

Audit Preparation: How to Make Your Audit Go Seamlessly

2026 Local Government Officials Conference

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Agenda



What is an Audit?

Report Components

What Will Auditors Look at During an Audit?

How to Prepare for an Audit

What is an Audit?

What is an Audit?

An examination and evaluation of the financial statements, including:

- Internal Control
- Substantive Testing of Significant Accounts
- Compliance

Purpose of an audit:

- Gain Assurance over Financial Statements
- Express an Independent Opinion

Audit Types

GAGAS Financial
Statement Audit

Basic Audit

Agreed-Upon
Procedures (AUP)

ORC 117.11(B)
Public Interest
Audits

Federal Single
Audit

Alternative
Compliance
Examination
(ACE) Engagement

What is a Single Audit?

Audits of Years Ended September 30, 2025 and Subsequent

- Required if a non-Federal entity expends \$1,000,000 or more of Federal awards during a single fiscal year.

Audits of Years Ended Prior to September 30, 2025

- Required if a non-Federal entity expends \$750,000 or more of Federal awards during a single fiscal year.

What is a Single Audit?

Performed in
Conjunction
with
Financial
Statement
Audit

Opinion
Issued on
Financial
Statements

In-Relation
Opinion on
the Federal
Schedule

Major Federal
Programs

- Internal Controls Testing
- Compliance Opinion

Audit Frequency

Ohio Law-
Biennial

Federal Single
Audit - Annual

Public Office
Request or
AOS Initiative
– If Requested
/ Necessary

Frequency of Report Filing

Entities must
file financial
statements via
Hinkle system
annually.

Who Will be Doing the Audit?



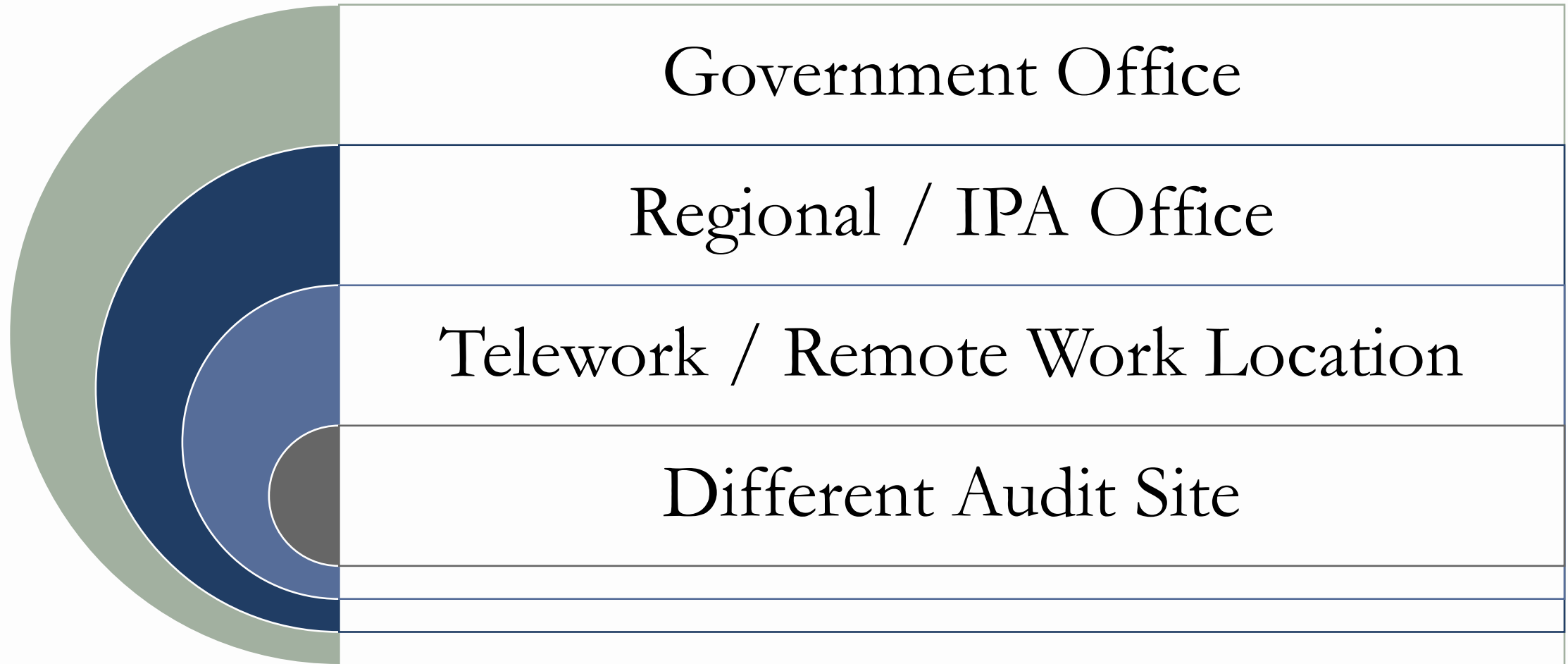
Auditor of State



Independent Public
Accountant (IPA)



Where Will My Audit Take Place?



Report Components

Required Financial Statement Basis

Ohio Admin. Code 117-2-03(B) and (C)

- Counties, cities, schools (including ESCs and community schools), and some insurance pools must file on GAAP basis.
- Entity types not required to file GAAP basis may use a special purpose framework.

Entities Subject to Single Audit

- Auditors must determine whether financial statements are presented fairly in all material respects in accordance with GAAP 2 CFR 200.514(b).

