Common Audit Comments

Agenda

Types of Audit Comments

Common Audit Comments

Terminology

GAGAS
- General Accepted Government Auditing Standards
- Aka: The Yellow Book
- Comments affecting the financial statements

Single Audit
- The Single Audit Act of 1984 (amended) - applicable to entities expending $750,000 or more of federal dollars annually
- Comments affecting federal programs

Non-compliance
- Citation of a violation of code, regulation, or guidance requirement

Reported deficiency
- Internal Control deficiency
Ohio Rev. Code 117.38 and 1724.05

Each Public Office, other than a state agency, shall file an annual financial report:
• GAAP Entities – due 150 days after fiscal year end
• Community Improvement Corporations – due 120 days after fiscal year end
• Regulatory, Modified Cash, OCEDA Entities – due 60 days after fiscal year end

Filing must be submitted through the HINKLE Reporting link provided by AOS.
Filings must contain: Financial Statements, Notes to the Financial Statements, and other Required Supplementary Information

Ohio Rev. Code 5705.10

Ohio Rev. Code § 5705.10(I) provides that money paid into any fund shall be used for the purpose for which it was established. A fund with a negative fund balance signifies that monies from other funds were used to meet their obligations.

Ohio Rev. Code 5705.36; 5705.39; 5704.41(B); 5705.41(D)

- Certification of Available Revenue
- Appropriations limited by Estimated Revenue
- (B) – Expenditures must be appropriated
- (D) – Expenditures must be encumbered
2 Code of Federal Regulations 200.510(b)

• Schedule of Expenditures of Federal Awards (SEFA)
  • List individual federal programs by agency, for Cluster Programs, provide the Cluster name and individual programs, if applicable
  • Monies received as a subrecipient, list pass through agency and number
  • Total Federal dollars expended, totaled by Program Cluster if applicable
  • Total amount provided to subrecipients

Audit
Adjustment/Reclassification/Financial Statement Errors

- Amounts posted to the wrong fund
- Amounts posted to the wrong line item

Policy Deficiencies

- Documented in Written Form and approved by Governing Authority
- Sufficiently Detailed
- Enforced
- Understood by Employees and Management