

OHIO AUDITOR OF STATE
KEITH FABER

LGOC

Ohio Compliance Supplement 2024 Updates

Kelly Berger-Davis, Center for Audit Excellence

March 28, 2024 Efficient • Effective • Transparent 1

Agenda

- What is the Ohio Compliance Supplement?
- 2024 Updates – Ch. 1-3, OPM & IG
- Implementation Guide – Topics Covered

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What is the OCS?

- OCS = Ohio Compliance Supplement
- Contains certain laws and regulations which are:
 - of the type auditors generally consider direct and material
 - or of considerable public interest
- Is not a comprehensive listing of applicable laws and regulations
- Is designed to help auditors and public offices identify and familiarize themselves with certain laws and regulations

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Updates - When/How Often? How to Identify Changes?

- Updated annually
- Main OCS normally issued by December
- Ch. 4 (school chapter) normally issued by June
- Changes marked with **strike-out**, **double underline** or **wavy-underline**

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What is the effective date?

- 2024 OCS
Engagements of FYE
12/31/23 – 11/30/24
- 2023 OCS
Engagements of FYE
12/31/22 – 11/30/23

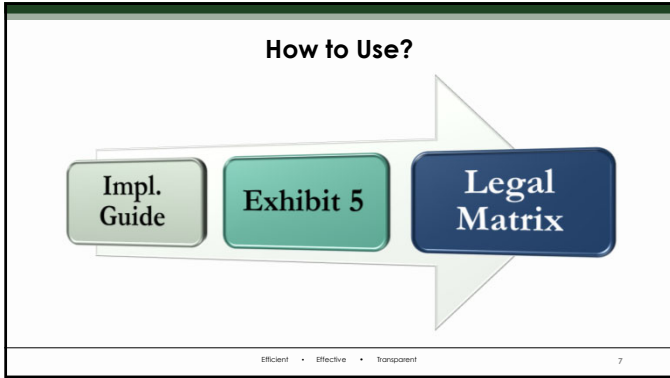
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Where is the OCS?

The screenshot shows the Ohio Auditor of State website with the following content:

- Navigation menu: LOCAL GOVERNMENT, Reference Materials, Financial Health Indicators, Fiscal Dates, IAN, State System Financial Reporting, Training & Conferences
- Search bar: Search Audit
- Section: Ohio Compliance Supplement Manuals
- Year: 2024
- Links:
 - Ohio Compliance Supplement Implementation Guide (pdf)
 - The Compliance ACE is available in Exhibit 3
 - Legal Notice
 - Ohio Compliance Supplement Manual (pdf)
 - Chapter 1 – Direct Laws (pdf) (book)
 - Chapter 2 – Indirect Laws and Statutorily Mandated Tests (pdf) (book)
 - Chapter 3 – Stewardship (pdf) (book)
 - Optional Procedures Manual (book)

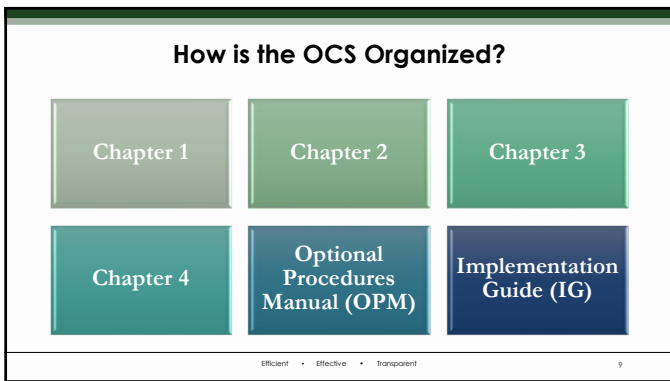
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Legal Matrix

