



Ohio Auditor of State
Mary Taylor, CPA

UAN Year End Update

Presented by: UAN Staff



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Welcome
to the
Auditor of State
UAN Year End Update
November 19, 2010



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Welcome and Introductions

- *Tim Moloney – Director of UAN*
- *Joe Mills – Support Manager*
- *Carlzo Cardwell – Project Accountant*
- *Kim Blake – Assistant Chief Auditor*
- *Kimberly Kelley – Project Accountant*



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Updates

- Don't Wait – Call NOW!
- Release Dates
 - 15.0 (Current application)
 - 2011.1 (Rewrite – Accounting Only)
- AOS EOY Data Submittals
- Communications – UAN Link
 - <http://uanlink.auditor.state.oh.us/>



Updates – cont...

- Training
 - Online/Classroom
 - Tutor Lab
 - OTA
- Rate Holiday
- Organizational Changes
- Demo



Year End Review - Payroll

Carlzo Cardwell
UAN Project Accountant



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Payroll Prep Work

- Install UAN Version 15.0
- Have you purchased your tax forms?
 - Reminder: You don't need to purchase W2 and W3 forms
- Any vacation leave/sick leave cash-outs?
 - Are the leave cash outs subject to OPERS/OP&FPF withholdings?
- Any cost of living adjustments/raises (e.g. union contracts) that take effect in January?



Payroll Prep Work

(continued)

- Any withholding increases (e.g. health care premiums) that take effect in January?
- Employees' need to update their W-4 (e.g. marital status exemptions, add a supplemental withholding...etc)?
- Any employees who earn a lump sum leave at the beginning of January?



Payroll Prep Work

(continued)

- Payroll files that have been deleted or do not have an active checkmark will be removed
- Unpaid withholdings will be carried forward
- Process and issue all payroll warrants, EFT's and withholding warrants that will be paid in 2010



Payroll Prep Work

(continued)

- Verify Federal and Ohio Tax ID numbers in Address Maintenance
- Verify School District code for all School withholdings
- Verify W-2 Abbreviation for all Local withholdings
- Verify all employee information and earning records



Payroll Prep Work

(continued)

- The 2005 year end reports will no longer be available after rolling into 2011
 - UAN suggests that you print and/or make electronic and or plain paper copies of the following 2005 reports:



Suggested 2005 Payroll Reports:

- **GENERAL PAYROLL REPORTS**
 - Payroll Register – Detail
 - Payroll Register/Adjustment
 - Wages and Overtime
 - Withholding Monthly (Unpaid)
- **TAX REPORTS**
 - Federal Tax
 - 941 Schedule B
- **Quarterly Reports**
 - 941 Quarterly Reports
- **Yearly Standard Report**
 - W-2 Report
 - Print W-2 and W-3 Forms
 - 944 (if applicable)



2 Paths for Payroll Users to Advancing to 2011

1. Advance payroll to 2011 and begin processing 2011 payroll while accounting remains in 2010

TEMPORARY PAYROLL

2. Close payroll & accounting at same time

Close Payroll

- Check for Batch Wages, Batch Withholdings or Earmarked transactions
 - Summary Wages Report
 - Withholding Payments Report
 - Earmarked Report



Close Payroll

(continued)

- Verify Unpaid Withholdings
 - Unpaid Withholding Monthly
 - Once withholdings are carried forward to the next year, clearing them will not result in an increase in the unencumbered appropriation balance(s); therefore, resources available for appropriation in the new year will be reduced by carry over withholdings



Close Payroll

(continued)

- Overview of payroll process
 - Gross amount is encumbered when payroll warrant is printed
 - Net amount is subtracted from cash when payroll warrants post to accounting
 - Employer's share is encumbered when withholding warrant is printed
 - Employers' and Employees' share is subtracted from cash when withholding warrant posts to accounting



Close Payroll

(continued)

- Adjust Withholdings (if necessary)
 - Current Year
 - Prior Year
- Verify Unpaid Withholdings
 - Unpaid Withholding Monthly



Payroll Year End Processing

- System Checks
 - December
 - Correct Version
 - Payroll has not already been advanced
 - Wages/Withholdings in batch
 - Wages/Withholdings that have not posted to Accounting
 - Unbatched EFT's
- Employee ID Conversion
- Withholding Description Conversion



Temporary Payroll Mode

- Payroll warrants, EFT's and withholding warrants may only be dated in January
- Temporary appropriations are set to \$999,999,999.99 and then adjusted to actual when Accounting is advanced to 2011
- No multiple screen functionality available in Accounting or Payroll while in Temporary Payroll



Temporary Payroll Mode

(continued)

- Most payroll reports are available for 2010 and 2011
- W-2's and ODJFS available for 2010 only
- December OPERS and OP&FPF reports available in 2010 and 2011
 - If pay periods that end in December are paid in January, the OPERS and OP&FPF reports must be printed from 2011



New Year Payroll

- Delete Unused Employee or Entity Records
- Record New Employee or Entity Records
- Edit Existing Employee or Entity Records
 - Employee History
 - Information
 - Job
 - Earning
 - Withholding
 - Skip Deduction
 - Entity File
 - Pay Frequencies



ODJFS/Social Security

- The Ohio Department of Job and Family Services wage limit remains unchanged for 2011
 - Verify the Wage Limit in the Entity File in Payroll Maintenance for ODJFS
 - Limit is \$9,000.00
 - Reminder when Total Gross Wages Paid exceed the limit, the Total Gross Wages Paid will NOT agree with the Total Taxable Wages Paid
- The Social Security wage limitation base of \$106,800 remains the same for 2011



Leave Balances

- 2010 leave balances are carried forward
- For annualized leave: Enter a positive or a negative number to the existing balance to establish the 01/01/2011 leave balance
- Track earned and used holiday leave in Edit Wages per occurrence



Process 2011 Payroll

- Record Wages
- Edit Wages
 - Batch Payroll Reports
- Post Wages



Process 2011 Payroll

(continued)

- Record Withholdings
 - Print/Screen Batch Payroll Report
- Post Withholdings



Reporting W-2 Information

- Available anytime during the year end process
 - 2010 before Payroll has been advanced to 2011
 - While in Temporary Payroll Mode
 - Prior Year 2010 after Accounting has been advanced to 2011
- W-2 Information may be submitted electronically to the Social Security Administration



Reporting W-2 Information

(continued)

