

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: All IPA Firms

Subject: 2021 Ohio Compliance Supplement

Date: December 1, 2020

The 2021 OCS (PDF and Word versions) has been posted to:
<http://www.ohioauditor.gov/references/compliancemanuals.html>.

A summary of changes from 2020 to 2021 is attached, those highlighted we consider to be significant changes. Audit years ending 12/31/2020 must include the new 2021 OCS if compliance testing has not yet started. If you have already started your compliance testing with the 2020 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.

Please contact the Center for Audit Excellence with any questions.

Ohio Compliance Supplement 2021

Summary of Changes

NOTE: Red text throughout the 2021 Ohio Compliance Supplement is a change related to COVID-19

Chapter 1	<p>1-1: Annual appropriation measures – classification – added considerations for COVID 19</p> <p>1-2: Restriction upon appropriation and expenditure of money – certificate of fiscal officer – added considerations for COVID 19</p> <p>1-4: Establishing funds and permission to establish special funds – added clarification to the requirements and considerations for COVID 19</p> <p>1-5: Distributing revenue derived from tax levies, proceeds from sale of bond issue, proceeds from sale of permanent improvement – clarified the requirements</p> <p>1-6: Transfer of funds – clarified the requirements and added considerations for COVID 19</p> <p>1-7: Advances – added considerations for COVID 19</p> <p>1-11: Traditional and community schools participating in classroom facilities assistance programs – added to the requirements and testing</p> <p>1-12: Debt – additions to the requirements an testing</p> <p>1-17: Annual financial reporting – added considerations for COVID 19</p> <p>1-18: GAAP and annual financial reporting for CICs/DCs – added consideration for COVID 19</p> <p>1-19: Health care self insurance – reorganized the testing section</p> <p>1-20: Liability self insurance – reorganized the testing section</p> <p>1-23: Collection of income tax at source on wages – added considerations for COVID 19</p> <p>1-24: Definitions, rates of contributions etc. – added considerations for COVID 19</p> <p>1-26: School district funding – not included in this release. Will be issued for the FYE 6/30/2021 audit cycle.</p> <p>1-27: Community school funding – not included in this release. It will be issued for the FYE 6/30/2021 audit cycle.</p> <ul style="list-style-type: none">• A (Brick and Mortar only) - not included in this release. It will be issued for the FYE 6/30/2021 audit cycle.• B (Electronic Schools (E-Schools) only) - added clarification to requirements and testing. Also added considerations for COVID 19.
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	<ul style="list-style-type: none"> • C (<i>Blended only</i>) - not included in this release. It will be issued for the FYE 6/30/2021 audit cycle.
Chapter 2	<p>2-1: Appropriations limited by estimated revenue – added considerations for COVID 19</p> <p>2-2: Restrictions on appropriating and expending money – added considerations for COVID 19</p> <p>2-3: Internet- or computer-based community school cannot contract with a nonpublic school for instructional facility space – added considerations for COVID 19</p> <p>2-5: Accounting for management company expenses – added to and clarified requirements</p> <p>2-13: Sponsor monitoring of community schools – added to and clarified requirements and testing. In addition, added considerations for COVID 19.</p> <p>2-19: Security controls over counties’ electronic transactions – clarified requirements</p> <p>2-22: Fraud and Abuse; Conflict of Interest; Ethics – clarified testing procedures</p> <p>2-23: Ohio Sunshine Laws – clarified testing procedures</p> <p>2-24: CARES Act (NEW) – not included in this release, to be issued at a later date.</p> <p>2-25: Anti-Bullying Provisions – clarified requirements and testing procedures</p>
Chapter 3	<p>3-1: Deposits of public money – added considerations for COVID 19</p> <p>3-3: Appointments, compensation, contracts etc. – added and clarified guidance</p> <p>3-6: Dropout Prevention and Recovery School eligibility requirements – added to requirements and testing procedures. Additionally added considerations for COVID 19.</p> <p>3-16: “Cafeteria Plans” – clarified test procedures</p> <p>3-17: Law Enforcement Trust (LET) and Drug Law Enforcement funds – added guidance</p> <p>3-18: Submission for information for National Instant Criminal Background Check System (NICS) – Procedures for this section for are limited to the evaluation of prior year comments. Test procedures are not required for periods applicable to the 2021 OCS.</p>
Implementation Guide	<p>Throughout - removed references to the 2011 Yellow Book</p> <p>Audit Findings – added clarification for Findings for Adjustment and Findings for Recovery.</p> <p>Appendix : Budgetary and Certain Related Requirements – added clarification</p> <p>Appendix A-1: Transfers and Advances – added considerations for COVID 19.</p> <p>Appendix A-2: Direct Charges – added considerations for COVID 19.</p>

	Appendix D: Reporting – added considerations for COVID 19.
OPM	<p>O-7: Capital and maintenance reserve account – added to requirements</p> <p>O-11: County payments to be by auditor’s warrant, competitive bidding, County notice and other bid requirements – added to requirements and considerations for COVID 19.</p> <p>O-13: Township’s expenditures and competitive bidding – added considerations for COVID 19.</p> <p>O-15: Bidding procedures and purchasing policies for supplies and equipment (County Hospitals) – clarified requirements and added considerations for COVID 19.</p> <p>O-27: Allocating audit costs – clarified requirements.</p>