Step No.	Requirement	Township	Traditional Schools ¹	Ultra Country Districts ²	Village
General Budgetary Requirements (1.1 through 1.2)					
1-1	OBC 5705.38: Annual appropriation measures - classification	✓	✓	✓	✓
1-2	OBC 5705.41(D), and 5705.42: Restriction upon appropriating expending money - certificate of fiscal officer	✓	✓	✓	✓
1-3	OBC 5705.46: Amending or supplementing appropriations, contingencies	✓	✓	✓	✓
1-4	OBC 5705.69: Establishing funds and 5705.72: Permission to establish special funds	✓	✓	✓	✓
1-5	OBC 10.46, 122.01, 154.23, 3315.20, 5155.03, Various 5705 Sections, 5735.26: Distribution of levy revenue	✓	✓	✓	✓
1-6	OBC 5703.05-06 and 5705.14-16: Transfer of funds ³	✓	✓	✓	✓

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1 **1-2 Compliance Requirements:** Ohio Rev. Code §§ 5705.41 (D) and 5705.42 - Restriction upon appropriation and expenditure of money – certificate of fiscal officer.

2 **Summary of Requirements:**
The authorization of a bond issue is *deemed an appropriation* of the proceeds of the bond issue for the purpose for which such bonds were issued. No expenditure shall be made from any bond fund until first authorized by the taxing authority. [Ohio Rev. Code § 5705.41(A)]

Similarly, Federal and State grants or loans are "*deemed appropriated*" for such purpose by the taxing authority" as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection [Ohio Rev. Code § 5705.42].

In determining how the government ensures compliance, consider the following:

What control procedures address the compliance requirement?

W/P Ref.

3

- Policies and Procedures Manuals
- Knowledge and Training of personnel
- Checklists
- Review/Comparison/Recomputations of Purchase Documents
- Budgetary/Purchasing Accounting/Monitoring System
- Legislative and Management Monitoring
- Management's identification of changes in laws and regulations
- Management's communication of changes in laws and regulations to employees – Policies and Procedures Manuals

Suggested Audit Procedures - Compliance (Substantive) Tests:

- 4
1. Search for material unrecorded liabilities and/or encumbrances at year end. Refer to minutes and records immediately following the fiscal year cutoff date.
 2. During the search for material unrecorded liabilities and/or encumbrances at year end, compare the date of the fiscal certificates with invoice dates, noting whether or not the certificate date precedes the invoice/obligation date and was recorded as an encumbrance in the proper year.

- Note:
- The obligation date may precede the invoice date. If separately identified, use the obligation date when determining compliance.
 - If the government does not expect to complete the project in the current year, the remainder of the project must be appropriated immediately in the subsequent year(s).⁷

5 **Audit implications** adequacy of the system and controls, and the direct and material effects of non-compliance, effects on the audit opinions and/or footnote disclosures, significant deficiencies/material weaknesses, and management letter comments):

2024 OCS Updates

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Legislative Bills With OCS Impact

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Throughout OCS

Red COVID Guidance

- Same as last 3 years, COVID related guidance is in red font
- Removed where no longer relevant to the period covered by this OCS

CFDA → Assistance Listing

- Changed references from CFDA to Assistance Listing & removed related footnotes about name change

AICPA - 2023 State & Local Gov. Audit & Accounting Guide

- Updated references/guidance to 2023 SLG

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Throughout OCS

Updated *Certain* References to 'Ohio Department of Education'

- As a result of HB 33, updated references to 'Ohio Department of Education', to now be 'Ohio Department of Education and Workforce' – but only where quoted from /changed in ORC
- Due to a lawsuit filed by State Bd. Of Ed. members / OCS issuance timeline – all other references to ODE will be updated in the 2025 OCS

Cross References To/From Implementation Guide

- Added cross references to/from IG appendices, exhibits, etc., where applicable

Multi-Level Bullet Points

- Changed multi-level bullet points to numbers/letters for smoother build into TeamMate
- These do not necessarily correspond to the ORC sections; they are simply numbering for the OCS purposes

Throughout OCS Multi-Level Bullet Points

2023 OCS

2024 OCS

3. Inspect a representative number of "regular blank" certificates outstanding near year end and determine that:

- The amount is established by an ordinance or resolution passed by a majority of the legislative body. (If the legislative authority passed this in the prior years, agree to permanent file documentation.)
- They are not dated after the fiscal year end.
- They do not exceed the amount the legislative body established.
- Only one certificate is outstanding per line item appropriation.

