

## IPA Correspondence

**To:** All IPA Firms  
**From:** Auditor of State's Center for Audit Excellence  
**Subject:** Courts Special Projects Fund Procedures  
**Date:** December 23, 2025

The following memorandum relates to testing ANY and EVERY Court with Special Projects funds. These procedures are required to be performed on all fiscal year ended December 31, 2025 engagements with courts. Testing performed as noted in these procedures is being completed at the discretion of the Auditor of State (AOS) and is not intended to impact opinions rendered on the financial statements.

Upon completion of testing, results should be submitted to AOS using the link included in the **Report Testing Results** section below. Additionally, a testing worksheet has been attached and should be submitted to [IPAReport@ohioauditor.gov](mailto:IPAReport@ohioauditor.gov). Results of testing should be reported as soon as possible following the completion and review of the procedures. Auditors should NOT wait until the end of the audit to report these results.

A listing of all entities with courts subject to this testing is attached. **This list may not be all inclusive.**

### Testing Procedures

**Determine the Special Project Fund was properly authorized and established.**

- 1. Obtain/Create a list of all of the court's Special Project Funds and the related Court Order Establishing the fund. Refer to AOS Guidance 1 at the end of this document for additional information.**

Information to be listed (and maintained in the Permanent File) includes

- a. Fund Number
- b. Fund Name
- c. Court Order Number
- d. Summary of the Fund Purpose/Special Project to be funded

**2. Determine the reasonableness of the fund/special project purpose.**

The ORC §§ allowing the creation of these funds each indicate they should be for “the efficient operation of the court”. The purpose would *generally* be reasonable if it meets this criterion.

Examples included in the various ORC §§ include, but not limited to:

- the acquisition of additional facilities or the rehabilitation of existing facilities,
- the acquisition of equipment,
- the hiring and training of staff,
- community service programs,
- mediation or dispute resolution services,
- the employment of magistrates,
- the training and education of judges, acting judges, and magistrates, and
- other related services.

This step may be N/A for “general” special project funds. **Refer to AOS Guidance 2 at the end of this document for additional information.**

**3. Document the amount to be collected during the current audit period and agree the amount to the fine/fee schedule for the audit period.**

Amounts are established by the Court and can be adjusted periodically; therefore, the amount approved at the time of establishment may not be the current amount collected.

**Test Special Project Fund(s) expenditures for allowability.**

**4. Scan the disbursement ledger for unusual entries.**

Examples of unusual entries could be those to unanticipated vendors, for large amounts, and/or with descriptions that indicate a use outside of the purpose of the fund.

**5. Select expenditures from the Special Project Fund(s) and determine if the expenditures were made in accordance with the fund’s purpose. Refer to AOS Guidance 3 at the end of this document for additional information.**

The number of expenditures to be tested may vary based on the number of Special Project Funds maintained by each court. Auditors must test at least two (2) expenditures (if available) per Special Project Fund. Selections should be risk-based and include high-dollar or questionable expenditures, if possible. **Refer to AOS Guidance 4 at the end of this document for additional information.**

## Report Testing Results

6. Complete the “Courts Special Projects Funds Testing Results Form” linked below upon completion and review of the procedures.

Results of testing should be reported as soon as possible following the completion and review of the procedures. Auditors should NOT wait until the end of the audit to report these results.

Auditors must complete the form here:

[Courts Special Projects Fund Testing Results Form](#)

### AND

Submit the completed testing worksheet to [JPAREport@ohioauditor.gov](mailto:JPAREport@ohioauditor.gov)

7. Issues noted during testing may result in verbal or management letter comments. We do not anticipate these funds to be material to our financial statement audit and therefore would generally not result in Schedule of Findings issues. If amounts are determined to be unallowable, auditors should consult with the respective Regional Office regarding possible Findings for Recovery (FFR).

### AOS Guidance 1

The following Ohio Rev. Code §§ allow creation of Court Special Projects Funds:

- 1901.26 (B) – Municipal Courts (County and City)
- 1907.24 (B) – County Courts
- 2303.201 (E)(1) – Court of Common Pleas
- 2501.16 (B) – Court of Appeals

Auditors should refer to these sections should question arise regarding the establishment of a Special Projects Fund.

### AOS Guidance 2

We are aware that courts may create a “general” special project fund to pay out various costs that are allowable under these sections of ORC. (That is, the fund may not have a specific purpose, per se.). If a “general” special projects fund is used, we will consider the appropriateness of the expenditure in audit procedures 4 and 5 above.

### AOS Guidance 3

If the purpose of the fund was determined to be unreasonable in 2. above, no further testing in this step is necessary, as all disbursements would be deemed unallowable. Additionally, if a “general” special project fund is utilized for a variety of purposes, we should determine if the

expenditures selected for testing meet the purposes outlined in audit procedure number 2 above.

**AOS Guidance 4**

Auditors may find that Court Special Project Funds are a source of warrants paid under protest by the County Auditor. In these cases, we can subject the same expenditure to testing for both requirements, however, we must treat the expenditures consistently between the two tests unless we can clearly document the difference. (That is, if we determine a warrant paid under protest is improper, the outcome in this section is most likely going to be that the payment from the Special Project Fund is also improper, unless we can clearly and reasonably document why the treatment is different. We expect this to be very rare.)

**Sources**

<https://www.supremecourt.ohio.gov/courts/judicial-system/ohio-trial-courts/#Court-List>

<https://www.supremecourt.ohio.gov/courts/judicial-system/ohio-court-of-appeals/>

Questions related to these procedures can be directed to

[IPACorrespondence@ohioauditor.gov](mailto:IPACorrespondence@ohioauditor.gov).