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From: AOS Audit Administration
To: All IPA Firms
Subject: Contract Modifications and Updated IPA Invoices
Date: August 18, 2016

In our continuing effort to provide additional functionality through the Auditor of State's (AOS) Independent Public Accountant (IPA) Portal, we have updated the functionality to include **Contract Modifications**. In addition, we have slightly changed the format of IPA invoices submitted via the IPA Portal.

Contract Modifications

Effective September 1, 2016, the Auditor of State will require the Contract Modification application via the IPA Portal be utilized to obtain client AND Auditor of State approval for all contract modifications. Firm personnel designated in a Partner Role or Processing Role may prepare contract modifications; however, only those designated with the Partner Role can submit the contract modifications for approval. Note: The new application may be utilized prior to the September 1, 2016 effective date.

The Contract Modification application includes edit checks to ensure only one contract modification is in process at a time, budgets are submitted for AUP scope changes, contracts exceeding 800 hours require MBE/EDGE firm information, etc.

The following steps must occur for each contract modification:

1. The firm's Processing Role or Partner Role creates a contract modification via the IPA Portal. When all requirements are met, the firm's Partner Role submits the contract for client approval. The submitting partner and the client's contact person on file with the AOS will receive a *Modification Agreement – Client Approval Request* email.
2. The client's email will direct the client to log on to the Auditor of State's Customer eServices Center to review and approve or deny the Contract Modification.
 - a. If approved, the submitting partner, the client and AOS will receive a *Modification Agreement – Client Approval* email.
 - b. If denied, the submitting partner and the client will receive a *Modification Agreement – Client Denial* email with an explanation of the reason(s) for the denial. The IPA must revise the modification and resubmit it to the client for approval.
3. Once the client has approved the modification, the AOS will review the contract modification.

- a. If approved, the submitting partner and the client will receive a *Modification Agreement – Auditor of State Approval* email, at which time the modification is fully executed.
- b. If denied, the submitting partner and the client will receive a *Modification Agreement – Auditor of State Denial* email with an explanation of the reason(s) for the denial. The IPA must revise the modification and resubmit it to the client for approval.

For clients without email access, the IPA must contact IPAcorrespondence@ohioauditor.gov AFTER submitting the contract modification via the IPA Portal. A copy of the modification agreement form, with the IPA's approval, will be provided to the IPA. The IPA must physically obtain the client's approval and submit the modification to AOS via IPAcorrespondence@ohioauditor.gov for AOS approval. If the AOS agrees with the client-approved contract modification, the AOS will upload the contract modification form into the IPA Portal and finalize the approval process. If the AOS does not agree with the client-approved contract modification, the modification will be returned to the IPA for revision.

As a reminder, contract modifications are only appropriate for engagement services that were not known at the time of the original proposal, including but not limited to, changes in accounting or professional standards, changes in reporting entity, significant changes in funding, due date changes, etc., and could not have reasonably been anticipated by the parties during the bid process. Contract modifications must be executed by the Auditor of State prior to the performance of any additional work.

Contract modifications for IPA due date extensions should be submitted timely. It is still the IPA's responsibility to keep the respective regional representative informed of client issues, delays, etc. It is also the IPA's responsibility to ensure contract modifications are reviewed and approved by the client. Should your client need assistance in logging into the Auditor of State's Customer eServices Center, please refer them to eServices@ohioauditor.gov.

Updated Electronic Invoicing

In October 2015, the AOS implemented an automated electronic invoicing system via the IPA Portal for all June 30, 2015 and subsequent period-end project invoices.

Since the implementation of the automated electronic invoicing system, the AOS has received feedback from the IPA firms and the clients. Based on that feedback, the AOS has made modifications to the invoicing system as follows:

- The notification email will now only provide a condensed version of the invoice information submitted by the IPA.
- The notification email will direct the IPA to log into the IPA Portal to access an invoice created by the system. The IPA may direct the client to remit payment utilizing the invoice created in the invoicing system via the client's eServices account or the IPA may send the client their own firm invoice after the AOS' approval.

- The invoicing system will continue to maintain an Invoice History for each project in order for the IPA firm to easily identify billings, approvals, etc.
- Invoices will now be in a printer-friendly format.

The notification email sent to the client will also now only provide a condensed version of the invoice information and will direct the client to log on to the Auditor of State's Customer eServices Center to view and print the invoice. Formatting changes have been made to make the invoice appear more like an actual invoice as opposed to an email and will be in a printer-friendly format. **For clients without email access, the IPA firm must provide an invoice to the client along with the AOS approval email to request payment.**

Guidance and Questions

An updated Guide to the IPA Portal has been created for the additional functionality and is available on the AOS website at: [Guide to the IPA Portal](#)

We appreciate your firm's continued support, cooperation, and patience as we enhance the IPA contracting process. If you have any questions or concerns, please email IPACorrespondence@ohioauditor.gov.