

2025 Ohio GFOA Conference

Ohio Compliance Supplement 2025 Updates **and 2026 Preview**

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IMPORTANT DISCLAIMERS

This session will make references to planned updates for the 2026 OCS. As the 2026 OCS project is currently ongoing and these items have **NOT** yet been finalized, reviewed by AOS Administration or reviewed by AOS Legal Department, these items are subject to change. The content in this presentation is not Legal advice and attendees are encouraged to seek the advice of their legal counsel when necessary.

IMPORTANT DISCLAIMERS

This session does not include all updates related to the 2025 or 2026 OCS. This presentation omits minor clarification changes and things of that nature. This presentation is **NOT** all-inclusive.

This presentation excludes requirements related to Chapter 4 (requirements limited to Schools/Community Schools/ESCs Only)

Agenda



What is the Ohio Compliance Supplement?

2025 Updates – Ch. 1-3, OPM & IG

2026 Update PREVIEW

Implementation Guide – Topics Covered

What is the OCS?

OCS = Ohio Compliance Supplement

Contains certain laws and regulations which are:

- of the type auditors generally consider direct and material
- or of considerable public interest

Is not a comprehensive listing of applicable laws and regulations

Is designed to help auditors and public offices identify and familiarize themselves with certain laws and regulations

Updates - When/How Often? How to Identify Changes?

Updated annually

Main OCS normally issued by December

Ch. 4 (school chapter) normally issued by June

Changes marked with ~~strike-out~~, double underline or wavy-underline

What is the effective date?

2025
OCS

Engagements of FYE 12/31/24 –
11/30/25

2024
OCS

Engagements of FYE 12/31/23 –
11/30/24

2026
OCS

Engagements of FYE 12/31/25 –
11/30/26

COMING
SOON

Where is the OCS?



AUDITOR OF STATE
KEITH FABER

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

[🏠 Reference Materials](#)

Clients & IPA Firms

Frequently Asked Questions

- GASB FAQ
- Library FAQ and Program Codes
- Other Accounting FAQ

Financial Statement Shells & Notes

- GAAP
- OCBOA
- Regulatory
- Specialized Footnotes

Ohio Compliance Supplement Manuals

2025

[Ohio Compliance Supplement Implementation Guide \(pdf\)](#)

- The Compliance ACE is available in Exhibit 3
- [Legal Matrix \(xlsx\)](#)

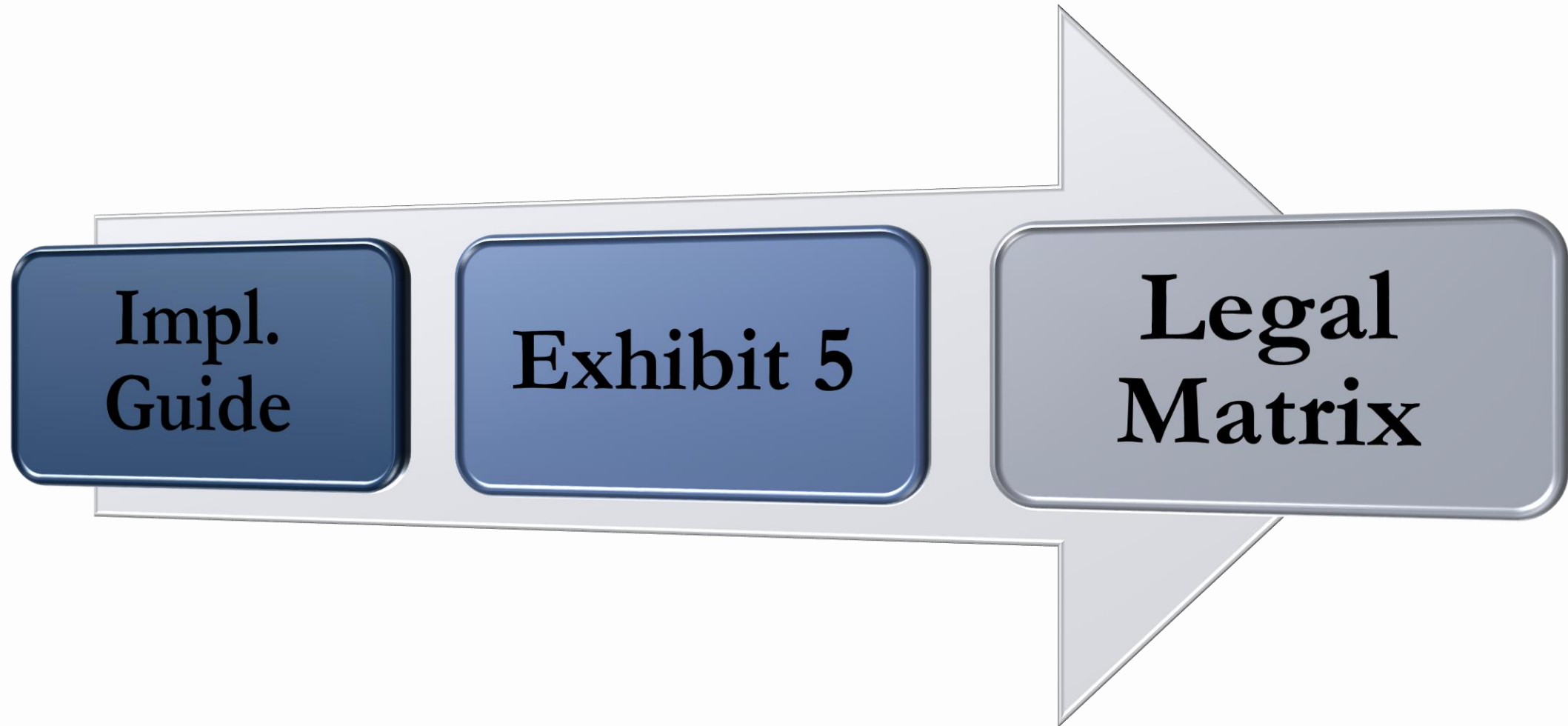
[Ohio Compliance Supplement Manual \(pdf\)](#) — Updated May 2025

