

2018 Audit Rule Summary of Key Changes

2.2.2.8.G Rotation rule- remove expired exception language for multi-year proposals.

2.2.2.10.H Referrals- expanded to include risk advisories, new requirement to submit referral response at least fourteen days before draft report.

2.2.2.10.L Findings requirements- summary schedule of prior year findings required to include only finding number, title, and status (resolved, repeated, or repeated and modified).

2.2.2.10.L Corrective action plan for federal findings must be in document separate from auditor's findings and must be on the audited agency's letterhead (new federal requirement per COFAR FAQ's issued in July 2017)

2.2.2.10.M Exit conference- requirements for what must be available at exit conference scaled back from full report to draft including the following: independent auditor's report, basic financial statements, findings, schedule of prior year findings, internal control report, and single audit compliance report, if applicable.

2.2.2.10.W Capital asset inventory- eliminated requirement to keep old assets capitalized under historical thresholds (under \$5k) on inventory listing until they are disposed of.

2.2.2.10.Z and DD GASBS 68 and 75 schedules of employer allocations for PERA, ERB and RHCA- new requirement that IPA give in-relation-to opinion on supplementary information schedules included in schedule of employer allocations report, new required note disclosures for plans.

2.2.2.10.BB Tax abatement disclosure requirements modified to align with GASBS 77 by allowing aggregation and the use of a quantitative threshold for determining individual disclosure.

2.2.2.10.CC New standards- updated for new standards effective for FY 18, GASBS 75 OPEB is the most significant.

2.2.2.12.F Indigent care reporting requirements for Hospitals- clarified requirements to present schedules in audit report as supplementary information, and to submit of electronic version of schedules to OSA.

2.2.2.12.G Schedule of asset management costs- investing agencies (STO, PERA, ERB, and SIC) required to include supplementary information schedule of asset management costs containing fee breakdown by investment class in the annual audit report. Disclosure in aggregate allowed for private asset classes and alternative investment classes, detailed disclosure required for all other asset classes.

2.2.2.15.A Fraud, waste or abuse reported to OSA- new requirement that agencies respond to OSA-SID fact-finding inquiries within 21 calendar days of receipt. IPAs required to test compliance and report noncompliance as a finding.