Auditee Responsibility: Financial Statement Components

GAAP Basis

- Management Discussion and Analysis
- Financial Statements
- Notes to the Financial Statements
- Other Required Supplementary Information
- Supplementary Information (If Applicable)

Auditee Responsibility: Financial Statement Components

OCBOA Basis

- Management Discussion and Analysis (Optional)
- Financial Statements
- Notes to the Financial Statements

Regulatory Basis

- Financial Statements
- Notes to the Financial Statements

Auditee Responsibility: Single Audit



Schedule of Expenditures of Federal Awards (SEFA)

Notes to the SEFA

Corrective Action Plan (If Applicable)

Summary Schedule of Prior Audit Findings (If Applicable)

Auditee Responsibility: Schedule of Expenditures of Federal Awards (SEFA)

List Individual Federal Programs by Agency, Including Assistance Listing Number

Federal Clusters Must Include Cluster Name (and Individual Programs)

Cash and Non-Cash Expenditures for Each Program and Totals by Program, Cluster, and Agency

Pass-through Entity Name and Identifying Number

Amount Provided to Subrecipients From Each Program

COVID Funding Must be Separately Identified

What Programs Are Reported on the SEFA?

Federal Grant Expenditures for Programs

- Received Directly from a Federal Agency
- Received as Subrecipient via a Pass-Through Entity

Verify Federal Versus State Programs

- Review Terms and Conditions of Award
- Discuss with Grantor

Determine Relationship with Grantor

- Discuss with Grantor
- Subrecipient Relationships Reported on SEFA
- Vendor Relationship *NOT* Reported on SEFA

Auditee Responsibility: Notes to the Schedule of Expenditures of Federal Awards (SEFA)

Basis of
Presentation

Summary of
Significant
Accounting
Policies

Indirect Cost
Rate

Other
Information

Auditee Responsibility: Corrective Action Plan (CAP)

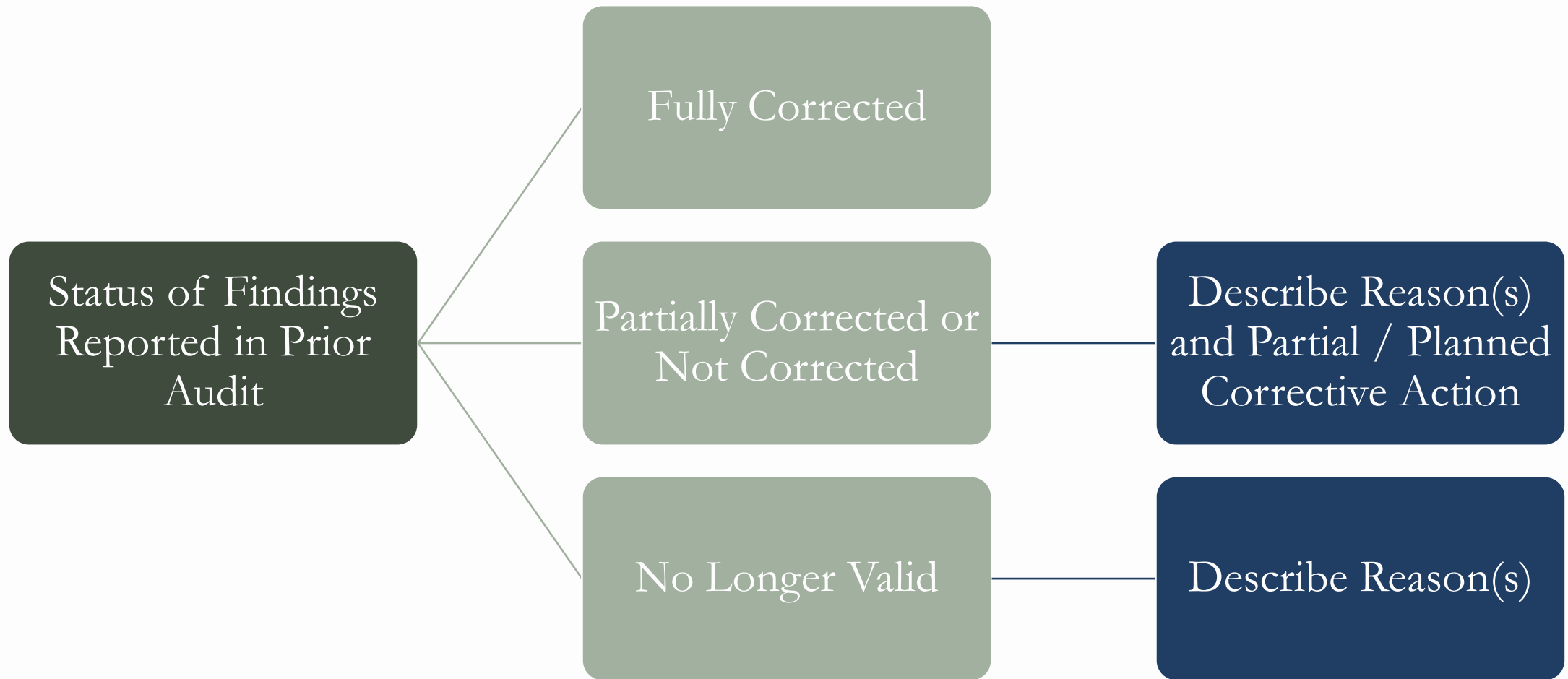
For Each Report-Level Audit Finding

Name(s) of
Contact Person
Responsible

Planned
Corrective
Action

Anticipated
Completion
Date

Auditee Responsibility: Summary Schedule of Prior Audit Findings



Auditor Responsibility: Report Letters

Independent Auditor's Report

- Opinion on Fair Presentation of Financial Statements
- In-Relation Opinion on Schedule of Expenditures of Federal Awards (If Applicable)