- Chapter 1 – Direct Laws ([pdf](#)) ([docx](#))
- Chapter 2 – Indirect Laws and Statutorily Mandated Tests ([pdf](#)) ([docx](#))
- Chapter 3 – Stewardship ([pdf](#)) ([docx](#))
- Chapter 4 – School Compliance Testing ([pdf](#)) ([docx](#)) — New May 2025

[Optional Procedures Manual \(docx\)](#)

<http://www.ohioauditor.gov/references/compliancemanuals.html>

How to Use?



Legal Matrix

Step No.	Requirement	City	County ²⁶	Gen. Health Dist.	Joint Amb. Dist.
	General Budgetary Requirements (1-1 through 1-3)			✓ ¹⁷	✓ ¹⁶
1-1	ORC 5705.38: Annual appropriation measures - classification	✓	✓		✓
1-2	ORC 5705.41(D); and 5705.42: Restriction upon appropriating/expending money - certificate of fiscal officer	✓	✓	✓ ²³	✓
1-3	ORC 5705.40: Amending or supplementing appropriations; contingencies	✓	✓		✓
1-4	ORC 5705.09: Establishing funds and 5705.12 Permission to establish special funds	✓	✓		✓
1-5	ORC 133.01, 1545.23, 3315.20, 5155.33, <u>5549.21</u> , Various 5705 Sections, 5735.28: Distribution of levy revenue	✓	✓		✓
1-6	ORC 5705.05 and 5705.14-.16: Transfer of funds ⁴⁷	✓	✓		✓

How is the OCS Organized?

Chapter 1

Chapter 2

Chapter 3

Chapter 4

Optional
Procedures
Manual (OPM)

Implementation
Guide (IG)

1-2 Compliance Requirements: Ohio Rev. Code §§ 5705.41 (D) and 5705.42 - Restriction upon appropriation and expenditure of money – certificate of fiscal officer.

Summary of Requirements:

The authorization of a bond issue is *deemed an appropriation* of the proceeds of the bond issue for the purpose for which such bonds were issued. No expenditure shall be made from any bond fund until first authorized by the taxing authority. [Ohio Rev. Code § 5705.41(A)]

Similarly, Federal and State grants or loans are “*deemed appropriated*”⁷ for such purpose by the taxing authority” as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection [Ohio Rev. Code § 5705.42].

