



Dave Yost  
Auditor of State

From: Auditor of State's Center for Audit Excellence  
To: All IPA Firms  
Subject: 2017 Ohio Compliance Supplement  
Date: February 3, 2017

The 2017 Ohio Compliance Supplement (OCS) (PDF and Word versions) has been posted to the web at: <http://www.ohioauditor.gov/references/compliancemanuals.html>.

A summary of changes from 2016 to 2017 is attached, those highlighted we consider to be significant changes.

Audit years ending 12/31/16 must include the new 2017 OCS if compliance testing has not yet started. If you have already used the 2016 compliance supplement in your 12/31/16 (or later) audit you must replace 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 at 614-466-3025.

## Ohio Compliance Supplement 2017

### Summary of Changes

<b>Chapter 1</b>	<p><b>1-4: Establishing funds and permission to establish funds</b> – clarified and added guidance.</p> <p><b>1-5: Distribution of Revenue</b> – clarified guidance.</p> <p><b>1-8: Reserve balance accounts and funds</b> – minor clarification added to guidance.</p> <p><b>1-11: Classroom facilities assistance programs</b> – added guidance.</p> <p><b>1-13: Issuing or retiring bonds and notes</b> – added guidance and testing procedures (Career-Technical Education Compact Qualifying Partnerships and Regional Airport Authorities).</p> <p><b>1-14: Bond, Tax and Revenue Anticipation Notes</b> – added limited guidance.</p> <p><b>1-15: Additional borrowing authority for boards of library trustees</b> – added guidance.</p> <p><b>1-17: Annual financial reporting</b> – clarified guidance.</p> <p><b>1-18: CIC/DC Annual financial reporting</b> – clarified guidance and added test procedures.</p> <p><b>1-19: Health care self-insurance</b> – clarifications to guidance.</p> <p><b>1-23: Collection of Income Tax at Source on Wages</b> – changes to test procedures.</p> <p><b>1-24: Definitions, rates of contributions, etc.</b> – added to guidance.</p> <p><b>1-25: School district average daily membership</b> – clarifications to guidance and test procedures added.</p> <p><b>1-26: Community school funding</b> – significant changes to guidance and testing.</p>
<b>Chapter 2</b>	<p><b>2-5: Accounting for management company expenses</b> – minor clarifications to guidance; significant changes to AUP procedures.</p> <p><b>2-8: Other allowable investments for subdivisions other than counties</b> – minor clarifications.</p> <p><b>2-9: Security for repaying county (and county hospital) public deposits</b> – changes to guidance and testing procedures.</p> <p><b>2-10: Eligible Investments for inactive county money</b> – minor changes to guidance and testing procedures.</p> <p><b>2-13: Sponsor monitoring of community schools</b> – significant additions to guidance and minimal changes to testing procedures.</p> <p><b>2-14: Operator oversight of community schools</b> – added guidance and test procedures.</p>

	<p><b>2-16,17,18: Force Accounts</b> – significant changes to this guidance and test procedures.</p> <p><b>2-20: Landfill financial responsibility and certifications</b> – minor clarifications.</p> <p><b>2-22: Fraud, Abuse, and Illegal Acts; Conflict of Interest, Ethics</b> – clarifications added to guidance.</p> <p><b>2-23: Availability of public records</b> – added and clarified guidance.</p> <p><b>2-24: Anti-Bullying provisions</b> - minor clarification added.</p>
<b>Chapter 3</b>	<p><b>3-2: Meeting of public bodies to be open, exceptions, and notice</b> – added minor guidance.</p> <p><b>3-5: Bonding Requirements</b> – clarified guidance.</p> <p><b>3-11: Collection, custody, and disbursement of court fees, fines, costs and deposits</b> - added limited guidance.</p> <p><b>3-14(b): Law Enforcement Trust Fund</b> - clarified guidance and test procedures.</p> <p><b>3-15: Reimbursement of insurance premiums</b> – added guidance.</p> <p><b>3-17: Fiscal Integrity Act</b> - added clarification to guidance and testing.</p> <p><b>3-18: Operation of traffic law photo-monitoring device</b> - minor clarifications added to guidance.</p>
<b>Implementation Guide</b>	<p><b>Introduction</b> – added clarifications to guidance.</p> <p><b>Organization of the OCS</b> – clarifications added.</p> <p><b>Home Rule Powers</b> – added guidance.</p> <p><b>Reporting</b> – minor clarifications added.</p> <p><b>Audit Findings</b> – significant changes to guidance.</p> <p><b>Referrals</b> – added guidance.</p> <p><b>Appendix C-2</b> – clarified guidance.</p> <p><b>Exhibit 4 – Elected Officials’ Compensation</b> – significant updates.</p> <p><b>Exhibit 5 – Legal Matrices</b> – significant updates.</p>
<b>OPM</b>	<p>Various sections - Minor clarification &amp; updates to guidance. O-8 Section was added. See Implementation Guide, page 3 shaded box for discussion on the use of the OPM.</p>
<b>All</b>	<p>Removed references to Bulletins that are no longer necessary, either because of dated guidance or sufficient guidance is already included in the OCS.</p>