- Print W-2 Report
- Collect W-2 Data
- Edit W-2 Data
- Print W-2's and W-3 (Laser Form Printer)
 - 2 employee types
 - Medicare Qualified Government Employees (MQGE)
 - 941/944



Reporting W-2 Information

(continued)

- Forms to Print
 - W-2's (only) for selected employees
 - W-2's and W-3 for selected employees
 - W-3 (only) for selected employees



Reporting W-2 Information

(continued)

- W-3 Form Types
 - Preprinted forms
 - Blank paper
- 941 or 944
 - Employers are required to choose 941 or 944 when the 'Kind of Payer' is All Other Employees (941/944)



Reporting W-2 Information

(continued)

- W-2 Form Types
 - 2 Part Vertical forms
 - Preprinted forms
 - Blank paper
 - 4 Part Vertical forms (1 employee per page)
 - 4 Part Vertical forms (4 employees per page)
- Generate File for Data Transfer
 - File located at c:_uan_efiles
 - <http://www.ssa.gov/bso/bsowelcome.htm>



Common Support Calls & Reminders: Withholdings

- Withholding was paid from accounting side. How to clear the encumbrance in payroll?
 - Payroll --> Transactions --> Payroll Utilities --> Adjust --> Withholdings
- I have already rolled over to 2011. Can I pay my 2010 withholdings?
 - Payroll --> Transactions --> Withholdings, choose “Selected Date Period”

Common Support Calls & Reminders: Withholding Warrants

- When recording withholding warrants, use 'Month', 'Quarter' or 'Year'. Remember clicking on the word 'Month' or 'Quarter' activates a search window. From the search window the appropriate month/quarter can be selected.
- Suggestion: Federal withholding warrant for the 3rd month of the quarter should not be dated for the following month. For example: October, November and December = 4th Quarter. Date the December Federal withholding warrant no later than December 31, 2010
 - *This will assist with tying the 941 report's deposits for the 4th quarter*



Common Support Calls & Reminders: Federal EFT

- Federal deposits for 2011 will require a direct deposit payment.
 - Go to Payroll --> Maintenance --> Entity File --> Payee, Edit and Select #1 Federal. Edit the payee to “US Treasury” or “IRS”
 - When generating the withholding payment, be sure to select “voucher” instead of “warrant.”
 - Keep in mind, when recording payment as a “voucher”, an Other Adjusting Factor (OAF) may be required on the bank reconciliation. For example, a payment is posted to cash November 30th but the payment doesn’t hit the bank until December 1st.



Common Support Calls & Reminders: New Tax Tables

- Congress has made no decision on the 2011 tax tables (rates), so Version 15.0 does not include any revised tax tables
- If Congress updates the tax tables, they will be included with Version 15.1



Common Support Calls & Reminders: Compensation Charts

- Ohio Township Association's December Grassroots Clippings
 - See the following OTA web link for more:
 - <http://www.cpmra.muohio.edu/otaohio/Publications/Newsletter.html>
- Villages, Libraries, and Special Districts consult your County Prosecutor's office

Common Support Calls & Reminders: How to delete an employee

1. Remove active check mark from employee's information during the carry forward process
2. Leave balance must be zeroed out
3. No unpaid withholding(s)
4. No December OPERS or OP&FPF earnings exist



Common Support Calls & Reminders: Cash Out Not Subject to Retirement

1. Payroll --> Maintenance --> Entity File --> Earnings --> Record, Select “Non-State Retirement Earnings/3rd Party Sick”
2. Payroll --> Maintenance --> Employee Setup --> Record --> Earnings
3. Record Wage
4. Edit Wage Record (enter the used leave)

Common Support Calls & Reminders: How to Adjust Maximum Leave Balance(s)

- Select: Payroll --> Maintenance --> Employee History --> Edit --> Earnings



Common Support Calls & Reminders: How to Manually Adjust Leave Balance

- Payroll --> Transactions --> Adjust --> Leave Balances



Year End Review - Accounting



Carlzo Cardwell

UAN Project Accountant



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Prep Work

- Install Version 15.0
- Any troubles balancing your bank reconciliation?
- Any purchase orders necessary to carry forward into the new year?
 - Example an item is purchased in 2010 but you will not receive the invoice until 2011



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Prep Work

(continued)

- Considering revamping your account code structure e.g. adding cost centers, summary account codes...etc?
- Have you begin to work on your Certificate of The Total Amount From All Available For Expenditures, And Balances?



Prep Work

(continued)

- Will you need temporary appropriations?
If so, which accounts and what amounts?
 - Good topic to discuss at next board meeting
- Does everyone know their part with their board approving appropriations according to the Legal Level of Control?



Prep Work

(continued)

- Will you have enough cash on hand to cover your beginning of the year expenditures? For example your property tax settlement doesn't arrive until March/April timeframe.



Prep Work

(continued)

- The 2005 year end reports will no longer be available after rolling into 2011
 - UAN suggest that you print and/or make electric copies of the following 2005 reports:



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Suggested 2005 Accounting Reports:

- **GENERAL ACCOUNTING REPORTS**
 - Cash Journal
 - Cash Summary By Fund
 - Appropriation Ledger
 - Investment Journal
 - Revenue Ledger



Suggested 2005 Accounting Reports:

(continued)

- **INFORMATION & STATUS REPORTS** (Accounting)
 - Primary Bank Reconciliation (Cash Management)
 - Appropriation Status
 - Fund Status
 - Fund Balance Adjustments
 - Revenue Status
 - Receipt Register
 - Payment Register Vendor
 - PO Status
 - BC Status
 - Advances
 - Transfers
 - 1099 and 1096 Forms



Close Accounting

- Complete ALL December Accounting Transactions
 - Close all PO's and/or BC's that should not be carried forward to 2011
 - Once PO's and/or BC's are carried forward to the next year, closing them will not result in an increase in the unencumbered appropriation balance(s); therefore, resources available for appropriation in the new year will be reduced by carry over PO's and /or BC's



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Close Accounting

(continued)

- Post interest on investments and checking accounts
- Complete December 31st bank reconciliation
 - There should not be any *unidentified* ‘Other Adjusting Factors’ posted to the bank reconciliation



Close Accounting

(continued)

- Print all Year End Accounting reports
 - Print YTD (MTD accepted if have all months)
 - Can print from Prior Year reports after advancing to 2011
 - Report List available in Year End Checklist & the 2010 Year End Procedures