3

In determining how the government ensures compliance, consider the following:	What control procedures address the compliance requirement?	W/P Ref.
<ul style="list-style-type: none"> • Policies and Procedures Manuals • Knowledge and Training of personnel • Checklists • Review/Comparison/Recomputations of Purchase Documents • Budgetary/Purchasing Accounting/Monitoring System • Legislative and Management Monitoring • Management's identification of changes in laws and regulations • Management's communication of changes in laws and regulations to employees – Policies and Procedures Manuals 		

4

Suggested Audit Procedures - Compliance (Substantive) Tests:

1. Search for material unrecorded liabilities and/or encumbrances at year end. Refer to minutes and records immediately following the fiscal year cutoff date.
2. During the search for material unrecorded liabilities and/or encumbrances at year end, compare the date of the fiscal certificates with invoice dates, noting whether or not the certificate date precedes the invoice/obligation date and was recorded as an encumbrance in the proper year.

Note:

- The obligation date may precede the invoice date. If separately identified, use the obligation date when determining compliance.
- If the government does not expect to complete the project in the current year, the remainder of the project must be appropriated immediately in the subsequent year(s).⁷

5

Audit implications (adequacy of the system and controls, and the direct and material effects of non-compliance, effects on the audit opinions and/or footnote disclosures, significant deficiencies/material weaknesses, and management letter comments):

2025 OCS Updates

Including
Bonus 2026
OCS Preview

Legislation With 2025 OCS Impact

HB 101

SB 91

HB 214

2 CFR 200
(Uniform
Guidance)

SB 168

SB 104

Legislation With 2026 OCS Impact (SO FAR)

HB 96
("BUDGET
BILL")

HB 497

HB 315

HB 54

HB 257

HB 338

Throughout OCS

Red COVID Language

- Removed where no longer relevant to the period covered by this OCS.
- Changed some red language to black font, where it now applies in general (not COVID specific).
- Noted that red font is related to both COVID & the Infrastructure Investment & Jobs Act (IIJA).

Updated Relevant Accounting and Auditing Guidance

- AICPA State and Local Government Guide, AU-C, GASB, etc.

Implementation Guide

Implementation Guide



Findings for Recovery

- Changed AOS policy to issue FFR's for exact dollar/cents (no more rounding down).
- Added footnote that insurance policies that are purchased in place of a bond are treated the same as a bond for FFR purposes.
- Added footnote that for any FFR repayments related to a criminal case, the client should be reminded to notify the clerk of courts as well, so it can be properly updated in the court record;
 - if connected to a restitution order, they should inform both the Clerk of Courts & the Attorney General Collections section

Implementation Guide

Findings for Waste or Abuse

- Explained that there are times when conduct may meet the GAGAS standard of abuse, but not constitute gross neglect of duty or malfeasance under the ORC.
- Removed section titled 'Abuse in Federal Programs' due to language removed from updated Uniform Guidance.

Appendix A-1 Transfers & Advances

- Updated as a result of HB 101, for dissolved villages.
- Added that GASB requires disclosures for amounts transferred from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, and internal service funds in the aggregate.

Implementation Guide

Appendix B – Contracts & Expenditures

- Updated as a result of HB 101, for competitive bidding thresholds, and added increase in thresholds by 3% for calendar year 2025.

Appendix E – Deposits & Investments

- Updates made to Federal Agencies table, as needed.

Implementation Guide

Legal Matrix

Throughout

- Updated to sync to edits made in corresponding OCS sections (ORC's, etc.)

Exhibit 5

- FN 66 & 68 – Updated as a result of HB 101.

Implementation Guide – 2026 Preview

ORC 9.17 – Competitive Bidding Thresholds

Before Oct. 3, 2023	Oct. 3, 2023 – December 31, 2024	Calendar Year 2025	ESTIMATED Calendar Year 2026
\$50,000	\$75,000	\$77,250	\$79,568

IMPORTANT: 2026 is an estimate. Official amounts will be published by the Director of Commerce.

<https://com.ohio.gov/divisions-and-programs/industrial-compliance/competitive-bidding-threshold/competitive-bidding-threshold>

Implementation Guide – 2026 Preview

ORC 9.312 – Responsive and Responsible Bidder (Effective 9/30/25)

An apparent low bidder found not to be responsive and responsible shall be notified by the state agency or political subdivision of that finding and the reasons for it. Except for contracts awarded by the department of administrative services pursuant to section 125.11 of the Revised Code, the notification shall be given in writing ~~and either by certified mail or, if the state agency or political subdivision has record of an internet identifier of record associated with the bidder, or by ordinary certified mail and by that if no internet identifier of record is available.~~ When awarding contracts pursuant to section 125.11 of the Revised Code, the department may send such notice in writing by first class mail or by electronic means.