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* (GAGAS Letter)

- Results of Tests of Internal Controls and Compliance

Auditor Responsibility: Report Letters

Independent Auditor's Report on Compliance With Requirements Applicable To Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Single Audit Only)

- Opinion on Compliance with Direct and Material Compliance Requirements for Each Major Program
- Results of Tests of Internal Controls
- In-Relation Opinion on Schedule of Expenditures of Federal Awards (If Applicable)

Management Letter (If Applicable)

- Control Deficiencies, Non-Compliance, Other Issues which are Not Material but Warrant Attention of Those Charged with Governance
- Not Included in the Audit Report or Published on AOS Website

Auditor Responsibility: Schedule of Findings and Questioned Costs

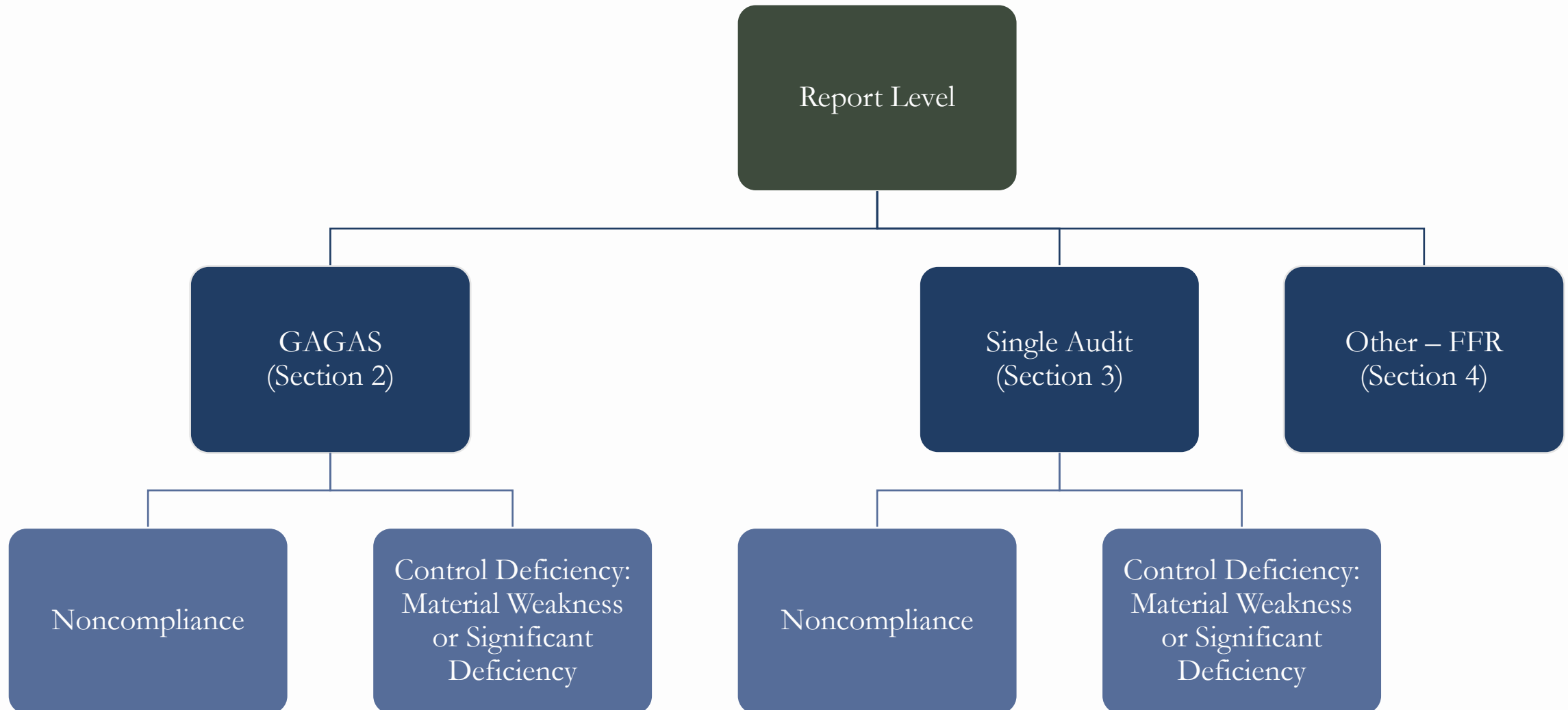
Required for Single Audits

For Non-Single Audits, Only Completed if Report-Level Issues Identified During Audit