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Annual Financial Report

- Reminder: All 2010 transactions must be complete before preparing Annual Financial Report
- Complete Annual Financial Reports - Regulatory Reports, GASB Cash Basis or GASB Modified Cash Basis Statements



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Annual Financial Report

(continued)

- Print the 2 copies of AFR
- AOS Filing Requirements & Publication Requirements



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Advancing to 2011

- Fund balances carried forward
- Open PO's & BC's carried forward
- Appropriations & budget amounts will be set to zero unless you have processed a payroll in Temporary Payroll Mode when you advance accounting to 2011



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Advancing to 2011

(continued)

- Perform accounting year end processing
(Accounting, Maintenance, Month/Year End Processing)-
Cannot access from drop down menu
- Print/Screen Combined and Combining Statement
- Complete EOY (year end) backup
- Create AOS EOY data
- Check AOS EOY data
- Upload file to UAN or send in the CD
- Verify filing status at: <http://uanlink.auditor.state.oh.us/>
 - Under Resources, Year End, Filing Status
 - Allow until the next business day for status to update



Advancing to 2011

(continued)

- Go into the Accounting software to advance to 2011 (Accounting, Maintenance, Month/Year End Processing)
- Change Password
- Complete a Quarterly Backup (label as '2011 Beginning of Year Backup')
- Go into the Accounting software
- Print or Screen the Transaction Log to verify 2011 transaction dates



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Begin New Year Accounting Procedures

- Print the 01/01/11 Fund Status report Compare to 12/31/10 Fund Status report to verify fund balances
Note the 01/01/11 Fund Status is the ending balance
- Submit Certificate of the Total Amount from All Sources Available for Expenditures and Balances to your County Auditor
 - Located in My Documents\County Auditor Templates\Year End Balances



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Begin New Year Accounting Procedures (continued)

- Delete, Edit or Record funds, revenue accounts & appropriation accounts
- Delete, Edit or Record vendors & address files
- Print status reports to verify



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Begin New Year Accounting Procedures (continued)

- Record revenue budget amounts
- Record appropriation amounts (temporary or permanent)
- Print status reports to verify
 - Revenue Status
 - Appropriation Status



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Begin New Year Accounting Procedures (continued)

- Establish new investments
- Record 2010 PO's & BC's
- Print status reports to verify
 - PO Status
 - BC Status



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Common Support Calls & Reminders: Void Prior Year Warrant

- Accounting--> Transactions--> Accounting Utilities--> Funds--> Prior Year Warrant Adjustment
 - Enter a positive (+) amount
 - Enter the correct warrant number (as it appears on the Payment Register report)
- On the Primary Bank Reconciliation's Warrant tab, select 'Void'



Common Support Calls & Reminders: Reissue Prior Year Warrant

- Following the procedures for voiding a prior year warrant
- Record & Post an accounting warrant
 - Use the same procedures to reissue a prior year payroll warrant. Use the net earnings.



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Common Support Calls & Reminders: Audit Adjustments

- Accounting --> Transactions --> Accounting Utilities --> Funds --> Audit Adjustment
 - To decrease the fund balance, enter a negative (-) amount
 - Verify adjustments were obtained using the Fund Balance Adjustment report located at: Accounting --> Reports and Statements --> Information & Status --> Accounting Utilities



Common Support Calls & Reminders: Primary Bank Reconciliation

- Other Adjusting Factors (OAF)
 - Should not be an unknown / plugged figure
 - Unknown / plugged figure should not be carried forward from month to month
 - OAF does not replace posting an actual transaction

e.g. - Checking account interest posted on primary bank reconciliation as an OAF will also eventually require recording an actual interest receipt posted in Accounting --> Transactions --> Receipts



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Common Support Calls & Reminders: 1099

- How can I have a vendor get a 1099?
 - Accounting --> maintenance --> Vendor Maintenance, Edit, select “1099” checkbox.
 - If you are in doubt about if someone should get a 1099:

<http://www.irs.gov/pub/irs-pdf/i1099gi.pdf>



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Common Support Calls & Reminders: Certificate of The Total Amount From All Available For Expenditures, And Balances

- My Documents > County Auditor Templates > Year End Balances > Year End Balances Certificate Revised October 3, 2007.xls
 - This spreadsheet is provided as a template
 - Copy, rename, and make edits with the current year's data
 - The yellow fields calculate based on the input you enter in the white fields below



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Common Support Calls & Reminders: Certificate of The Total Amount From All Available For Expenditures, And Balances

	1	2	3	4	5	6	7
FUND TYPE/CLASSIFICATIONS	Cash Balance as of 12/31/___	Encumbrances as of 12/31/___	Reserve Balance Accounts (Twp Only)	Advances not Repaid	Carryover Balances Available for Appropriations	Total Amount from all Sources Available for Expenditures	Total Amount Available plus Balances
YELLOW CELLS WILL AUTOFILL FROM PAGES 2 & 3. NO NEED TO FILL THEM IN.							
GOVERNMENTAL FUND TYPE:	XXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL GOVERNMENTAL FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROPRIETARY FUND TYPE:	XXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROPRIETARY FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FIDUCIARY FUND TYPE:	XXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Agency Trust Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Trust Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Private Purpose Trust Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FIDUCIARY FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
YELLOW CELLS WILL AUTOFILL FROM PAGES 2 & 3. NO NEED TO FILL THEM IN.							



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Common Support Calls & Reminders: How to allocate the Amended Certificate of Estimated Resources

1. Fund Summary Report's Ending Cash Balance as of 12/31/XX. Steps to access: Accounting --> Reports and Statements --> Management --> Summary --> Fund Summary Report
 - The amount entered should be positive.
 - All cash transactions must be posted for the year.



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Common Support Calls & Reminders: How to allocate the Amended Certificate of Estimated Resources

2. Fund Summary Report's Outstanding Encumbrances as of 12/31/XX. Steps to access: Accounting --> Reports and Statements --> Management --> Summary --> Fund Summary Report
 - The amount entered should be negative.
 - Close any necessary purchase orders and/or blanket certificates.



Common Support Calls & Reminders: How to allocate the Amended Certificate of Estimated Resources

3. Cash Summary by Fund's Reserved Balance Accounts. Steps to access: Accounting --> Reports and Statements --> General Accounting --> Cash Summary by Fund.
 - The amount entered should be positive.