Implementation Guide – 2026 Preview

HB 96 Compensation Changes

Public Official Compensation (ORC 141.04, 325.18, 505.24, 507.09, 3501.12 and Section 701.70 of HB 96)

- Certain Justices and Judges
- County Elected Officials
- Township Elected Officials
- County Board of Elections Members
- Prior law = 1.75% through 2028; New law = 5% through 2029

IMPORTANT: In general, the changes HB 96 implements regarding these sections take effect for an officer only once the officer begins a new term.

Chapter 1

Direct Laws

Chapter 1

1-1: Annual appropriation measures – classification

- Removed references to Agency funds.
- **2026 Preview – ORC 5705.36 removed requirement to exclude balances from NET Funds (5705.131), Budget Stabilization Reserves (5705.13) and Township reserve balance account (5705.132) (Eff. 9/30/25)**

1-2: Restriction upon appropriation and expenditure of money

- Updated “super blanket” certificate language to agree to ORC.

Chapter 1

1-4: Establishing funds and permission to establish special funds

- Added reference to additional OneOhio Opioid Settlement guidance on AOS website.

1-6: Transfer of funds

- Updated as a result of HB 101 (ORC 5705.14(J) – village dissolutions).
- Clarified guidance for transfers to certain reserve accounts.

Chapter 1

1-10: Issuing or retiring bonds and notes



- Added guidance from Bulletin 2024-002 on debt in the form of standard installment loans from private financial institutions.

1-14: Annual financial reporting

- Added Library requirement, effective for 12/31/24 financial statements, to be prepared using the more detailed program codes.

Chapter 1

1-19: Collection of Income Tax at Source on Wages

- Clarified footnote regarding independent contractors.
- Added guidance on referrals from OCS Implementation Guide related to Employee vs. Independent Contractor Status issues noted.

1-20: Definitions, rates of contributions etc.

- Added footnote on membership requirements for EMT's and other public safety officers.

Chapter 1 – 2026 Preview

ORC 5705.222(C) – County DD reserves (Eff. 9/30/25)

~~Amounts in a capital improvements account or reserve balance account that are not in excess of the limitations prescribed in this division shall be considered reasonable and shall not be taken into consideration by the county budget commission when determining whether to reduce the taxing authority of a county under section 5705.32 of the Revised Code.~~

Chapter 1 – 2026 Preview

ORC 117.38 – Annual Financial Reports (AOS)

(C) The report shall contain the following:

(1) Amount of collections and receipts, and accounts due from each source;

(2) Amount of expenditures for each purpose;

(3) Income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation;

(4) Amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof;

(5) Budgetary comparison information as required by the applicable reporting framework or as prescribed by the auditor of state.

Chapter 2A

Indirect Laws

Chapter 2A

2A-2: Restrictions on appropriating and expending money

- Updated as a result of SB 91 (Additional language in ORC 5705.41(B)).

2A-3: Municipal contracts

- Updated as a result of HB 101 (ORC 731.14 now refers to ORC 9.17).
- Updated thresholds, where appropriate.

Chapter 2A

2A-5: County notice and other bid procedures & 2A-6: Township expenditures and competitive bidding

- Updated thresholds, where appropriate (roads/bridges and culverts).

2A-9: Bidding required on improvement contracts (Colleges & Universities)

- Updated thresholds, where appropriate (community and tech colleges).

Chapter 2A

2A-11: Separate bids and contracts required for each class of work on buildings and other structures



- Added guidance & testing steps related to significant projects undertaken through a construction manager at risk or design-build firm.

2A-12: Prevailing wage rates in public works contracts

- Updated thresholds, where appropriate (\$98,974 (new) and \$29,653 (reconstruction)).

Chapter 2A

2A-19: Other County and County Hospital Investment Requirements

- Updated step 6c regarding ‘monthly portfolio report’, to agree to ORC.

