

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: All IPAs

Subject: 2019 Ohio Compliance Supplement

Date: March 27, 2019

The 2019 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 2018 to 2019 is attached, those highlighted we consider to be *significant* changes.

Audit years ending 12/31/18 must include the new 2019 OCS if compliance testing has not yet started. If you have already used the 2018 compliance supplement in your 12/31/18 (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.

The Optional Procedures Manual is not included in the link above. It will be published soon.

Please contact the Center for Audit Excellence with any questions.

Ohio Compliance Supplement 2019

Summary of Changes

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| Chapter 1 | <p>1-1: Annual appropriation measures – classification – updated guidance for GASB 84.</p> <p>1-4: Establishing funds and permission to establish funds – updated guidance for GASB 84.</p> <p>1-7: Advances – added guidance</p> <p>1-11: Classroom facilities assistance programs – updated guidance for written agreement. Added requirements for the Alternative Facilities Assistance Program (AFAP). Added testing for Community School Grants.</p> <p>1-15: Additional borrowing authority for boards of library trustees – updated guidance.</p> <p>1-19: Health care self-insurance – updated guidance.</p> <p>1-23: Collection of Income Tax at Source on Wages – added references.</p> <p>1-26: School District Funding – added guidance and testing.</p> <p>1-27: Community School Funding – updates and additions to guidance/testing.</p> <p>Appendix A: Agricultural Society – clarified guidance.</p> |
| Chapter 2 | <p>2-5: Accounting for management company expenses – clarifications to guidance.</p> <p>2-6: Eligible investments for interim monies, inactive deposits and maturities – minor updates to guidance.</p> <p>2-8: Other allowable investments for subdivisions other than counties – addition to testing procedures.</p> <p>2-9: Security for repaying county (and county hospital) public deposits – changes to guidance and changes and additions to testing procedures.</p> <p>2-10: Eligible Investments for inactive county money – changes to guidance.</p> <p>2-13: Sponsor monitoring of community schools – updates and clarification added to guidance, added testing.</p> <p>2-14: Operator oversight of community schools – updates to guidance and testing.</p> <p>2-16,17,18: Force Accounts – updated guidance.</p> <p>2-19: Security controls over counties' electronic transaction – updated and clarified guidance.</p> <p>2-21: Education Requirements – updated for the Fiscal Integrity Act originally included in Chapter 3.</p> |

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| | <p>2-23: Availability of public records – added minor guidance.</p> <p>2-24: Anti-Bullying Provisions – clarified guidance.</p> |
| Chapter 3 | <p>3-3: Appointments, compensation, contracts, etc. – clarified guidance.</p> <p>3-6: Dropout Prevention and Recovery School eligibility requirements – NEW</p> <p>3-7: Establishment and accounting treatment for commissaries – clarified guidance.</p> <p>3-15: Furtherance of Justice (FOJ) – clarified guidance.</p> <p>3-18: Fiscal Integrity Act – MOVED to 2-21.</p> <p>3-18: Law Enforcement Trust Fund – clarified guidance.</p> <p>3-19: Submission for information for National Instant Criminal Background Check System (NICS) - NEW</p> |
| Implementation Guide | <p>Audit Findings – added clarification for FFRs when SIU is involved or it's a special audit.</p> <p>Referrals – clarified guidance.</p> <p>Appendix E-2 GASB No. 40 – updated guidance.</p> <p>Exhibit 4 – Elected Officials' Compensation – updated guidance.</p> <p>Exhibit 5 – Legal Matrices – updated.</p> <p>Exhibit 6 – Entities Not Included – updated.</p> |