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Common Support Calls & Reminders: How to allocate the Amended Certificate of Estimated Resources

4. Advances not Repaid: This amount in column four can be verified by selecting: Accounting --> Reports and Statements --> General Accounting --> Cash Summary by Fund.
 - The amount entered should be a negative amount.

Calculation: Cash Balance as of 12/31/XX (column #1)
minus Encumbrances as of 12/31XX (column #2)
minus Reserve Balance Accounts (column #3)
minus Advances not Repaid (column #4)



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Audit Update

Kim Blake

Assistant Chief Auditor



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AGENDA

ACCOUNTING & AUDITING UPDATE

- Agreed Upon Procedures
- Audit Conference Meetings
- Audit Update
 - SAS 115
 - GASB 54
 - Ohio Compliance Supplement 2010



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Small Government AUP Overview

- Effective for audit periods ending 12/31/09, and thereafter
 - 11/30/09 for agricultural societies
- Eligibility – Smaller clients with “good” audit histories (will discuss further in later slides)



Small Government AUP Overview

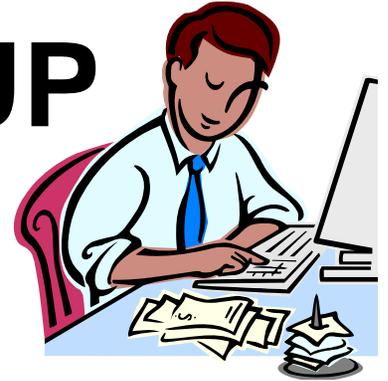
- Purpose:
 - Reduce audit costs to clients.
 - Help AOS meet six-month release deadline
 - Still provide an acceptable level of accountability for public moneys



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Small Government AUP Overview



- Auditor of State (AOS) & Independent Public Accountants (IPAs) will follow the following standards for AUP engagements:
 - Attestation Standards (AT) Section 201
 - Generally Accepted Government Auditing Standards (GAGAS) (specifically Chapter 6 of the Yellow Book)



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Small Government AUP Overview

- Eligible clients could have up to two AUP cycles, followed by one audit cycle
 - i.e., four years
- Governments must still file their annual financial statements with LGS, as described in AOS Bulletin 2008-001



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AOS Bulletin 2009-012

- All AOS Bulletins are available on our website:

<http://www.auditor.state.oh.us/services/lgs/bulletins/default.htm>



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Eligibility Checklist

- Eligibility checklist
 - Original is attached to Bulletin 2009-012
 - Revised on AOS website
 - Must use latest version
 - Clients do not complete and send in – though they can use for self-assessment
 - Auditors will complete prior to starting audit.
- List of potentially eligible client types attached to bulletin



Small Government AUP Eligibility

- Eligibility Factors:
 - Eligible Client type
 - See chart in eligibility checklist
 - Cyclical Audit Requirements
 - Financial audit performed within the prior two audit cycles
 - Disbursement Amounts
 - Annual disbursements total \$1 million or less
 - Stability of Fiscal Officer
 - No turnover during audit period



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Small Government AUP Eligibility



- The government may be eligible, **but not want** an AUP:
 - A grant, by-laws, etc. may require a full audit (as discussed on a previous slide)
 - They can always opt out of the AUP if they want an audit
 - It is the government's responsibility to know if have other audit requirements (not the auditors)



Small Government AUP Eligibility



- Waivers to Eligibility Requirements:
 - A waiver may be granted for an entity that does not quite meet all of the eligibility requirements (both AOS & IPA audits)
 - Audit staff will provide Regional Chief Auditors information and request a waiver from Accounting & Auditing Support
 - AOS retains discretion on granting waivers for all AUPs.



Questions over AUP's?



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Audit Conference Meetings

- Types of meetings
- Who should attend
- What will be covered
- SAS 114
- IPAs



Types of Meetings

- Pre-audit
- Audit status meeting (optional)
- Post audit



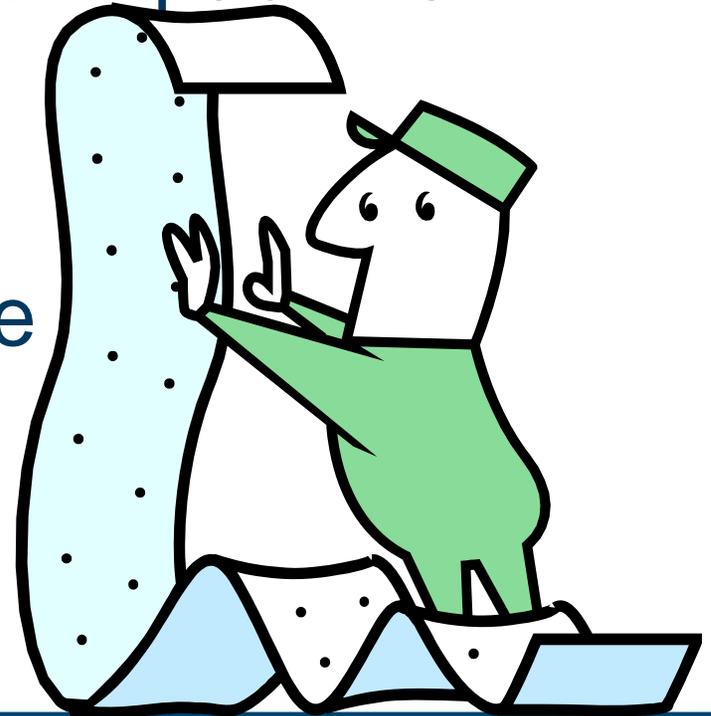
Who should attend

- Those charged with governance
- The chief financial officer
- The chief executive officer
- The audit committee



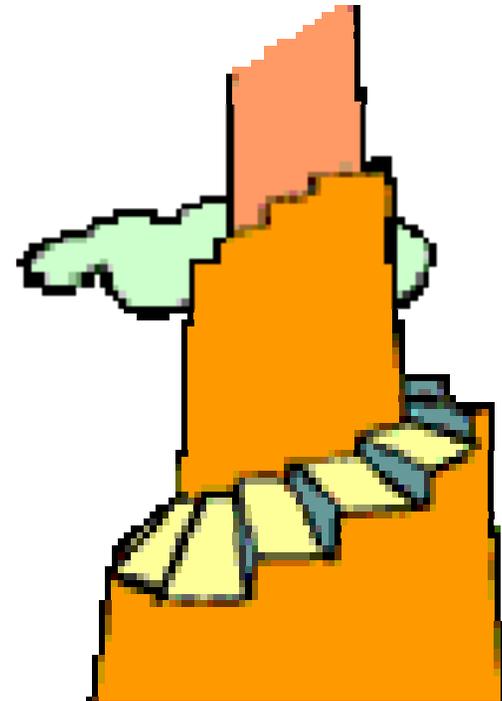
Pre-audit

- New accounting pronouncements or auditing standards that will impact the audit.
- Opinion Unit(s)
- Discussion of areas where client assistance can help reduce audit fees



