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From: Auditor of State's Center for Audit Excellence
To: All IPA Firms
Subject: 2016 Ohio Compliance Supplement
Date: February 25, 2016

The 2016 Ohio Compliance Supplement (OCS) (PDF and Word versions) has been posted to the web at: <http://www.ohioauditor.gov/references/compliancemanuals.html>.

Attached is a summary of changes from 2015 to 2016. Highlighted changes are those considered to be significant.

Audit years ending December 31, 2015 must include the new 2016 OCS if compliance testing has not yet started. If you have already used the 2015 compliance supplement in your December 31, 2015 (or later) audit you must replace it with the 206 OCS 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 2016

Summary of Changes

Chapter 1	<p>1-4: Establishing funds and permission to establish funds – added testing procedures.</p> <p>1-11: Classroom facilities assistance programs – added the community school classroom facilities grant project and guidelines for STEM programs.</p> <p>1-12: Foundation anticipation notes – moved from Chapter 3.</p> <p>1-13: Issuing or retiring bonds and notes – added guidance and testing for regional councils of government.</p> <p>1-14: Bond, Tax and Revenue Anticipation Notes – added guidance for Lake Erie Shoreline Improvement projects.</p> <p>1-16: Governments investing in their own Securities – added minor clarifications.</p> <p>1-17: Annual Financial Reporting – significant updates and clarifications made for AOS Bulletin 2015-007.</p> <p>1-18: Annual Financial Reporting (CICs and DCs) – added procedures for certifications with the Secretary of State.</p> <p>1-21: Allocating Audit Costs – clarified guidance for UG.</p> <p>1-23: Collection of Income Tax at Source on Wages – clarified testing procedures.</p> <p>1-24: Definitions, rates of contributions etc – added guidance and testing for community schools.</p> <p>1-25: School District Average Daily Membership – added significant guidance and testing.</p> <p>1-26: Community School Funding – added significant guidance and testing.</p> <p>1-28: Permanent cemetery endowment fund – updated guidance.</p>
Chapter 2	<p>2-3: Internet- or Computer-Based Community School – added clarification to the definition.</p> <p>2-5: Accounting for Management Company Expenses (formerly Footnote Disclosure for Management Company Expenses) – Significant changes made to this section. Although the name of this section and the format changed, it remains a footnote disclosure. Additional guidance will be issued in a bulletin.</p> <p>2-6: Eligible Investments for Interim Monies and Inactive Deposits and Maturities(Other than Counties) – limited changes.</p> <p>2-7: Other Requirements (Other than Counties) – added limited guidance relating to a qualified trustee.</p> <p>2-9: Security for Repaying Public Deposits – added limited guidance.</p> <p>2-10: Eligible Investments (Counties and County Hospitals) – added limited</p>

	<p>guidance.</p> <p>2-11: Other Requirements (Counties and County Hospitals) - added limited guidance.</p> <p>2-13: Sponsor Monitoring of Community Schools – significant additions to guidance and testing.</p> <p>2-14: NEW Operator Oversight of Community Schools – added guidance and procedures for testing operator responsibilities.</p> <p>2-16 through 2-18: Force Accounts – added minor clarifications to the guidance.</p> <p>2-22: Fraud, Abuse, and Illegal Acts; Conflict of Interest; Ethics – added guidance and testing.</p> <p>2-23: Availability of public records and policies related thereto – added guidance and testing for community schools.</p>
Chapter 3	<p>3-3: Appointments, Compensation, Contracts, etc. – limited changes for ACA and Bulletin 2015-002.</p> <p>3-5: Bonding Requirements – limited changes.</p> <p>Foundation Anticipation Notes – Moved to Chapter 1.</p> <p>3-14(b): Law Enforcement Trust Fund – added guidance.</p> <p>3-15: Reimbursement of insurance premiums – Significant changes for ACA as noted in Bulletin 2015-002.</p> <p>3-17: NEW Fiscal Integrity Act - Added guidance and limited testing.</p> <p>3-18: NEW Traffic Law Photo Monitoring Devices – added guidance and procedures to be sure entities who have engaged these devices are reporting properly.</p>
Implementation Guide	<p>Findings for Abuse – added guidance from ADAM 2015-02.</p> <p>FFA/FFR Procedures – clarified procedures.</p> <p>GASB No 40 Table – updated.</p> <p>Exhibit 4 – Elected Officials’ Compensation – updated.</p> <p>Exhibit 5 – Legal Matrices – updated.</p>