

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: ALL IPA Firms

Subject: AUP Testing for Other Receipts

Date: March 10, 2021

We would like to clarify conflicting Other Receipts guidance on how to determine material other receipts and pull the other receipt selections for testing in the AUP Guidance document and one of the AUP report shell footnotes. We are in the process of updating both to sync up the guidance, which will be posted in the next week. Regardless of whether you use the new AWB spreadsheet or not, you will need to ensure we are applying these procedures the same across the board for all small government AUP engagements.

When determining whether Other Receipts exceeds 10% and warrants testing, the evaluation should be done based on statement. Therefore, you would compare the **total of all revenue line items that have not been tested in other procedures** within your AUP to the **total revenue for each year by Statement**. For example on the Governmental Statement:

Governmental Statement:

Licenses and Permits (not test)	5,987
Interest (not tested)	1,221
Miscellaneous (not tested)	<u>1,532</u>
Total Other Receipts	8,740

Total Governmental Statement Revenues 71,581

Other Receipt Percentage 12.2%

Therefore Other Receipts would be material and require testing. If the entity has a Proprietary and or Fiduciary statement, the comparison would work the same.

You would not pull 10 items per statement to test where Other Receipts is material. Rather, you would pull a total of 10 Other Receipts across all line items and funds included in the

statement(s) where Other Receipts was determined to be material (exceeded 10%). Your selection for all Other Receipts should not exceed 10 total items.

Please contact the Center for Audit Excellence with any questions.