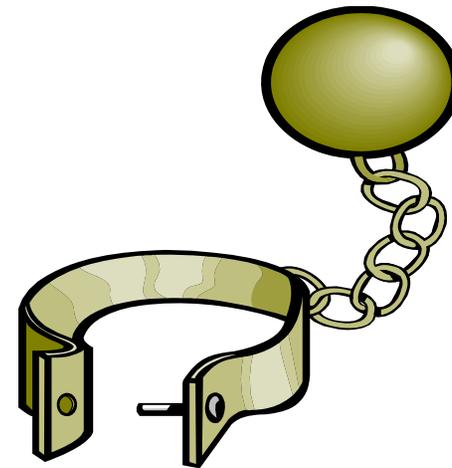
Status Meeting (Optional)

- Difficulties encountered during the audit
 - Lack of records
 - Employee difficulty
 - Going concern issues
- Audit adjustments
- Amended audit fees



Post Audit (Exit Conference)

- Same as status meeting
- Discuss opinion and financial statements
- Results of audit
 - Report comments including
 - Deficiencies in controls
 - Fraud & illegal acts



SAS 114

- Effective for audits of financial reporting periods on or after December 15, 2006
- Clarify and expand communication requirements of SAS 61



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Timing of the Communication

- Communicate issues soon enough so you can take appropriate action
- ASAP
 - Significant difficulties
 - Disagreements
 - Other



Communication

- Auditor vs. management responsibility
- Planned timing and scope
- Qualitative aspects of SAP
- Significant difficulties
- Uncorrected misstatements
- Matters related to independence





Questions on meetings?



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Statement on Auditing Standards (SAS) 115

- Supersedes SAS 112 – effective for financial statement periods ending on or after December 15, 2009. (12-31-2009 clients)
- Revised the definition of a significant deficiency
- Modified wording in GAGAS report
- A-133 effects of SAS 115

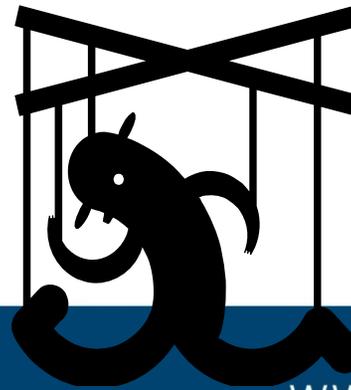


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SAS 115

- SAS 115 defines significant deficiencies :
“A *significant deficiency* is a *deficiency, or a combination of deficiencies, in internal control* that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.”



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SAS 115



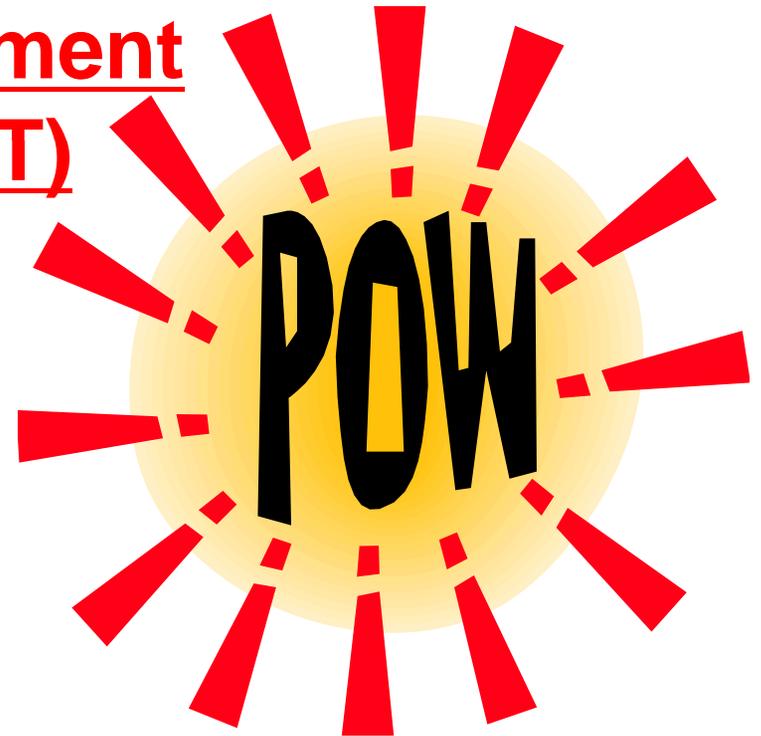
- SAS 115 no longer defines material weaknesses as significant deficiencies resulting in a reasonable possibility of a material misstatement

So..... GAGAS report no longer reports material weaknesses in **both** the Significant Deficiency paragraph and Material Weakness paragraph



SAS 115 GAGAS ANALYSIS

- SAS 115 still limits deficiencies in internal control to those potentially causing financial statement misstatements (IMPACT)



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SAS 115 GAGAS VS A-133

- Applicability to Federal Single Audit Require
 - A ***deficiency in internal control over compliance*** exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, **noncompliance with a federal program compliance requirement.**



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SAS 115 GAGAS VS A-133

- *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a **federal program compliance requirement** will not be prevented, or timely detected and corrected.



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SAS 115

GAGAS VS. A-133

- A-133 – impact on 14 compliance requirements
 - Typically, when there is material noncompliance, there is also control deficiencies over compliance requirements



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GASB Statement No. 54

- The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

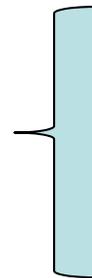


New Fund Balance Classifications

The classifications which will appear on the Statement of Modified Cash Basis Assets and Fund Balance – Governmental Funds are:

Classifications

Essentially
what is now
Reserved

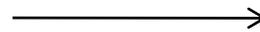


- Nonspendable
- Restricted
- Committed

Essentially
what is now
Unreserved



- Assigned
- Unassigned



Essentially
what is now
Designated

Relationship of Net Assets to Fund Balance

Net assets reported on the statement of net assets
modified cash basis

Net Assets

Restricted

Unrestricted



Fund Balance

- Non-spendable
- Restricted
- Committed
- Assigned
- Unassigned

GASB Statement No. 54

(Governmental Accounting Standards Board)

- Issued March 11, 2009
- Effective for periods beginning after June 15, 2010
 - Villages and townships (other small governments) financial statements for the year ending December 31, 2011, completed in 2012, will incorporate these requirements.