Chapter 2A – 2026 Preview

ORC 9.24

Finding for Recovery Database

- This law is not new
- Potentially adding testing of this law for municipalities, counties and townships

Modified (Effective 9/30/25)

- Debt is resolved if it has been discharged in bankruptcy or is no longer owed based on a final nonappealable court order

Chapter 2A – 2026 Preview

ORC 307.87 – Competitive Bidding

County notice requirements

- Prior law required publication via newspaper
- New law allows for at least one of the following:
 - Print or digital edition of newspaper of general circulation
 - Official public notice website under ORC 125.182
 - Website and social media account of the County
- Effective April 9, 2025

Chapter 2A – 2026 Preview

Townships – HB 315 (Eff. 4/3/25)

ORC 5575.01/ORC 511.12/ORC 505.37/ORC 515.01 – Notice requirements

- Modified advertisement for bids related to certain contracts similar to Counties (see previous slide)

Eliminates the requirements for voter approval before a townhall is built, improved or removed (ORC 511.01-.02)

ORC 5549.21 – Payments on account for machinery, tools, material and labor

- Expanded to include General Fund
- Must be made from the Township Road Fund *or the Township's General Fund*

Chapter 2A – 2026 Preview

Deposits – Repeal of 135.144

Investment in certificates of deposit (CDs)

(R.C. 135.18; R.C. 135.144, repealed)

The act repeals a law that largely duplicated another law regarding investment of interim moneys in federally insured certificates of deposit (CDs).¹⁷¹ As CDs are still purchasable under R.C. 135.145, the only effect of the statute's repeal is the pledging requirements attached to deposits; namely, if the amount held by the bank exceeds the amount insured by the federal deposit insurance corporation, the excess amount is subject to specific pledging requirements.¹⁷²

The retained section is broader and can be used to accomplish what is in the repealed provision.

Source: Legislative Services Commission HB 96 Bill Analysis

Chapter 2B

Statutorily Mandated Tests

Chapter 2B

2B-1: Force accounts for certain municipal corp's

2B-2: Force accounts for Counties

2B-3: Force accounts for Townships

- Updated thresholds, where appropriate.

**2B-5: Landfill financial assurance responsibility and certifications;
Solid waste transfer facility financial assurance responsibility and
certifications**

- Hyperlinked to State Support Document for the Local Government Financial Test.
- Added other edits, as requested by Ohio EPA.

Chapter 2B

2B-6: Education Requirements

- Added TOS e-mail address to confirm CPIM certifications & exemptions, as currently the TOS does not have a searchable database.
- Clarified testing steps for consistency with the requirements.

2B-7: Fraud and abuse; conflict of interest; ethics

- Updated for AOS Bulletin 2024-005 on the new Fraud Reporting System & Training



Chapter 2B

2B-7: Fraud and abuse; conflict of interest; ethics

- AOS Bulletin 2024-005 - new Fraud Reporting System.

Entity Type	Start Date	End Date (90 days from start date)
County, City, Village, Township	July 1, 2024	September 28, 2024
State Agency	August 1, 2024	October 29, 2024
Traditional School (<i>including Joint Vocational School Districts, Educational Service Centers, & STEM/STEAM Schools</i>)	September 1, 2024	November 29, 2024
Community School	September 1, 2024	November 29, 2024
All other entities	October 1, 2024	December 29, 2024

Chapter 2B

2B-8: Ohio Sunshine Laws

- Updated Sunshine Laws and StaRS FAQs document.
- Added guidance from AG's Ohio Sunshine Law Manual (ie. AG Yellowbook).
- Added reference to ORC's regarding virtual participation at meetings for Port Authorities & Soil and Water Conservation Districts.
- Added reference to AG Opinion on definition of “special taxing district”.

Chapter 2B – 2026 Preview

Training Requirements (ORC 319.04, 507.12, 733.81)

Modifications to training requirements for County Auditors, Township Fiscal Officers and Municipal Fiscal Officers

- Requires officials to retain documentation for courses completed
- Requires AOS to audit
- For County Auditors, requires CAAO to issue notice to County Auditors who have not completed.
- For Townships and Municipal FOs, requires education to include knowledge about AOS bulletins and other AOS publications.
- Removes AOS from requirement to issue “failure to complete” notices
- Effective 9/30/25

Chapter 2B – 2026 Preview

HB 257 – ORC 121.221 Virtual Meetings (eff. 4/9/24)

The following may NOT hold meetings under this section if any of the following apply:

- Vote to *approve major nonroutine expenditures*.
- Vote to *approve a significant hiring decision*.
- Involves a purpose to propose, *approve or vote on a tax issue or tax increase*.
- Board members are *compensated for their positions* (excluding expense reimbursements)
- Board members are *elected by the general public*

Chapter 2B – 2026 Preview

HB 257 – ORC 121.221 Virtual Meetings (eff. 4/9/24)

MAY conduct and attend hearings by means of video conference or similar electronic technology if **ALL** of the following apply:

- Any action has same effect if it occurred during an open meeting.
- Members attending virtually shall be permitted to vote and counted for quorum purposes
- Must have adopted a policy containing items outlined in ORC 121.221(B)(3)
- For a hearing, must have consent of all parties
- Must be in accordance with previous slide

Chapter 3

Stewardship

Chapter 3

3-15: Twp Reimbursement of ins. Premiums

3-16: Cafeteria Plans

- Updated thresholds, where appropriate.
 - Qualified Small Employer Health Reimbursement Arrangement (\$6,150/employee, \$12,450/family) for use in 2024
 - **OCS 2026 Preview** - \$6,350/employee, \$12,800/family for use in 2025
 - Highly compensated employees (cafeteria plan exclusion from gross income) - \$150,000
 - **OCS 2026 Preview** - \$155,000

Chapter 3 – 2026 Preview

As of the date this training was prepared (8/25/25) we had not yet identified significant changes to laws impacting Chapter 3 regarding Stewardship; however, work on the 2026 OCS is still in progress and are not final until late 2025 (Nov./Dec.). Only legal changes to date impact OCS 3-12 for Courts related to the following:

- **ORC 1901.261** – Additional fees for computerization of court or clerk of court office
- **ORC 1907.261** – Additional fees for computerization of clerk of court office
- **ORC 5310.05** – Assurance fund rate (Probate and Common Pleas Court) – **Repealed**
- **ORC 2303.201** – Computerizing court or paying cost of computerized legal research

Optional Procedures Manual (OPM)

Optional Procedures Manual

Introduction

- Added note that auditors should evaluate the requirements in the OPM for possible testing in the current audit based upon both quantitative and qualitative materiality factors.

O-5: County credit and procurement cards

- Added reference to CCAO's Bulletin 2023-5 on credit card use for Counties.
- Added a footnote on CCAO partnering with Amazon to offer free Amazon Business Prime memberships for one year, and how auditors should treat such purchases.

Optional Procedures Manual

O-7: Government credit cards & purchasing cards

- Added footnote on PEX cards.

O-12: Allocating Audit Costs

- Updated to agree to AOS Bulletin 2024-004.
- Updated de'minimis % as a result of the Uniform Guidance updates.

Optional Procedures Manual

O-13: Continuing Professional Training (CPT) pilot program funding for law enforcement agencies

- Removed Component 1 as it is n/a to periods covered by this OCS.

OPM – 2026 Preview

Unencumbered Balance Language (Eff. 9/30/25)

Removal of language excluding the following from unencumbered balances in certification required under ORC 5705.36:

- Budget stabilization reserves (ORC 5705.13 and 5705.29)
- Nonexpendable Trust Fund (ORC 5705.131)
- Township reserve balance account (ORC 5705.132)

OPM – 2026 Preview

2303.12 – Clerk of Courts (Eff. 9/30/25)

(D)(1) Subject to division (D)(2) of this section, ~~not~~ the clerk of court shall do both of the following:

Not later than eighteen months after ~~the effective date of this amendment~~ April 6, 2023, the clerk of court shall make available online on the clerk of court's web site the general docket of the court for remote access and printing by the public of the information in that docket, including all individual documents in each case file, pertaining to civil cases filed on or after ~~the effective date of this amendment~~ April 6, 2023.

Not later than eighteen months after the effective date of this amendment, the clerk of court shall make available online on the clerk of court's web site the general docket of the court for remote access and printing by the public of the information in that docket, including all individual documents in each case file, pertaining to criminal cases filed on or after the effective date of this amendment.

Other Potential 2026 Updates

Other Potential 2026 Updates – 2026 Preview

HB 96 – ORC 9.64

Cybersecurity

- Applies to counties, townships, municipal corporations or certain other bodies corporate and politic
- Establishes requirements for a cybersecurity program and reporting
- AOS Bulletin is in progress.

