

# OHIO AUDITOR OF STATE KEITH FABER



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

**To:** All IPAs

**Subject:** 2022 Ohio Compliance Supplement

**Date:** June 30, 2022

---

The **final** update to the 2022 OCS (PDF and Word versions) has been posted to <http://www.ohioauditor.gov/references/compliancemanuals.html>.

A summary of changes included in this June 2022 OCS update is attached. Most of the changes are related to the 6/30/2022 school audits but some changes relate to the 12/31/2021 audits. If you have already pulled in the 2022 OCS, you must include the summary in your 12/31/21 working papers and document revisions and testing. For 6/30/22 engagements auditors must use the June 2022 version. If you have already pulled the 2022 compliance supplement into your 6/30/2022 project you must replace or add the sections applicable to your engagement.

Note: ***Make sure you close and reopen your browser or refresh (Ctrl+F5) your screen to get the current updates.*** Look for the following to quickly determine if the June 2022 version is loading to your screen (Ch. 1: 1-26, 1-27A, 1-27B & 1-27C are now included; Ch. 2: 2-3 a box for SB 229 at the top of the section is now included; Ch. 3: 3-20 for school/community school transportation is now included; IG – the Legal Matrix in Exhibit 5 is dated June 2022 at the top of the spreadsheet when you open it.)

Questions can be directed to Kelly Berger-Davis at [kmberger-davis@ohioauditor.gov](mailto:kmberger-davis@ohioauditor.gov) or Nikki Vogel at [nlvogel@ohioauditor.gov](mailto:nlvogel@ohioauditor.gov).

# Ohio Compliance Supplement 2022

## Summary of June 2022 Changes

**NOTE: Red text throughout the 2022 Ohio Compliance Supplement is related to COVID-19**

<b>Chapter 1</b>	<p><b>1-1: Annual appropriation measures – classification</b> – added to the considerations for COVID-19 regarding HB 51 allowing for virtual meetings from February 17, 2022 through June 30, 2022.</p> <p><b>1-5: Distributing revenue derived from tax levies, proceeds from sale of bond issue, proceeds from sale of permanent improvement</b> – added requirements from HB 169 which allows for school districts to have a deficit in certain special revenue funds. In addition added clarification regarding citations for negative fund balances.</p> <p><b>1-26: School district funding</b> – This section has been reorganized and updated to reflect the major changes related to school districts from the enactment of HB 110, 134 GA and SB 229, 134 GA. Changes in this section are not marked. For FY 2022, auditors will perform alternative testing procedures, as indicated in the controls &amp; suggested audit procedures sections below.</p> <p><b>1-27: Community school funding</b> –</p> <ul style="list-style-type: none"><li>• A (<i>Brick and Mortar only</i>) – various changes made throughout this section. Changes are marked within the section.</li><li>• B (<i>Electronic Schools (E-Schools) only</i>) - various changes made throughout this section. Changes are marked within the section.</li><li>• C (<i>Blended only</i>) - various changes made throughout this section. Changes are marked within the section.</li></ul>
<b>Chapter 2</b>	<p><b>2-3: Internet- or computer-based community school cannot contract with a nonpublic school for instructional facility space</b> – COVID-19 considerations were originally removed from the initial 2022 release as no legislation was in place impacting this section however SB 229 was subsequently passed and therefore this section was updated.</p> <p><b>2-6: Eligible investments for interim monies; inactive deposits and maturities</b> – clarification made to footnote 20 regarding LIBOR and the issuance of GASB 99.</p> <p><b>2-9: Security for repaying public deposits</b> – Updated as a result of SB 115 which allows for a public depository to have two business days to pledge eligible securities when the combined market value of the eligible securities already pledges is insufficient.</p> <p><b>2-13: Sponsor monitoring of community schools</b> – modified footnote 49 as a result of SB 229 to include noncomputer-based learning opportunities. In addition, COVID-19 considerations were originally removed from the initial 2022 release as no legislation was in place impacting this section however SB 229 was subsequently passed and therefore this section was updated.</p>

	<p><b>2-23: Ohio Sunshine Laws</b> – added to the considerations for COVID-19 regarding virtual meetings and regarding HB 51 allowing for virtual meetings from February 17, 2022 through June 30, 2022.</p>
<b>Chapter 3</b>	<p><b>3-2: Contracts and competitive bidding (NEW)</b> – Added COVID-19 considerations</p> <p><b>3-3: Appointments, compensation, contracts etc.</b> – modified footnote 1 as a result of HB 51 regarding the time frame for which virtual meetings are allowable.</p> <p><b>3-6: Moved Dropout Prevention and Recovery School Eligibility Requirements from Section 3-6 to Section 3-19.</b></p> <p><b>3-19: Moved Dropout Prevention and Recovery School Eligibility Requirements from Section 3-6 to Section 3-19.</b></p> <p><b>3-20: Transportation T-1 and T-2 Forms</b> – new section.</p>
<b>Implementation Guide</b>	<p><b>Throughout</b> – updated hyperlinks</p> <p><b>Responsibility for Paying Findings for Recovery: Strict Liability Laws</b> – Updated example Finding for Recovery</p> <p><b>Exhibit 4: Changes in Compensation</b> – added link to Ohio Township Association website for current Township compensation charts.</p>