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- Only one certificate is outstanding per line item appropriation.

Throughout OCS Multi-Level Bullet Points

2023 OCS

2024 OCS

Summary of Requirements:

All revenue derived from the following must be paid into the general fund [Ohio Rev. Code § 5705.10, unless otherwise indicated below]:

- the general levy for current expense within the ten mill limitation. Current expenses, as defined in Ohio Rev. Code § 5705.01(F), are "lawful expenditures of a subdivision, except those for permanent improvements, and except payments for interest, sinking fund, and retirement of bonds, notes, and certificates of indebtedness of the subdivision."
- any general levy for current expense authorized by vote in excess of the ten mill limitation, and from sources other than the general property tax, unless its use for a particular purpose is prescribed by law in the circumstances requiring a separate fund in the preceding OCS Step;
- Countries are precluded from using general levy revenue for current expenses for the reconstruction, reconstruction, resurfacing, and repair of roads and bridges. [Ohio Rev. Code § 5705.10]

Summary of Requirements:

All revenue derived from the following must be paid into the general fund [Ohio Rev. Code § 5705.10, unless otherwise indicated below]:

- A. the general levy for current expense within the ten mill limitation. Current expenses, as defined in Ohio Rev. Code § 5705.01(F), are "lawful expenditures of a subdivision, except those for permanent improvements, and except payments for interest, sinking fund, and retirement of bonds, notes, and certificates of indebtedness of the subdivision."
- B. any general levy for current expense authorized by vote in excess of the ten mill limitation, and from sources other than the general property tax, unless its use for a particular purpose is prescribed by law in the circumstances requiring a separate fund in the preceding OCS Step;
 - 1. Countries are precluded from using general levy revenue for current expenses for the construction, reconstruction, resurfacing, and repair of roads and bridges. [Ohio Rev. Code § 5705.10]

SECTION 5705.10 - Use of revenues.

Ohio Revised Code / Chapter 5705 Tax Levy Law

Effective: 6/11/2017 Amended: 6/11/2017

Revenue derived from the general levy for current expense within the ten mill limitation, from any general levy for current expense authorized by vote in excess of the ten mill limitation, and from sources other than the general property tax, unless its use for a particular purpose is prescribed by law, shall be paid into the general fund.

Revenue derived from general or special levies for debt charges, whether within or in excess of the ten mill limitation, which is levied for the debt charges on bonds, notes, or certificates of indebtedness having a life less than five years, shall be paid into the bond retirement fund, and all such revenue shall be used for the retirement of such bonds, notes, or certificates of indebtedness. [Ohio Rev. Code § 5705.10]

Implementation Guide

Findings for Recovery & FFR Procedures for IPA's

- Clarifications made throughout

Additional Policies for Findings for Recovery for AOS Audits

- FFR Repayment Plan Template updated
- Added guidance from bulletin 2014-003 regarding alcohol purchases
- Added guidance regarding folder structure on W drive to save FFR supporting documentation in
- Other clarifications made throughout section

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Implementation Guide

Appendix A-1 Transfers & Advances

- Scaled back COVID guidance in summarized format.

Appendix B – Contracts & Expenditures

- Added COVID language from 2A-3 – 2A-11 here as well.
- Added guidance on 1.) P.O.'s as contracts, 2.) competitive bidding thresholds (from HB 33), and 3.) Bid Evaluation Standards.