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Ohio Compliance Supplement (OCS)

- OCS - Revised September 2010 and replaces the September 2009 version
- The OCS is available at www.auditor.state.oh.us, under Publications, in both Word and portable document format
- Due to wide availability of the internet, we no longer provide the OCS in paper or disc formats



2010 Ohio Compliance Supplement

- <http://www.auditor.state.oh.us/publications/default.htm>

The screenshot shows the website for the Ohio Auditor of State, Mary Taylor, CPA. The page is titled "AOS Helpful Online Publication Resources" and is viewed in Internet Explorer. The main content area is "AOS Publications". On the left, there are sections for "QUICK LINKS", "AUDITOR OF STATE", "SERVICES", "RESOURCES", and "CONTACT US". The "AOS Publications" section features a grid of publication covers and a list of links under "Manuals and Handbooks". A large blue arrow points from the URL above to the "Publications" tab in the navigation bar. Another blue arrow points from the "AOS Compliance Supplement Manuals" link in the "Manuals and Handbooks" section to the bottom of the page.

QUICK LINKS
Search for Audits
Fiscal Watch/Emergency Report Fraud
Unauditable List (pdf)
Ohio Stimulus Tracker

AUDITOR OF STATE
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Office Organization
Accomplishments

SERVICES
Accounting Software (UAN)
Fraud Center
Local Government
Open Government
Performance Audit
Training/Conferences

RESOURCES
IPA Resources
Recovery Database
Student Center
Links

CONTACT US
Employment
Locations and Contacts

AOS Publications

Manuals and Handbooks

- [AOS Guide To The Office](#)
- [Special Investigations](#)
- [Open Government](#)
- [Performance Audits](#)
- [Accounting Network](#)
- [Local Government Services](#)
- [Audit Committee Toolkit \(zip\)](#)
- [An Introduction to Fiscal Emergency \(pdf\)](#)
- [An Introduction to School District Fiscal Emergency \(pdf\)](#)
- [County Board of Developmental Disabilities Manual \(pdf\) \(Revised 6/2009\)](#)
- [Guidelines for Developing Policies for Student Activity Programs \(pdf\) \(Revised 4/2002\)](#)
- [Ohio Association of County Behavioral Health Authorities Behavioral Health Handbook \(pdf\) \(Revised 3/2006\)](#)
- [Ohio County Treasurer's Manual \(pdf\) \(Revised 10/2009\)](#)
- [Ohio Sheriff's Manual \(pdf\) \(Revised 04/2010\)](#)
- [Ohio Township Handbook \(pdf\) \(Revised 2/2010\)](#)
- [Ohio Sunshine Laws 2010: An Open Government Resource Manual](#)
- [An Open Government Resource Manual \(pdf\)](#)
- [School District Self-Assessment Guide \(pdf\) \(Revised 9/2008\)](#)
- [Uniform System of Accounting for Agricultural Societies \(Revised 11/2002\)](#)
- [Uniform School Accounting System User Manual \(Revised Spring 200\)](#)
- [Village Officers' Handbook \(Revised 3/2010\)](#)
- [AOS Compliance Supplement Manuals \(Revised 9/2010\)](#)

Comprehensive Annual Financial Reports CAFR

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Who Puts the OCS Together?

AUDITOR OF STATE

- Legislative Affairs
- Legal Division
- Accounting & Auditing Division
 - Significant new or revised legal and regulatory requirements financial or audit impact
 - Comments we receive from auditors and clients
 - Implementation Instructions & Identifies update



Why Do I need to Know This?

- Auditors design their tests to reasonably assure detection of material misstatements resulting from:
 - violations of provisions of laws, regulations, contracts, or grant agreements that directly and materially affect the determination of financial statement amounts.
- Management is responsible for designing, implementing and complying with applicable laws and regulations



2010 OCS

- OCS Includes:
 - **Table of Contents which identifies legislative requirements**
 - New or revised requirements via shading and/or double underlining
 - Superseded legal requirements by using strike out font
 - Pre-existing laws and/or new or amended guidance we have now determined auditors should test are highlighted with waved underlining



2010 OCS

- OCS Includes:
 - **Introduction includes 46 pages of information**
 - Direct and Material Laws and Regulations
 - Home Rule Powers
 - Compliance Risk and Controls
 - Organization of the OCS
 - Reporting
 - Audit findings (noncompliance FFA & FFR)
 - Referring Audit Reports



2010 OCS

- **OCS Includes 7 chapters**
 - Budgetary & Certain Related Requirements
 - Contracts and Expenditures
 - Debt
 - Accounting & Reporting
 - Deposits and Investments
 - Other potential direct and material laws and regulations
 - Checklist for Other Laws and Regulations



2010 OCS – Organization of Chapters

- First few pages of the chapter are informational pages
- Index lists compliance requirements by section and corresponds with legal matrices



2010 OCS – Organization of Chapters

- Summary of the Requirement
- Control procedures documentation for auditors prepared for each entity
- Compliance testing procedures
- Audit Implications



2010 OCS

OCS Includes: Appendices (A-F)

- Appendix A - Prescribed Forms for Citation of Legal Authority
- Appendix B - Public Officers' Bonds
- Appendix C - Ohio Rev. Code § 5705.01
- Appendix D - Ace Form
- Appendix E - Elected Officials' Compensation Legislation
- Appendix F - Legal Matrices
- Appendix G - FOJ, Sheriff Transportation, and Law Enforcement Trust Fund -- Audit Programs
- Appendix H - Agriculture Society Compliance Supplement



Appendix F

http://www.auditor.state.oh.us/services/lgs/publications/LocalGovernmentManualsHandbooks/ohio_c - Windows Internet Explorer

http://www.auditor.state.oh.us/services/lgs/publications/LocalGovernmentManualsHandbooks/ohio_compliance_supplement_manual/2010/OC5appendixF_legal_matrices_Sept10

File Edit Go To Favorites Help

http://www.auditor.state.oh.us/services/lgs/publicati...