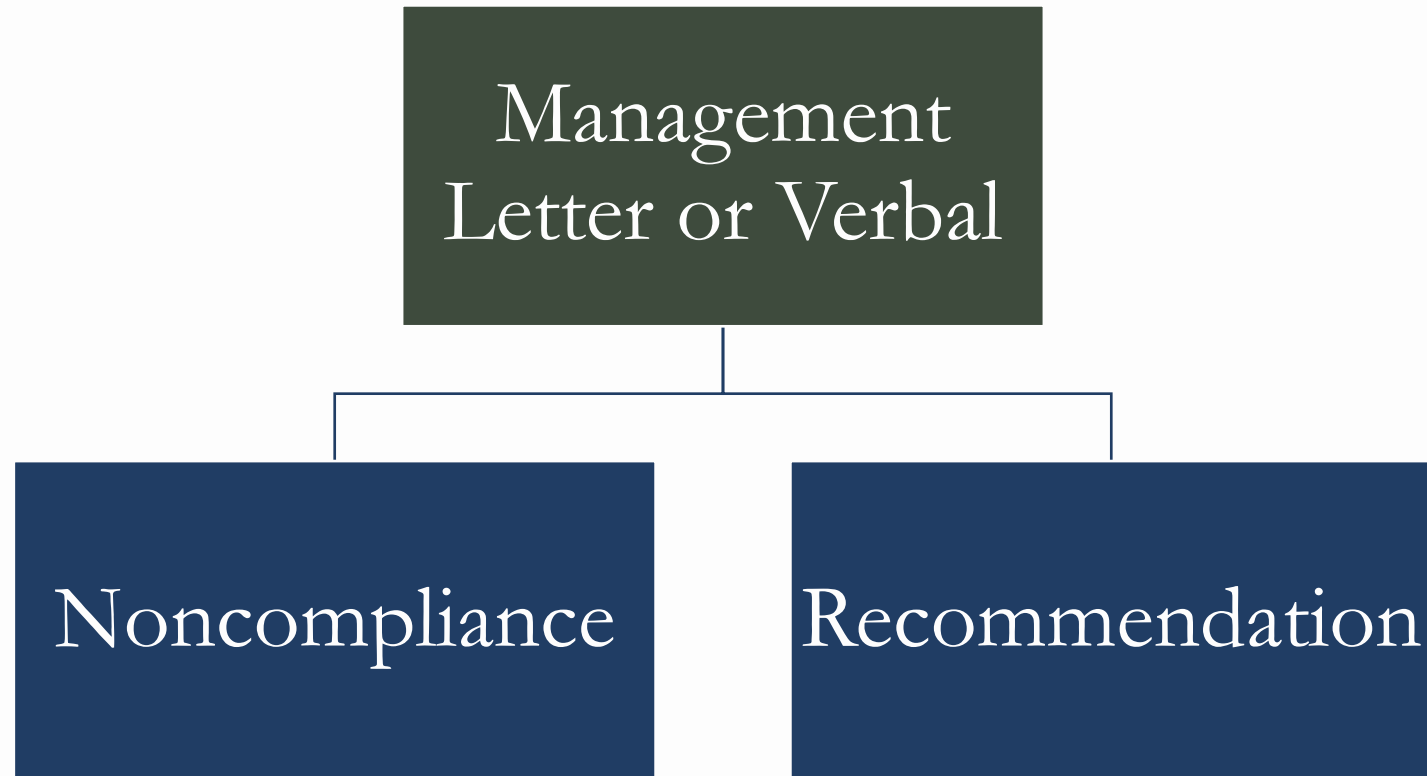
Types of Audit Comments



Types of Audit Comments



Types of Audit Comments



Auditee and Auditor Responsibility: Single Audit: Data Collection Form (DCF)

Auditors Fill Out a Majority of the Form

Auditee Certifies Information Entered by the Auditor

Information from Audited Schedule of Expenditures of Federal Awards (SEFA), Notes to the SEFA, and Audit Report

Report Shells: Financial Statements

Financial Statement and Footnote Shells

Financial Statement Shells and Footnotes

[OCBOA Cash/OCBOA Modified Cash Basis Financial Statements →](#)

(commonly referred to as “GAAP look-alike”)

OCBOA Cash Basis – Financial statements prepared on the cash basis as “GAAP look-alike” financial statements; relevant Governmental Accounting Standards Board (GASB) Statements have been applied to the extent the GASB Statements are applicable to the OCBOA Cash Basis of accounting.

OCBOA Modified Cash Basis – Financial statements prepared on a modified cash basis as “GAAP look-alike” financial statements; relevant GASB Statements have been applied to the extent the financial statements are applicable to an OCBOA Modified Cash Basis of accounting. The most common modification applied within an OCBOA Modified Cash Basis is the recording long term investment activity. Other common modifications include recording of capital assets, net accumulated depreciation and long-term debt arising from cash transactions.

[Regulatory Cash Basis Financial Statements →](#)

(commonly referred to as “AOS basis”)

Financial statements prepared to comply with the basis of accounting prescribed by the Auditor of State in accordance with the financial reporting provisions of Ohio Revised Code 117.38 and Ohio Administrative Code 117-2-03(D).

[Other Specialized Footnote Disclosures →](#)

<https://www.ohioauditor.gov/references/shells.html>

Report Shells: Single Audit

Single Audit Shells

Single Audit Practice Aids & Audit Report Shells

Single Audit Practice Aids

Federal Award Compliance Control Records (FACCRs)

- [Record of Single Audit Risk & Major Program Determination \(RSAR\) \(xlsx\)](#)
For Sept. 30, 2025 – June 29, 2026, Year End Audits
- [Record of Single Audit Risk & Major Program Determination \(RSAR\) \(xlsx\)](#)
For June 30, 2025 – Sept. 29, 2025, Year End Audits
- [Record of Single Audit Risk & Major Program Determination \(RSAR\) \(xlsx\)](#)
For June 30, 2024–June 29, 2025, Year End Audits
- [School SEFA Transaction Presentations — Nov 2024 \(pdf\)](#)
- [2025 SEFA Completeness Guide — Nov 2025 \(pdf\)](#) ←
- [2024 SEFA Completeness Guide — rev. Mar 2025 \(pdf\)](#)
- [Federal Frequently Asked Questions — rev. Oct 2025 \(pdf\)](#)

