

# OHIO AUDITOR OF STATE KEITH FABER



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

**To:** All IPA Firms

**Subject:** Income Tax Testing

**Date:** February 21, 2023

---

For any audits including testing of material income tax collections and fund allocations, we wanted to remind you to look closely at the original income tax ordinance to determine the applicable assessed income tax percentage and any fund allocations, as well as dates where changes to the percentage assessed and fund allocation are required to occur. When your auditee has codified their ordinances, auditors must verify that the income tax percentage to be assessed, fund allocations and any dates where changes should occur to the original income tax ordinance for accuracy. Even if the auditee has codified their ordinances, you must continue to include a copy of the original income tax ordinance in the permanent file and maintain a schedule of important dates and changes that are to occur in the current and future audit periods, signing off each year to indicating the review. When updating the permanent file and performing testing, if a change in the tax rate percentage to be assessed or fund allocation is identified that impacts the next audit period, auditors are to include a note in the matters for attention.

Questions can be directed to the Center for Audit Excellence.