

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: All IPA Firms

Subject: Ohio Pooled Collateral System (OPCS) Issue

Date: June 24, 2019

It has been brought to our attention that a financial institution (US Bank) sent the incorrect data file to the Ohio Pooled Collateral System (OPCS) for 12/31/18 (see attached letter). As a result, it is likely that the majority of entities using US Bank may appear out of balance with the reports in OPCS at year end. Auditors should evaluate the situation carefully with the following considerations:

- Bank balance in OPCS is lower than actual balance – They likely had insufficient collateral pooled. Evaluate the issue for materiality and report non-compliance accordingly.
- Bank balance in OPCS is greater than actual balance – No non-compliance issues likely; however, some reminder should be communicated to the auditee that they are required to periodically evaluate the balances and communicate with the financial institution for any discrepancies.

Questions related to the Ohio Pooled Collateral System can be directed to Jesse Carroll at JMCarroll@ohioauditor.gov.



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Walter,

It was brought to U.S. Bank's attention from the Auditor of State's Office during a recent Audit with the Montgomery County Treasurer Office that the 12/31/2018 ending account balances in OPCS were not matching the ending account balance on the U.S. Bank DDA Statements.

Upon further investigation from U.S Bank's Corporate Treasury – Collateral Division the file sent on 1/2/2019 with 12/31/2018 data failed during the automated process to OPCS. The file was then uploaded manually with the incorrect file. This did affect any Public Unit for U.S. Bank ending account balance in OPCS if a change to the account on 12/31/2018 occurred.

Procedures have been established within our Corporate Treasury – Collateral Division to reduce the risk of this occurrence happening in the future.

Regards,

A handwritten signature in blue ink that reads "Tim Rieder".