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Implementation Guide Appendix B – Contracts & Exp's Purchase Orders as Contracts

“Note that a purchase order can constitute a contract but only if certain elements/characteristics are present:
 (1) offer; (2) acceptance; (3) mutual assent; and (4) consideration.
 When federal dollars are used to make a purchase, “acceptance” is present either by the buyer signing the purchase order or by the vendor and the buyer performing under the terms of the purchase order. Performance would be the vendor supplying the service or goods and the buyer paying for them.
 When AOS auditors encounter a purchase order and would like to know whether it can be viewed as a contract, we recommend that they reach out to the attorneys in Legal for an evaluation.”

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Implementation Guide Appendix B – Contracts & Exp's Competitive Bidding Thresholds

“Effective October 3, 2023, certain competitive bidding thresholds are established by ORC 9.17 which states the amount for purposes of a provision of the Revised Code that references this section shall be

- (1) beginning on the effective date of this section through calendar year 2024, \$75,000; and
- (2) for each calendar year thereafter, the amount for the previous calendar year *increased by three percent* as determined and published by the director of commerce.

Where the OCS references ORC 9.17, the thresholds were as follows for the following time periods:

Before Oct. 3, 2023	Oct. 3, 2023 – December 31, 2024
\$50,000	\$75,000

Implementation Guide Appendix B – Contracts & Exp's Bid Evaluation Standards

“Certain statutes outline different standards regarding the evaluation of bids such as:

- “lowest and best bidder”
- “lowest responsible bidder”
- “*lowest responsive and responsible bidder*” (ORC 9.312)

ORC 9.312 applies when either:

- 1) another law requires the standard to apply or
- 2) a political subdivision required by law to award contracts by competitive bidding adopts an ordinance or resolution to adopt a policy requiring its contracts to be awarded to the lowest responsive and responsible bidder in accordance with ORC 9.312.”

Implementation Guide

Appendix E

- Updates made to Federal Agencies & GASB 40 tables.

Exhibit 2 – Public Officers’ Bond

- Updates made, including those to sync to Exhibit 5 legal matrix.

Implementation Guide Legal Matrix

Throughout:

- Made footnote more user friendly
- Updated to sync to edits made in corresponding OCS sections
- Posted unlocked file (no password required)

Metropolitan Housing Authorities:

- Added new MHA column to Exhibit 5/legal matrix & OPM (moved from Exhibit 6)

Metropolitan Housing Authority
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Implementation Guide Legal Matrix

Exhibit 5:

- 3-5 (bonding) - Added reference to related Exhibit in Implementation Guide, & marked as applicable to several additional entity types, to sync up with Exhibit 2 of the IG.
- 2B-8 (Ohio Sunshine Laws), FN46 – Added clarification that CPRT training does not apply to STEM school officials.
- Updated & added several footnotes

Exhibit 6:

- Added Career-Technical Cooperative Edu. District – new entity type created in HB 33
- Added a couple FN's, as a result of HB 33

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Chapter 1
Direct Laws

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Chapter 1

1-1: Annual appropriation measures – classification

- Modified the considerations for COVID-19

1-2: Restriction upon appropriation and expenditure of money

- Added clarification/table explaining difference between regular blanket & super blanket certificates

Chapter 1

★ Blanket vs. Super Blanket Certificates

Characteristics	"Blanket" Certificate	"Super Blanket" Certificate
Maximum Amount	A sum not exceeding an amount established by resolution or ordinance adopted by members of the legislative authority	A sum that is lawfully appropriated, authorized, or directed for a permitted purpose. This amount can be different from the amount set for regular blanket certificates.
Time Period	May not extend beyond year-end of the current fiscal year	May not extend beyond the fiscal year (For counties, may not extend beyond the quarterly spending plan established by the county commissioners)
May be used for...	Any expenses requiring certification	Recurring and reasonably predictable operating expenses (for example, professional services, fuel, oil and food items)
Must be limited to a specific line-item appropriation account?	Yes	Yes
Allowable number outstanding at one particular time from a particular line-item appropriation account	One	Unlimited