Single Audit Report Shells

- [Sample Corrective Action Plan Uniform Guidance \(docx\)](#) ←
- [Schedule of Expenditures of Federal Awards Uniform Guidance — May 2025 \(xlsx\)](#) ←
- [Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance — Nov 2025 \(docx\)](#) ←
- [Schedule of Findings and Questioned Costs Uniform Guidance \(docx\)](#)
- [Schedule of Prior Findings and Questioned Costs Uniform Guidance — Nov 2025 \(docx\)](#) ←

<https://www.ohioauditor.gov/references/practiceaids.html>

Deadlines to Consider

Financial Statement Filing Deadline

- GAAP: 150 Days After Year-End
- Non-GAAP: 60 Days After Year-End

Single Audit Reporting Deadline

- 30 Days after Auditor's Report Date
- OR
- 9 Months After Year-End

Other Deadlines

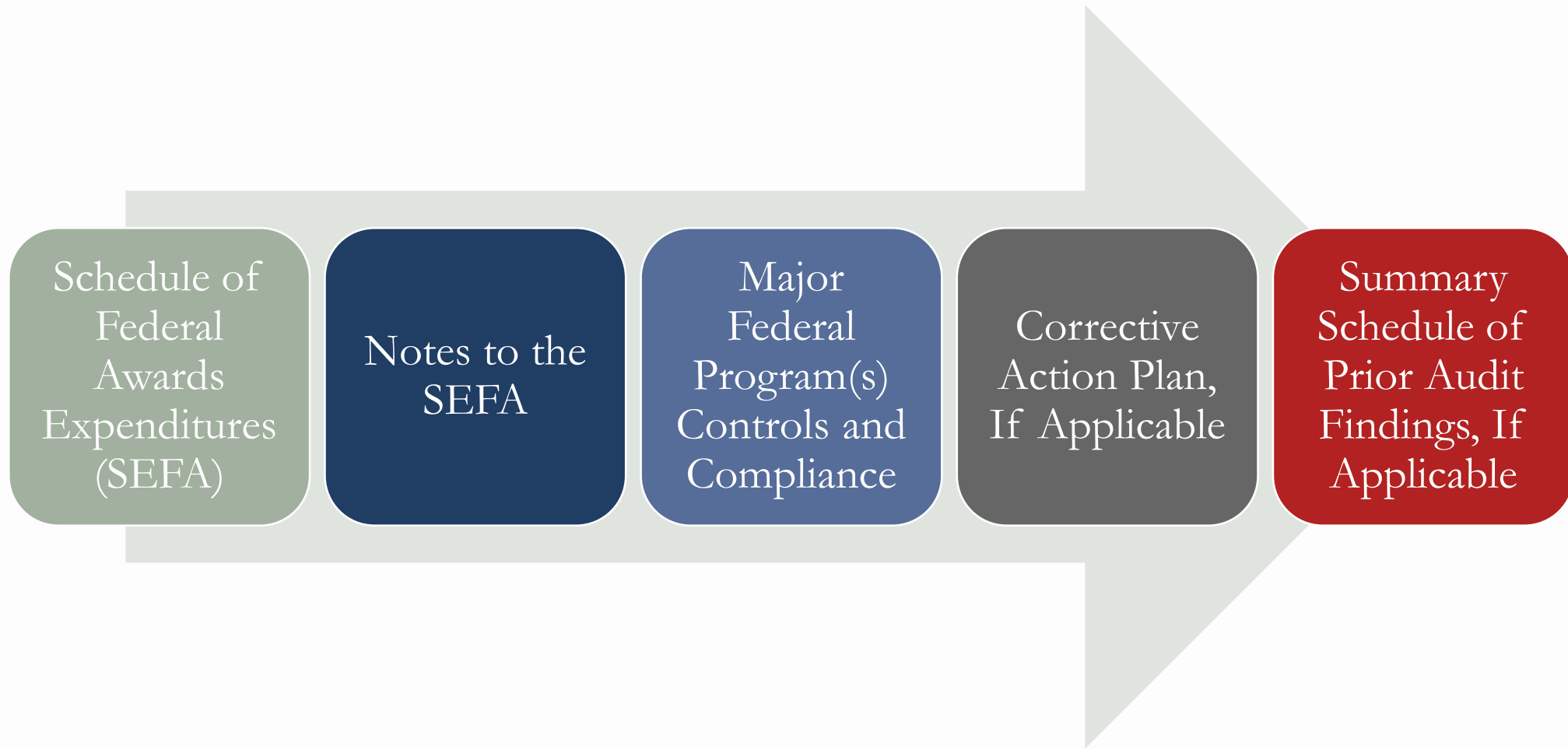
- Grantor
- Debt Rating
- ACFR

What Will Auditors Look at During an Audit?

What Will the Auditors Look At?