26 / 34 100% Sign Find

Chapter 2: Contracts and Expenditures

Step No.	Requirement	County	Township	City	Village	Public & STEM Schools	Community School
1.	715.18, 731.02, 731.14, 731.141, 735.05, 735.051, 735.052, 735.053, 737.03 and 2921.42: Municipal contracts			✓	✓		
2.	731.16, 735.07: Altering or modifying municipal contracts			✓	✓		
3.	117.16(A), 723.52 – Force Accounts [Certain] Municipal Corporations [Cities/Villages]			✓	✓		
4.	305.30: Responsibilities of the county administrator	✓					
5.	305.27, 319.16, 307.86, 307.87, 307.88, 307.91, and 9.37 County payments to be by auditor's warrant; Competitive bidding	✓					
6.	117.16(A), 5543.19 – Force Accounts – Counties	✓					
7.	505.08, 505.101, 505.42, 505.267, 505.37, 505.42, 505.46, 507.11(B), 511.12, 515.01, 5549.21, and 5575.01: Township expenditures		✓				
8.	117.16(A), 5575.01 – Force Accounts – Townships		✓				
9.	3313.33: Conveyances and contracts					✓	
10.	125.04(C), 3313.46, and 3313.533: Procedures for bidding and letting of contracts					✓	
11.	3313.33(B), .37, .375, .40, and .41: Acquisition of school real estate, building, equipment					✓	✓ ⁴⁸

Done Unknown Zone

start Drafts ... 2 Mic... Adviso... 2 Win... http://... Search Desktop 4:26 PM

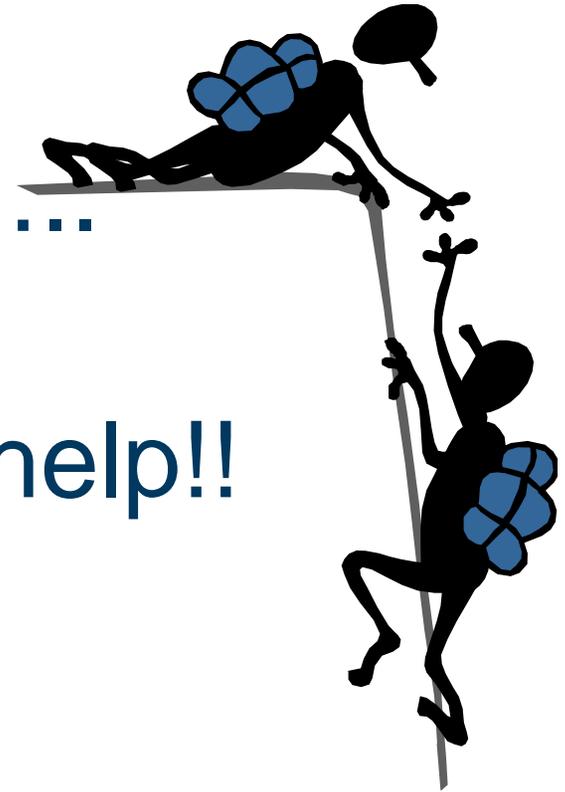
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Always Remember.....

Auditors are here to help!!



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UAN New Software Demonstrations

Kimberly Kelley

UAN Project Accountant

- 1. Revenue Cycle*
- 2. Expenditure Cycle*



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Revenue Cycle Demonstration

1. Set up a fund
 - a) Manual and Screencast
2. Add a revenue account code
3. Add revenue budget amount
4. Add a receipt



Funds

Uniform Accounting Network

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BUCKEYE TOWNSHIP, FRANKLIN COUNTY

 **Mary Taylor, CPA**
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Accounting | Payroll | Budget | Inventory | Cemetery | General |    [Need Help?](#) | [Quit](#)

Transactions | Utilities | Reports & Statements | **Maintenance** | Est. Primary: \$221,800.00

Funds Status: Active

<input type="checkbox"/>	Number	
<input type="checkbox"/>	1000	General
<input type="checkbox"/>	2031	Road and
<input type="checkbox"/>	4301	Sewer P
<input type="checkbox"/>	4951	UAN Be
<input type="checkbox"/>	9001	Unclaim

Add Fund

Fund

Number: Active Inactive

Name:

Category:

Combining Report Title: Balance:

Details

Receives own interest Interest Account:

Non-Expendable fund Non-Exp. Balance:

Unclaimed Monies fund

Modified

Modified
em

Related Screens

- [Revenue Accounts](#)
- [Appropriation Accounts](#)
- [Fund Balance Adjustment Utility](#)
- [Fund Reports](#)
- [FAQs](#)

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Funds

- Can now be marked inactive
 - Setting funds to inactive removes them as an option from the funds display area when the filter is set to active
 - Still show up on reports
- Can now see the range of fund numbers available in drop down menu when adding a fund
 - Miscellaneous Capital Projects fund numbers range from 4901-4949

Accounting Manual

Most sections include:

- Overview- Review of concepts and screen functionality for the current topic
- How To- Step by step guide to completing the tasks for the topic
- Suggested Reports & Statements
- Frequently Asked Questions- UAN will continue to update this section in future releases



Screencast

- Screencasts are audio / video tutorials providing step by step instructions on common transactions, utilities, and more
- You will be able to access screencasts from within the software



Revenue Accounts

Uniform Accounting Network

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BUCKEYE TOWNSHIP, FRANKLIN COUNTY

 **Mary Taylor, CPA**
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Accounting | Payroll | Budget | Inventory | Cemetery | General

Transactions | Utilities | Reports & Statements | Maintenance

Appropriation Accounts
Appropriation Budgets
Checking Accounts
Cost Centers
Funds
Investments
Reserve Balance Accounts
Revenue Accounts
Revenue Budgets