Chapter 1

1-4: Establishing funds and permission to establish special funds

- Updated as a result of HB 501
- Added LATCF from Bulletin 2022-011 to the COVID-19 guidance
- Added guidance from Bulletin 2022-003 related to the OneOhio Opioid Settlement funds

1-5: Distributing revenue

- Updated as a result of HB 33
- Clarified guidance related to transfers to a Township Road Fund

Chapter 1

1-6: Transfer of funds

- Clarification added that an entity may use a 'resolution' or a motion for transfers from the general fund to other funds
- All other transfers must be by 'resolution' passed by two-thirds vote ('motions' are not an option)

1-7: Advances

- Added relevant guidance from section 1-5 regarding certain school deficits, which was updated as a result of HB 33

Chapter 1

1-10: Issuing or retiring bonds and notes

- Added clarifying guidance related to township's leasing equipment, from section 2A-6 (Twp. Exp & Competitive Bidding)

1-11: Bond, tax and revenue anticipation notes (BAN, TAN and RAN)

- Clarified one of the tests for Lake Erie shoreline Improvements

Chapter 1

1-13: Governments investing in their own securities

- Updated as a result of HB 33

1-16: Health care self-insurance

- Updated guidance & tests related to allowable funds used for self-insurance moneys

Chapter 1

1-20: Definitions, rates of contributions etc.

- Added to COVID guidance explaining that recipients may not use SLFRF funds to provide premium pay to essential workers for work conducted *after* April 10, 2023;
 - *However*, recipients *may* continue to use SLFRF funds to support workers through the public health and negative economic impact and revenue loss eligible use categories.
- Added guidance regarding membership requirements for SERS;
- Added an additional step to test 1099 NECs.

Chapter 1

1-22: Electric kilowatt-hour tax

- Updated as a result of HB 33

Appendix A, step 3c: Co. Ag. Society Debt

- Added additional, relevant ORC guidance & related test

Chapter 2A Indirect Laws

Chapter 2A

★ Contract/bidding sections

- Added to COVID considerations that AOS auditors should consult with CFAE if noncompliance with Federal procurement requirements is identified for a non-major program, or a major program for which procurement is not tested in the FACCR
- Updated as a result of HB's 23 & 33, which includes updated thresholds
- Other clarifications made throughout

2A-3: Municipal contracts

- Added guidance on contracts for streets or other public way

Chapter 2A

2A-11: Separate bids and contracts required for each class of work on buildings and other structures

- Added guidance from ORC related to design-build & general contracting.
- Made other clarifications throughout, and removed duplicative language.
- Added note that auditors should consult with CFAE OCS Specialty if auditing an entity with a project undertaken through a construction manager at risk or a design-build firm.

2A-12: Prevailing wage rates in public works contracts

- Periodic update to new thresholds

Chapter 2A

2A-14: Eligible investments

- Updated as a result of HB 33.
- Updated footnote regarding LIBOR.

2A-15: Other requirements

- Clarified test regarding name on CD's.

Chapter 2A

2A-16: Other allowable investments for subdivisions other than counties

- Updated as a result of HB 33.
- Updated definition of 'entity' to be from ORC 1706.01(K), rather than 1705.01(D).

2A-17: Security for repayment of public deposits

- Updated as a result of OAC 113-40 edits.
- Clarified that a public depositor is responsible for periodically confirming the accuracy of its account balances with the TOS.
- ★ Made edits to agree to FDIC website, and added guidance that due to the complexity of the FDIC requirements, AOS auditors should request their AOS attorney to review & approve FDIC determinations.