What Auditors Test During a Single Audit



Major Program Testing: Compliance Sections Tested by Auditors

A. Activities Allowed and Unallowed

B. Allowable Costs and Cost Principles

C. Cash Management

E. Eligibility

F. Equipment and Real Property

G. Matching, Level of Effort, and Earmarking

H. Period of Performance

I. Procurement Suspension and Debarment

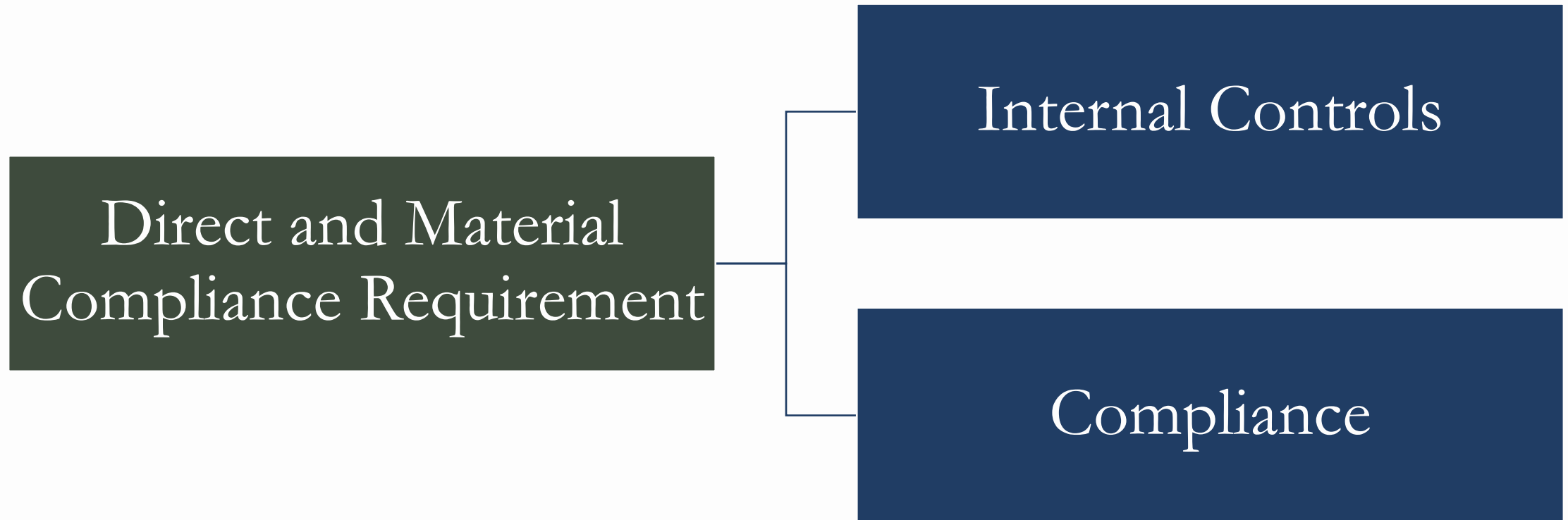
J. Program Income

L. Reporting

M. Subrecipient Monitoring

N. Special Tests and Provisions

Single Audit: Major Program Testing



Single Audit: Major Program Testing

Internal Controls

2 CFR 200.303(a)

Internal controls must be established, documented, and maintained over federal grants.

Best Practices:
COSO and GAO's
Green Book

How to Prepare for an Audit

Throughout the Year



Maintain complete, organized, and easily accessible records

Stay ahead of routine responsibilities, including monthly bank-to-book reconciliations

Be aware of special circumstances and be knowledgeable about potential compliance and accounting impact

Throughout the Year



Establish, document, and maintain strong internal controls

Understand compliance requirements (Ohio Revised Code, Ohio Administrative Code, Code of Federal Regulations, Grant Agreements, Etc.)

At Year-End

Reconcile

Prepare and
File Annual
Report

Maintain
Records for
Audit

Tips for an Efficient Audit

Communicate with auditors before the audit start and throughout the audit process.



Before the audit starts, discuss with auditors:

Items available via the Entity's Website (Minutes, Etc.)

