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Auditor of State

From: Audit Administration
To: All IPA Firms
Subject: Audit Deadline for Vocational Schools and Universities/Colleges with Accreditation
Date: June 30, 2016

Most vocational schools and universities/colleges are required to be “accredited” in order for students to seek federal financial assistance.

Accreditation is a voluntary, non-governmental, peer-review process which provides a means of assisting schools and colleges to become stronger and better institutions by setting standards of educational quality. Accreditation promotes institutional accountability by systematically and comprehensively evaluating institutions based upon criteria established via the [Standards of Accreditation](#). The U.S. Department of Education (USDoe) recognizes several national and regional non-profit, independent accrediting agencies, with the following three (3) utilized by institutions in Ohio:

Accrediting Commission of Career Schools and Colleges (ACCSC) (<http://www.accsc.org/>)

Council on Occupational Education <http://www.council.org/>

North Central Association of Colleges and Schools, The Higher Learning Commission
<http://www.hlcommission.org/>

We recently became aware that at least one of the accrediting agencies (ACCSC) requires submission of audited financial statements within six (6) months of the end of the fiscal year as one of the provisions for accreditation. Failure to meet this requirement can result in fines/fees to the institution or possible loss of accreditation.

The USDoe maintains a database (<http://ope.ed.gov/accreditation/GetDownloadFile.aspx>) of all accredited institutions in Ohio. Several Ohio audits are not meeting the six month deadline and likely causing fines to be imposed upon our clients.

We are reaching out to the ACCSC to provide our input on their deadline for filing audited financial statements; however, we wanted to ensure you are aware this audit deadline likely exists for these entities. If your firm will not be able to complete the audit within the timeframe, please ensure a discussion occurs with the school’s management regarding obtaining an extension of the accreditation filing requirement. Please remember audits performed by Independent Public Accountants (IPAs) are considered “released” at the time they are submitted to the Center for Audit Excellence (CFAE) for review; therefore, the audit reports may be

provided to the client for the required filing submission prior to the CFAE approval provided the report is accompanied by a Transmittal Letter indicating the following language:

“This report is subject to review and acceptance by the Auditor of State’s office, and the requirements of Ohio Revised Code § 117.25 are not met until the Auditor of State certifies this report. This process will be completed by the Auditor of State in a reasonable timeframe and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards or OMB Circular A-133 and/or Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

Please feel free to contact IPACorrespondence@ohioauditor.gov if you have any questions.