

2019 Proposed Audit Rule Summary of Key Changes

2.2.2.8.E Restriction letter- timeline changed to the date of the letter.

2.2.2.8.F Tier Reporting unsigned contract- due dates were changed.

2.2.2.8.G State auditor approval/disapproval of unsigned contract- added requirement to submit special audit contracts, attestation engagement contracts, performance audit contracts and forensic audit contracts.

2.2.2.8.L Report release procedures- included OSA authority to notify the agency, IPA or contractor that a report is subject to review and release procedures.

2.2.2.8.L Prior written approval of engagements- expanded requirement of prior written approval by the state auditor for any type of financial affairs engagement.

2.2.2.8.M & 2.2.2.10.M Final progress payment- requirement that the final progress payment of the contract amount will not be authorized by the OSA until the IPA has submitted the sign in sheet from the governing authority meeting or written notification from the Chairman or Treasurer stating that the IPA presented the audit report in an Open Meeting.

2.2.2.9.B Vendor schedule, fund balance form and GASBS 77 disclosure template- removed the requirement to submit this data to the OSA.

2.2.2.10.A Component units- requirement that the notes to the financial statements disclose the reason(s) for a change from the prior year's method of presenting a component unit or change in component units reported.

2.2.2.10.A Vendor schedule- removed requirement to prepare a schedule of vendors.

2.2.2.10.L Findings that do not rise to the level of significant deficiency- changed language to other matters.

2.2.2.10.L Summary of audit results- included requirement for a summary of audit results that includes the type of auditor report issued and whether categories of findings for internal control over financial reporting were identified.

2.2.2.10.L Special audit findings- clarification on the requirements to include findings from special audits performed under the oversight of the state auditor.

2.2.2.10.M In person exit conference- removed exception for audits less than \$5,000.

2.2.2.10.V Joint Powers Agreements and other intergovernmental agreements- requirement to review agreements that are reported as agency funds and determine if a separate audit or agreed upon procedure is applicable.

2.2.2.10.BB GASBS 77 disclosure spreadsheet- removed requirement to use a template GASBS 77 disclosure spreadsheet and submit it to the OSA.

2.2.2.10.CC New standards- updated for new standards.

2.2.2.12.H Specific requirements for local public bodies- requirements to test for budgetary compliance with required reserves and disclose the required reserves.

2.2.2.15.A Fraud, waste or abuse reported to OSA- changed requirement that agencies respond to OSA-SID fact-finding inquiries from 21 days of receipt to five days of receipt.

2.2.2.16.A Tiered System of reporting- clarified fiscal agent responsibilities.