

# OHIO AUDITOR OF STATE KEITH FABER



**From:** Auditor of State's Center for Audit Excellence

**To:** All IPA Firms

**Subject:** AUP Credit Card Step Update

**Date:** May 20, 2019

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After receiving some questions regarding the credit card steps for Agreed-Upon Procedures (AUP) engagements, the steps have been modified/clarified. In addition, a few wording/clerical changes have also been made.

The AUP shells on the Auditor of State website have all been updated. The shells are maintained at: <http://www.ohioauditor.gov/references/agreeduponprocedures.html>

The changes are noted below:

## **AUP Credit Card Procedures:**

*[Delete this procedure if your entity does not have credit cards. If the entity does not have a policy adopted under HB 312 and did not have a policy adopted prior to, that identified authorized users, you may remove procedures a. and b.i. If no cash withdrawals were made, remove procedure c. If the policy was not adopted by December 31, 2018, auditors should verbally discuss with management the need to develop a policy prior to using a credit card account and document the discussion in the working papers. In subsequent engagements / audits, auditors should follow up to determine if the local government is complying with the requirements outlined in HB 312.]*

For all credit card accounts we obtained: *[Inquire of management to determine that all credit cards have been identified for testing]*

- copies of existing internal control policies,
- a list(s) of authorized users, and
- a list of all credit card account transactions.

a. We inspected the established policy(ies) obtained above and determined [it is] **OR** [they/are]:

- i. in compliance with the HB 312 statutory requirements, and
- ii. implemented by the entity.

We found no exceptions.

- b. We selected 3 *[or all if less than 3]* credit card transactions for testing. For selected transactions we inspected documentation to determine that:
  - i. Use was by an authorized user within the guidelines established in the policy, and
  - ii. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.

- c. For cash withdraws made. We selected 1 *[or all if less than 1]* cash withdraws and inspected supporting documentation to determine:
  - i. The policy explicitly allowed for cash withdraws and when related legislative or administrative action was passed.
  - ii. Appropriate and specific additional controls were implemented for cash withdraw transactions.

We found no exceptions.

Please contact Teresa Hicks with the Center for Audit Excellence at [TMHicks@ohioauditor.gov](mailto:TMHicks@ohioauditor.gov) with any questions.