Available Work Location(s)
On-Site

On-Site Internet Connectivity
Information

Tips for an Efficient Audit

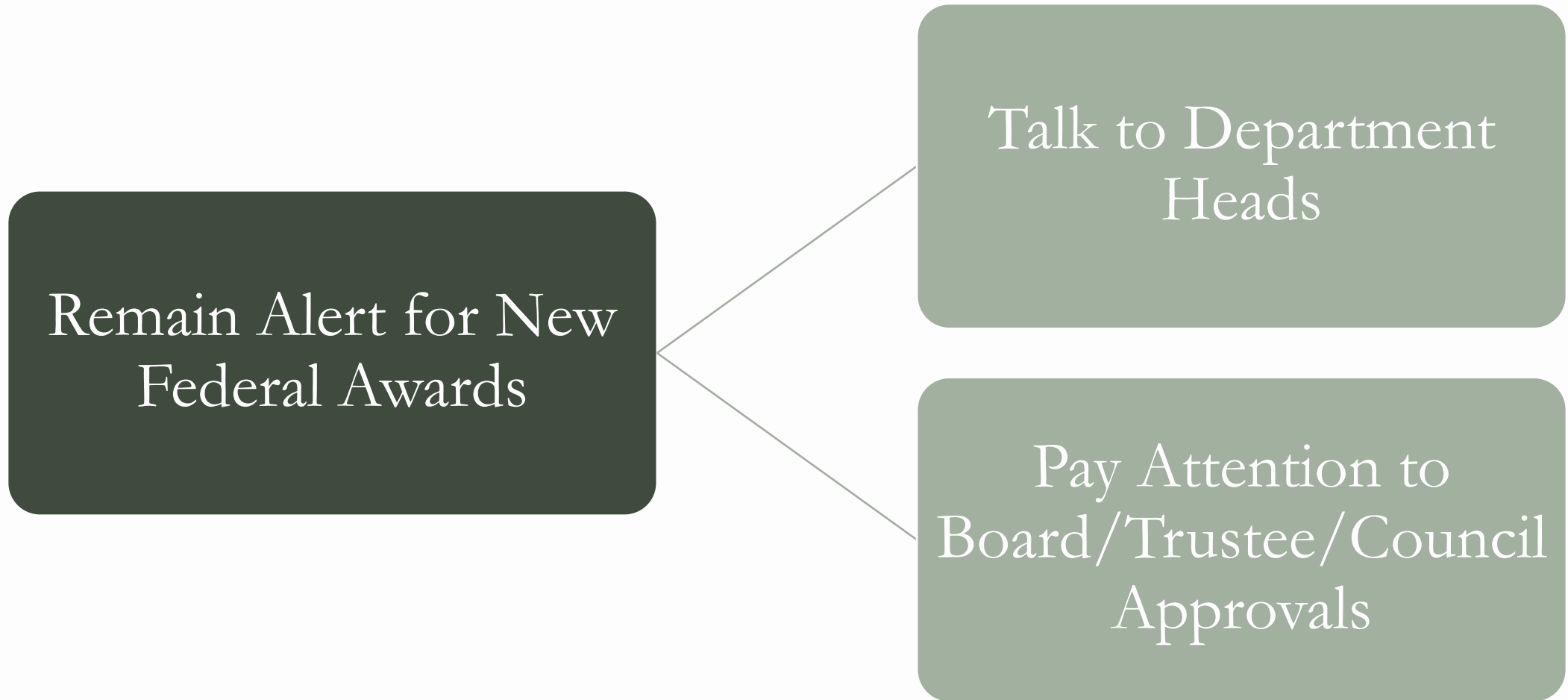
Provide requested information in an electronic format when able.

Ensure relevant personnel will be available during the audit.

Provide auditors with a list of points-of-contact (department heads, grant coordinators, etc.).

Notify auditors if there is going to be a significant delay in getting records to the auditor.

How to Prepare for a Single Audit



How to Prepare for a Single Audit

Track Federal Activity

Retain Copies of
Grant Awards
Letters and Other
Documents

Record Financial
Activity in Separate
Fund and/or Cost
Center

Consider Whether
2024 Uniform
Guidance Revisions
Apply to Each
Award

How to Prepare for a Single Audit



Adopt
Required
Policies

Required Written Policies under Uniform Guidance

Cost Principles

- Allowability of costs in accordance with Cost Principles 2 CFR 200.302(b)(7)
- Employee Compensation, including Time and Effort 2 CFR 200.430
- Leave Policies 2 CFR 200.431
- Reimbursement of relocation costs 2 CFR 200.464(a)(2)
- Travel Reimbursements 2 CFR 200.475

Cash Management

- Cash Management requirements of 2 CFR 200.305 2 CFR 200.302(b)(6)

Required Written Policies under Uniform Guidance

Procurement

- Conflicts of Interest 2 *CFR* 200.318(c)(1)
- Organizational Conflicts of Interest 2 *CFR* 200.318(c)(2)
- Procedures for Conducting Technical Evaluations of Competitive Proposals and Making Selections 2 *CFR* 200.320(b)(2)
- Procurement Transactions 2 *CFR* 200.319(d)

Typical Records Requested During a Single Audit



Resources Available on AOS Website

AOS Website

OHIO AUDITOR OF STATE
KEITH FABER

AUDITS ▾ LOCAL GOVERNMENTS ▾ OPEN GOVERNMENT ▾ TRAINING ▾ RESOURCES ▾ CONTACTS ▾ ABOUT ▾ NEWSROOM ▾

Search...

Report Fraud

Search Audits

eServices Login



Auditor of State emphasizes fiscal diligence as penalties from late bill payments, tax and retirement remittances total \$1.2 million since 2019

"Late fees are not a proper use of the resources entrusted to public offices by Ohio taxpayers. Those who are responsible for not paying bills on time will have to pay the penalties out of their own pockets." —Auditor Faber

[More Details →](#)

<https://www.ohioauditor.gov/default.html>

Efficient • Effective • Transparent

AOS Website: Audits

OHIO AUDITOR OF STATE
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AUDITS ▾ LOCAL GOVERNMENTS ▾ OPEN GOVERNMENT ▾ TRAINING ▾ RESOURCES ▾ CONTACTS ▾ ABOUT ▾ NEWSROOM ▾

Financial
Performance >
Special (SIU) >
Audit Findings >
Audit Search

Audits

Financial Audits
The Audit Division is charged with verifying that public funds are spent appropriately and lawfully.
[Financial Audits →](#)