Chapter 2A

2A-18: Eligible investments

- Updated as a result of HB 33
- Updated definition of 'entity' to be from ORC 1706.01(K), rather than 1705.01(D)

Chapter 2B Statutorily Mandated Tests

Chapter 2B

2B-1: Force accounts for certain Municipal Corp's

2B-2: Force accounts for Counties

2B-3: Force accounts for Townships

- Updated thresholds as a result of HB 23
- Updated limits
- Made other clarifications throughout

Chapter 2B

2B-5: Landfill financial assurance responsibility and certifications; Solid waste transfer facility financial assurance responsibility and certifications

- Clarified that the tests in this section need tested if applicable to the entity – the AUP does not satisfy all of the compliance requirements tested in this section.
- Added test regarding the local government establishing the restricted LGFT fund.
- Other clarifications made throughout.

2B-6: Education Requirements

- Added relevant OAC & ORC sections, and clarified biennial cycles.

Chapter 2B

2B-7: Fraud and abuse; conflict of interest; ethics

- Updated as a result of HB 33, and added corresponding tests
 - **ORC 117.103(B)(1)** – The auditor of state shall create training material detailing Ohio's fraud-reporting system and the means of reporting fraud, waste, and abuse.....
 - *The Auditor of State is currently developing the HB 33 fraud training material and will issue a bulletin to all public officials enumerating the process and specified timeframe within which all public employees and elected officials must complete the training.*
 - *Until this bulletin is published and in effect, auditors should continue to audit compliance with the existing Fraud Reporting System Model Form and pre-HB 33 requirements.*



Chapter 2B

2B-8: Ohio Sunshine Laws

- Updated as a result of HB 33.
- Implementation of AOS Bulletin 2021-007 regarding change in interpretation of Public Records & Open Meetings laws applicability to community schools, is delayed until further notice.
- Clarified that note at top of test's is applicable to all test's
- Added clarification on applicability to STEM school officials.
- Other clarifications made throughout.

2B-9: CARES Act, Coronavirus Relief Fund

- ★ Section removed, as it is no longer applicable

Chapter 3 Stewardship

Chapter 3

3-3: Appointments, compensation, contracts

- Updated as a result of HB 33
- Added relevant guidance from ORC
- Added note explaining that much of the guidance included in this section will be utilized in payroll disbursement testing
- Clarified test 1

3-7: Establishment and accounting treatment for commissaries

- Updated as a result of HB 33

Chapter 3

3-8: Disposition of unclaimed fees and costs

- Updated as a result of HB 343.

3-9: Records required of county courts

3-10: Municipal court records

- Updated as a result of HB 343.

Chapter 3

3-12: Collection, custody & disbursement of fee, fines, costs & deposits

- Updated as a result of SB 288.
- Added relevant guidance from ORC.

3-13: Additional costs in criminal cases

- Updated as a result of HB 343.

Chapter 3

3-14: Counties FOJ

3-17: Law Enforcement Trust and Drug Law Enforcement Funds

- Added clarification to test regarding travel expenses & per diem.

3-15: Twp Reimbursement of Ins. Premiums

- ★ Added guidance regarding rotating section when a Twp is cycling back from an AUP to a GAGAS audit.
- Added reference to Bulletin 2017-002.
- Clarified a test regarding sufficient documentation.
- Added a new test regarding fund paid from.

Chapter 3

3-16: Cafeteria Plans

- ★ Added guidance regarding rotating section when a Twp is cycling back from an AUP to a GAGAS audit.
- ★ Added a new test regarding fund paid from.

3-18: National Instant Criminal Background Check System (NICS)

- ★ Section removed, as it is no longer applicable

Optional Procedures Manual (OPM)

Optional Procedures Manual

O-5: County credit and procurement cards

- Edits throughout as a result of HB 33
- Clarifying guidance & tests added regarding difference between credit card & procurement cards

O-9: Books to be kept by clerk of the court of common pleas

- Updated as a result of HB 567

Optional Procedures Manual

O-12: Allocating Audit Costs

- Updated to agree to AOS Bulletin 2023-003
- Updated link to AOS infographic →

O-13: Continuing Professional Training (CPT) pilot program funding for law enforcement agencies

- Updated as a result of HB's 45 & 33, OAC 109:2-18-04 & 05, and Attorney General Bulletin.

