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From: Auditor of State's Center for Audit Excellence  
To: All IPA Firms  
Subject: Community School Sponsor Communication  
Date: February 2, 2017

House Bill 2 enacted the following Ohio Revised Code (ORC) sections which were effective February 1, 2016:

**117.105 Notice from auditor.**

The auditor of state shall provide written notice to the sponsor of a community school regarding any action taken against or upcoming audits of a community school to assist the sponsor in complying with the requirements of section 3314.019 of the Revised Code.

**3314.019 Communication with state auditor.**

A community school's sponsor shall communicate with the auditor of state regarding an audit of the school or the condition of financial and enrollment records of the school, and shall maintain a presence at any and all meetings with the auditor of state regardless of whether the sponsor has entered into an agreement with another entity to perform all or part of the sponsor's oversight duties.

Added by 131<sup>st</sup> General Assembly File No. TBD, HB 2, §1, eff. 2/1/2016

ORC §117.105 requires the Auditor of State to provide written notice to Community School sponsors and ORC §3314.019 requires the sponsor to maintain a presence at these meetings. Although these sections are specific to the Auditor of State, we believe the intent of the legislature was for this requirement to also apply to audits performed by Independent Public Accountants (IPAs) on behalf of the Auditor of State.

As a result of this legislation, for any "significant" meetings with a community school, audit teams are required to notify the sponsor of the school and give them an opportunity to attend the meeting. This includes pre-audit meetings, post audit meetings, audit update meetings during the course of the engagement and any meetings in which an audit issue is discussed of more than routine business. This should include both in person and conference call meetings.

If you have any questions, please contact the Center for Audit Excellence.