Revenue Accounts Add Status: Active

<input type="checkbox"/>	Revenue Account	
<input type="checkbox"/>	1000-101-0000	General Property Tax
<input type="checkbox"/>	1000-302-0000	Fees
<input type="checkbox"/>	1000-399-0000	Other - Licenses, Per
<input type="checkbox"/>	1000-532-0000	Local Government D
<input type="checkbox"/>	1000-533-0000	Liquor Permit Fees
<input type="checkbox"/>	1000-535-0000	Property Tax Allocati
<input type="checkbox"/>	1000-701-0000	Interest
<input type="checkbox"/>	1000-802-0000	Rentals and Leases
<input type="checkbox"/>	1000-941-0000	Advances - In
<input type="checkbox"/>	2031-537-0000	Gasoline Tax
<input type="checkbox"/>	2031-539-0000	Other - State Receipt
<input type="checkbox"/>	2031-931-0000	Transfers - In
<input type="checkbox"/>	2031-941-0000	Advances - In
<input type="checkbox"/>	4301-538-0000	Local Public Works C
<input type="checkbox"/>	4301-701-0000	Interest
<input type="checkbox"/>	4951-701-0000	Interest
<input type="checkbox"/>	4951-820-0000	Contributions to a Pe

Add Revenue Account

Fund: 4952 Hayes Request
Cost Center: 0000

Revenues:

<input type="checkbox"/>	Revenue Number	Revenue Name
<input type="checkbox"/>	101	General Property Tax - Real Estate
<input type="checkbox"/>	102	Tangible Personal Property Tax
<input type="checkbox"/>	103	Permissive Sales Tax
<input type="checkbox"/>	104	Permissive MVL Tax - Township Levied
<input type="checkbox"/>	199	Other - Local Taxes
<input type="checkbox"/>	201	Contracts for Fire Services
<input type="checkbox"/>	202	Contracts for Emergency Medical Services
<input type="checkbox"/>	203	Contracts for Police Protection
<input type="checkbox"/>	299	Other - Charges for Services
<input type="checkbox"/>	301	Licenses and Permits
<input type="checkbox"/>	302	Fees
<input type="checkbox"/>	303	Cable Franchise Fees
<input type="checkbox"/>	399	Other - Licenses, Permits and Fees
<input type="checkbox"/>	401	Fines
<input type="checkbox"/>	402	Forfeitures

Save Close

Activate Deactivate Remove Display Close

Related Screens
[Revenue Budgets](#)
[Receipts](#)
[Revenue Reports](#)
[FAQs](#)

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Revenue Accounts

- New design allows for multiple revenue accounts to be opened at one time
- Can now deactivate account codes at any time
 - Deactivating will ensure that you don't unintentionally pick an account code for purchase orders or payments on the drop down menu

Revenue Budgets

- Multiple budget amounts are now entered by fund
- You must enter revenue budgets in order to appropriate more than your January 1st fund cash balance



Receipts

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Uniform Accounting Network

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Add Receipt

Source:

Purpose:

Deposit Ticket:

Dates

Receipt: 01/31/2011

Deposit: 01/31/2011

Post: 01/31/2011

Receipt

Type: Standard

Number:

Total: \$.00

Distribution

Receipt Distribution:

Account Code	Account Name	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Save Close

Edit Delete Display Cust. Copy Post/Print Close



Receipts

- All posted receipts hit cash immediately
 - No more earmarked
 - This includes all cash transactions
- Can pre-date receipts
- Still date 30 days in advance
- Can now adjust or reallocate all receipts
 - Memo Receipts



Expenditure Cycle Demonstration

1. Set up a fund
2. Add an appropriation account code
3. Add appropriation budget amount
4. Add a purchase order
5. Create a warrant



Funds

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Accounting | Payroll | Budget | Inventory | Cemetery | General |    [Need Help?](#) | [Quit](#)

Transactions | Utilities | Reports & Statements | **Maintenance** | Est. Primary: \$221,800.00

Appropriation Accounts
Appropriation Budgets
Checking Accounts
Cost Centers
Funds
Investments
Reserve Balance Accounts
Revenue Accounts
Revenue Budgets

Related Screens
[Revenue Accounts](#)
[Appropriation Accounts](#)
[Fund Balance Adjustment Utility](#)
[Fund Reports](#)
[FAQs](#)

Funds Status: Active

<input type="checkbox"/>	Number	
<input type="checkbox"/>	1000	General
<input type="checkbox"/>	2031	Road and
<input type="checkbox"/>	4301	Sewer P
<input type="checkbox"/>	4951	UAN Be
<input type="checkbox"/>	9001	Unclaim

Add Fund

Fund
Number: Active Inactive
Name:
Category:
Combining Report Title: Balance:
Details
 Receives own interest Interest Account:
 Non-Expendable fund Non-Exp. Balance:
 Unclaimed Monies fund

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Appropriation Accounts

- New design allows for multiple Appropriation accounts to be opened at one time
- You can now deactivate account codes at any time



Appropriation Budgets

- Budget amounts are now entered by fund
- “Import Current Temps” replaces automatic April 1st temporary to permanent budget conversion
 - Optional



Purchase Orders

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Uniform Accounting Network

Add Purchase Order

Vendor:

Location:

Dates: Issue: 01/31/2011 Expires: Certified: 01/31/2011

Purchase Order Type: PO Regular Number: Total: \$0.00 Undistributed: \$0.00

Detail / Distribution Additional

Detail:

Requisition #	Quantity	Unit	Description	Unit Price	Sub Total
<input type="text"/>					

Distribution: Distribute Equally

Account Code	Account Name	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Save Close

Edit Delete Display Post/Print Close

Accounting Transaction

Bank Reconciliation

Checking Transactions

Interfund Advances

Interfund Transactions

Investment Transactions

Payments

Purchase Orders

Receipts

Reserve Balances

Related Sections

Vendor / Payees

Appropriation Accounts

Appropriation Budgets

Purchase Order Upload

Purchase Order Reports

Appropriation Reports

FAQs

ScreenCast Tutorial

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Purchase Orders

- Ability to overspend a regular purchase order up to 5%
 - Does not apply to then and now purchase orders, or any blanket certificates



Payments

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Add Payment

Vendor:

Location:

Payment History

Dates: Post: 01/31/2011

Payment Type: Warrant

Number:

Total: \$.00

Undistributed: \$.00

Import Purchase Order

Detail / Distribution Additional

Detail:

Quantity	Unit Name	Description	Unit Price	Extended Price	Invoice Number
<input type="text"/>					

Distribution:

Type	PO / BC #	Account Code	Account Name	Amount
<input type="text"/>				

Print one warrant per payment

Edit Delete Display Post/Print Close



Payments

- Import any open purchase order when making a payment
 - This option can be used to import multiple detail and/or distribution lines from an open purchase order to the payment in one step





UAN Support Line Contact Information:

Phone: (800) 833-8261

Email: uan_support@auditor.state.oh.us

Website: uanlink.auditor.state.oh.us

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