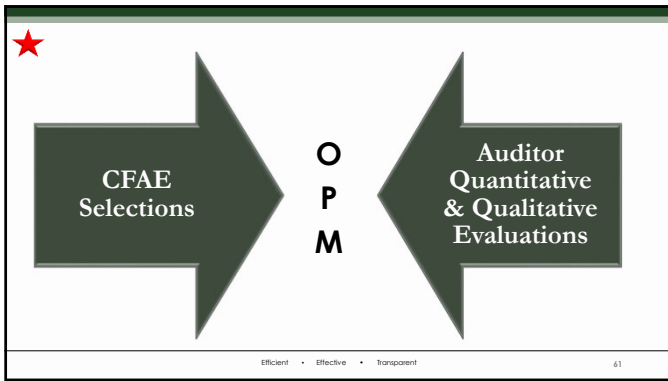
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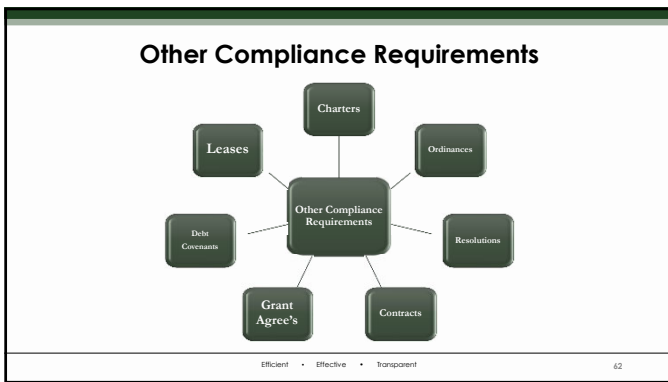
Implementation Guide Topics Covered

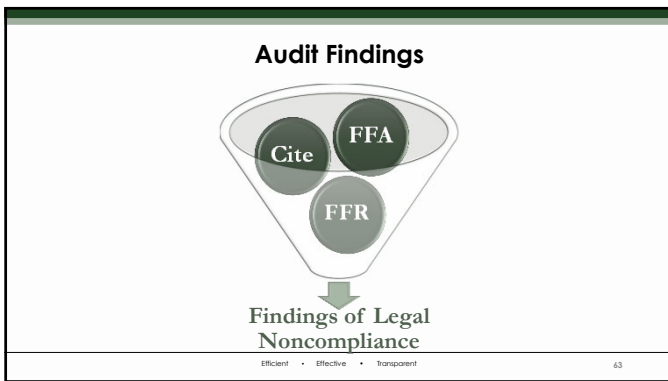
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Entity Compliance With Laws & Reg's

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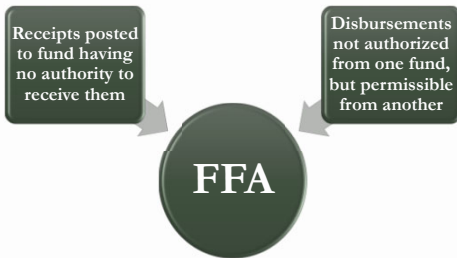




Noncompliance Citations

Federal & State Constitutions	United States Code & Rules	Ohio Revised Code
Ohio Admin. Code	Local Ordinances	Federal & State Court Decisions
Federal & State Regulations	Ohio Ethics Commission Opinions	Local Charters

Findings for Adjustment (FFA)



Findings for Adjustment (FFA)

IMPORTANT NOTES:

- Auditors may detect a *finding for adjustment* affecting two funds reported in the same opinion unit. This adjustment would have no effect on the financial statements (and the auditor's opinion), but may still represent reportable noncompliance if it is material to either of the two funds.
- If the client agrees and posts certain adjustment to the financial statements but refuses to post the adjustment to the accounting records auditors can still issue a finding for adjustment to correct the accounting records.
- Certain FFA's *could* result in an opinion modification.

