes – added clarification to requirements</p> <p>1-17: Annual Financial Report – added clarification to requirements and testing</p> <p>1-18: Financial Reporting for CICs/DCs – added clarification to testing</p> <p>1-21: Allocating Audit Costs – moved to OPM section 27</p> <p>1-26: School District Funding – added guidance and clarified testing.</p> <p>1-27: Community School Funding – updates to requirements and testing.</p>
Chapter 2	<p>2-5: Accounting for management company expenses – clarifications to guidance.</p> <p>2-6: Eligible investments for interim monies, inactive deposits and maturities –updates to requirements and testing.</p> <p>2-8: Other allowable investments for subdivisions other than counties – removed testing procedure.</p> <p>2-9: Security for repaying county (and county hospital) public deposits – changes to guidance and testing procedures.</p> <p>2-10: Eligible Investments for inactive county money – changes to guidance and testing.</p> <p>2-13: Sponsor monitoring of community schools – updates and clarification added to guidance and testing.</p> <p>2-14: Operator oversight of community schools – updates to guidance</p> <p>2-21: Education Requirements – added to requirements and testing.</p> <p>2-22: Fraud and Abuse, Conflict of Interest, Ethics –guidance and testing added from 3-14.</p> <p>2-23: StaRS – NEW guidance based on Bulletin 2019-003. Replaces the Public Records Testing and Open Meetings from Chapter 3.</p> <p>NOTE: Staff should anticipate additional guidance on adding StaRS awards to the Executive Portal within the next few weeks. Staff will be required to manually track StaRS by entity for input when the Executive Portal is available.</p>

	<p>2-24: Anti-Bullying Provisions – clarified testing.</p>
Chapter 3	<p>3-2: Meeting of Public Bodies to be Open, Exceptions, and Notice – Removed. Now included with the StaRS section 2-23.</p> <p>3-5: Bonding Requirements – added requirements and clarified test procedures.</p> <p>3-6: Dropout Prevention and Recovery School eligibility requirements – added to testing procedures</p> <p>3-14: Mandates Training and Continuing Education Requirements for County Auditors – Moved to 2-21</p> <p>3-16: Cafeteria Plans – added requirements for Counties and updated testing.</p> <p>3-18: Law Enforcement Trust Fund – clarified guidance.</p> <p>3-19: Submission for information for National Instant Criminal Background Check System (NICS) – SUSPENDED</p> <p>Note: NICS testing is also not required for outstanding FYE 12/31/2018 engagements. However; AOS staff are required to evaluate the status of any prior year comments issued for NICS. If the matter is resolved, document in the working papers. If the issue is not resolved, bring to the management’s attention via a verbal comment only.</p>
Implementation Guide	<p>Reporting – updated for 2018 Yellow Book</p> <p>Audit Findings – updated for 2018 Yellow Book references. . Updates for HB 491 and 291 plus other clarifications.</p> <p>Audit Findings for Waste or Abuse – split out from the Audit Findings section. Guidance updated for 2018 Yellow Book</p> <p>Referrals – clarified guidance.</p> <p>Exhibit 2 – Public Officer’s Bond – updated for HB 291</p> <p>Exhibit 4 – Elected Officials’ Compensation – clarified guidance.</p> <p>Exhibit 5 – Legal Matrix – removed and added to a linked Excel doc. (OCS – Exhibit 5 tab)</p> <p>Exhibit 6 – Entities Not Included – removed and added to a linked Excel doc. (OCS – Exhibit 5 tab)</p>
OPM	Will be issued at a later date.