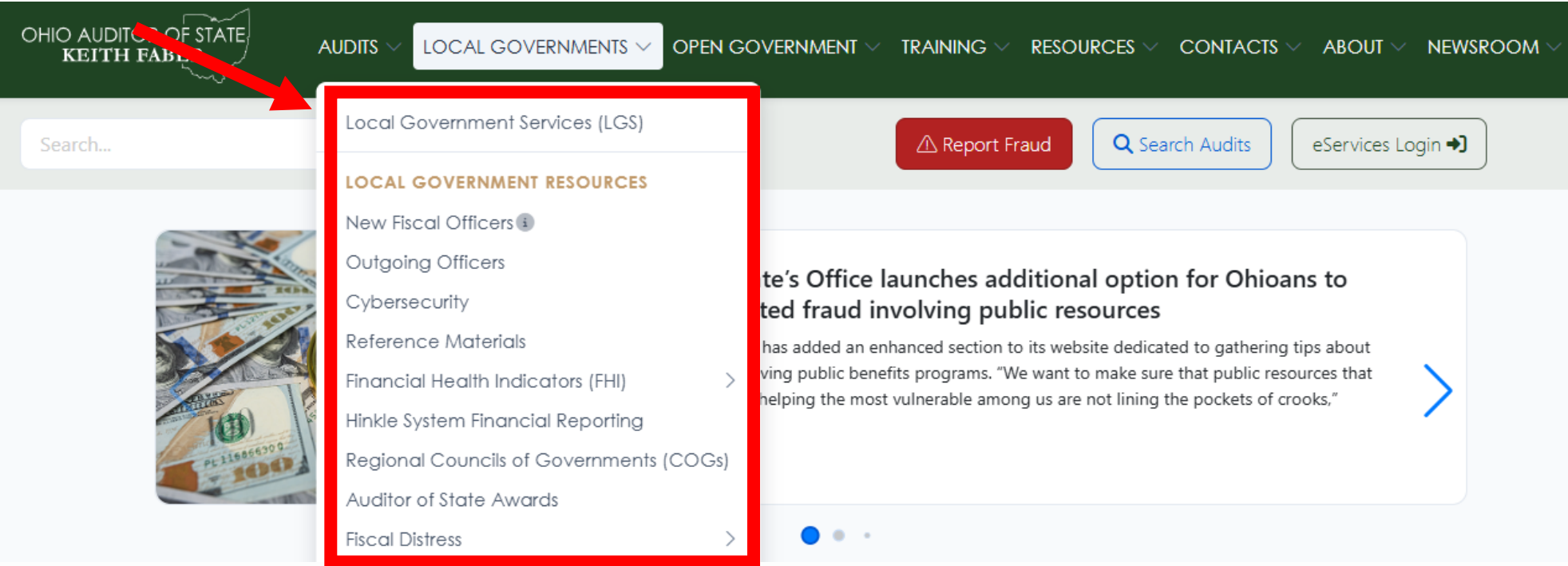
Performance Audits
Any government entity seeking to improve operations; identify savings; and produce sustainable, balanced budgets may request a performance audit.
[Performance Audits →](#)

Special Investigations
Suspected fraud or misuse of public funds is resolved through special audits or special investigations.
[Special Investigations Unit →](#)

Findings for Recovery
When public money has been misspent or misappropriated, a finding for recovery is issued.
[Findings for Recovery →](#)

<https://www.ohioauditor.gov/audits.html>

AOS Website: Local Government



<https://www.ohioauditor.gov/local.html>

AOS Website: Training

- 🏠 Training Agenda
- ☰ Types of Trainings**
- 🏛️ LGOC
- 🏛️ Local Gov. and Schools
- 👤 Village Fiscal Officer
- 📁 CPRT
- 🏫 Community Schools
- 👤 County Treasurers
- 🔍 IPAs and Auditors
- 👤 Fire District Officials
- 🔗 Fraud Training
- 🛡️ Cybersecurity
- 🗣️ Other Trainings
- 📁 Training Archives

☰ Types of Trainings & Conferences

NAVIGATE TRAININGS

This page showcases available trainings, conferences, and courses. Below review the type of training and navigate to the related page. Also see the same links in the left menu.

🏛️ Local Government Officials Conference (LGOC)	▼
🏛️ Local Governments and Schools	▼
👤 Village Fiscal Officer Trainings	▼
📁 Certified Public Records Training (CPRT)	▼
🏫 Community Schools	▼
👤 County Treasurers	▼
🔍 IPAs and Auditors	▼
👤 Fire District Officials	▼
🔗 Fraud Training (required fraud webinar)	▼

<https://ohioauditor.gov/trainings/default.html>

AOS Website: Federal Resources

Federal Program Resources

This page provides resources to help Ohio governments better understand Federal funding and navigate the single audit process.

Federal Resources

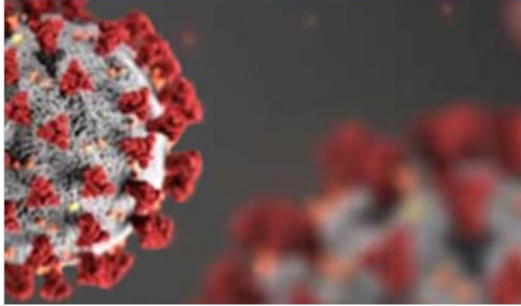


General Federal Resources

Guidance for Ohio governments who receive and expend Federal funding.

[Federal Resources](#)

COVID-19 Resources



Covid-19 Assistance

Resources and guidance for funding provided by COVID-19 Federal funding streams.

[COVID-19 Resources](#)

[Fiscal Tracking](#)

[For Clients](#)

[Frequently Asked Questions \(FAQ\)](#)

<https://ohioauditor.gov/resources/federal.html>

AOS Website: Contact Information

Central	800-443-9275
East	800-443-9272
Northeast	800-626-2297
Northwest	800-443-9276
Southeast	800-441-1389
Southwest	800-368-7419
West	800-443-9274



<https://www.ohioauditor.gov/contact.html>

The background of the slide is a light gray color with a repeating pattern of question marks in various sizes and orientations. The question marks are rendered in a simple, bold, sans-serif font. The central text 'Questions?' is in a larger, bold, black font.

Questions?

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