Findings for Adjustment (FFA)

IMPORTANT NOTES:



Auditors must document evidence that the agreed-to adjustments have been properly posted to the auditee's accounting records.

AU-C 450.11(b) requires auditors to consider the effect of uncorrected prior audit adjustments on the current audit.

ORC
9.24(H)(3)

Finding for Recovery (FFR)

ORC
117.28

Public money has been illegally expended;

Public money that has been collected has not been accounted for;

FFR may exist when:

Public money that is due has not been collected;

Public property has been converted or misappropriated.

Finding for Recovery (FFR) – Misc.



A FFR should be issued even if a criminal restitution order is already in place for the same conduct

If the entity identifies a FFR *before* the auditors do and the entity or individual repays before the audit report is issued, the auditor should not report the matter as a FFR, unless the finding relates to a criminal case, in which case the finding should always be reported.

If FFR is only partially repaid, a FFR is reported for the full amount and the amount that was repaid is listed

Appendix A – Budgetary (Applies to Ch. 1, Section A)

- Budgetary & Certain Related Requirements**
 - Legal level of budgetary control (applies to section 1-1)
- Transfers & Advances** (referenced in 1-6 & 1-7 & 1-13)
 - Some transactions that might not be 'transfers'
 - Transfers clarification
- Direct Charges** (referenced in 1-2 & 2A-2)
 - Payments not requiring fiscal officer certification/encumbering

Other Topics Covered in IG



★ Key Take Aways ★

- All** Updated references to 'Ohio Department of Education', to now be 'Ohio Department of Education and Workforce' – but only where quoted from /changed in ORC. Rest will be updated in 2025 OCS.
- All** Changed multi-level bullet points to numbering for smoother build into TeamMate. These do not necessarily correspond to the ORC sections; they are simply numbering for the OCS purposes.
- 1-2** Added clarification/table explaining difference between regular blanket & super blanket certificates

★ Key Take Aways ★

- 2A's** Contract/Bidding Sections - Added to COVID considerations that AOS auditors should consult with CFAE if noncompliance with Federal procurement requirements is identified for a non-major program, or a major program for which procurement is not tested in the FACCR. Also updated as a result of HB's 23 & 33, which includes updated thresholds.
- 2A-17** Made edits to agree to FDIC website, and added guidance that due to the complexity of the FDIC requirements, AOS auditors should request their AOS attorney to review & approve FDIC determinations.
- 2B-7** AOS is currently developing the HB 33 fraud training material and will issue a bulletin enumerating the process and specified timeframe within which all public employees and elected officials must complete the training. Until this bulletin is published and in effect, auditors will continue to audit compliance with the existing Fraud Reporting System Model Form and pre-HB 33 requirements.

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★ Key Take Aways ★

- 2B-9 & 3-18** Sections removed, as no longer applicable:
 - CARES Act, Coronavirus Relief Fund
 - National Instant Criminal Background Check System (NICS)
- 3-15 & 3-16** If the Township is cycling back from an AUP to a GAGAS audit, then 3-15 (Twp. Reimb. Of Ins. Premiums) & 3-16 (Cafeteria Plans) should be evaluated for applicability & tested in the current cycle.
- Legal Matrix** Added new column for MHA's to Exhibit 5 & OPM matrix (moved from Exhibit 6)

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★ Key Take Aways ★

- IG App. B** Added guidance to IG Appendix B on 1) P.O.'s as contracts, 2) competitive bidding thresholds (from HB 33), and 3) Bid Evaluation Standards.
- IG App. B** Review IG, exhibit 5 (legal matrix), to determine applicable compliance sections auditors will test.
- IG / OPM** AOS CFAE selects a few audits randomly each year, to test certain requirements listed in the OPM. However, auditors should ALSO evaluate the requirements in the OPM & 4E for possible testing based upon both quantitative and qualitative materiality factors.
- IG** Implementation Guide is an often-overlooked resource on a variety of topics.

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