Other Potential 2026 Updates – 2026 Preview

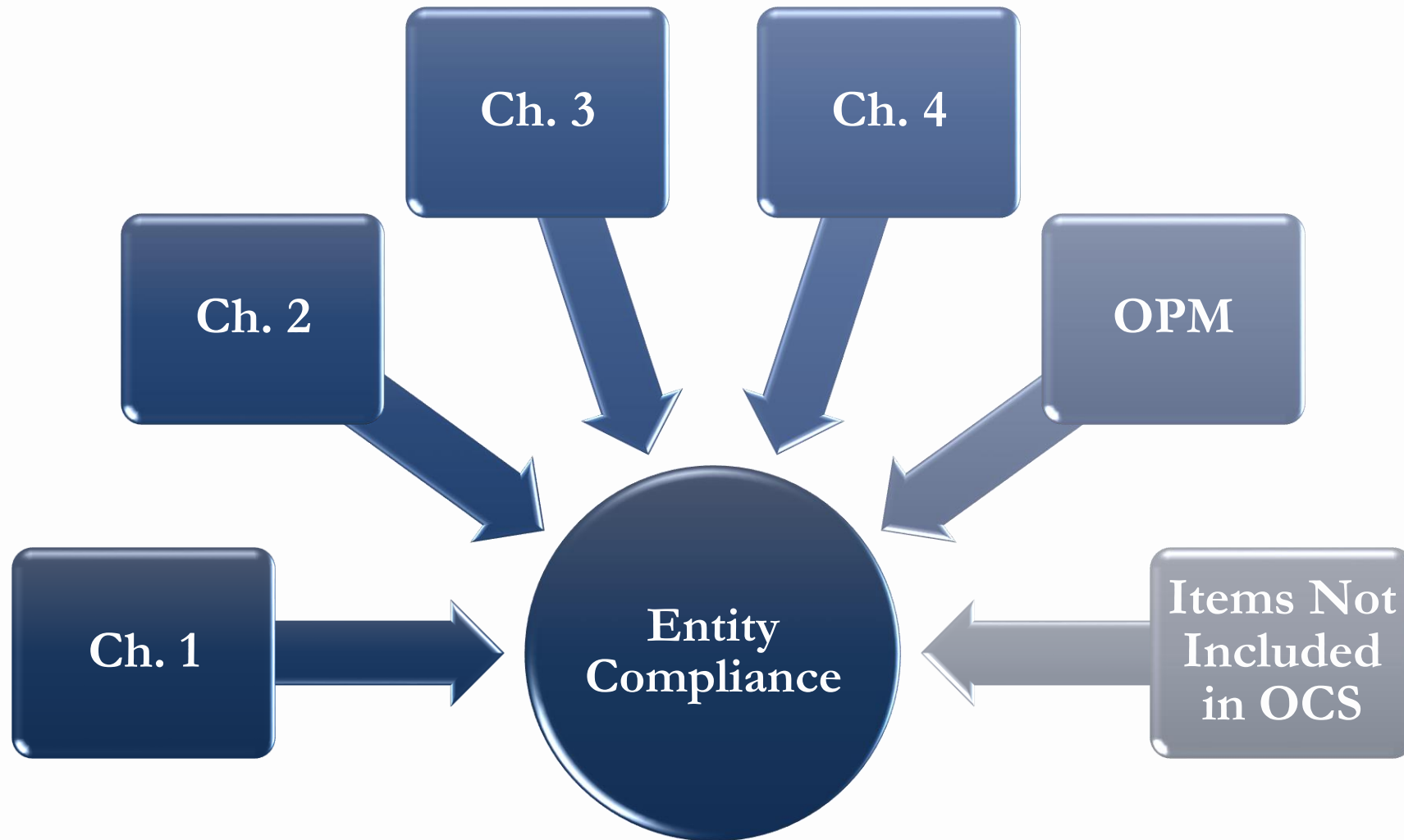
HB 96 – ORC 311.14 – Sheriff Certificate of Transition (Eff. 9/30/25)

Sec. 311.14. Upon retiring from office, the sheriff shall pay over to ~~his~~ the sheriff's successor in office all moneys received by such sheriff and remaining in ~~his~~ the sheriff's hands. ~~He~~ The sheriff shall deliver to ~~his~~ the sheriff's successor all evidences of indebtedness and all books, blanks, and stationery belonging to ~~his~~ the sheriff's office. Each sheriff shall demand and receive such books and papers from ~~his~~ the sheriff's predecessor. Before leaving office, the sheriff shall prepare a certificate of transition for the successor sheriff in the form and substance prescribed by the auditor of state. The certificate shall contain an inventory of items delivered in accordance with this section, sections 311.13 and 311.15 of the Revised Code, and other information prescribed by the auditor of state. Before prescribing the inventory of items, accounts, and other information to be contained in the certificate of transition, the auditor of state shall solicit input from county sheriffs.

Implementation Guide

Topics Covered

Entity Compliance With Laws & Reg's



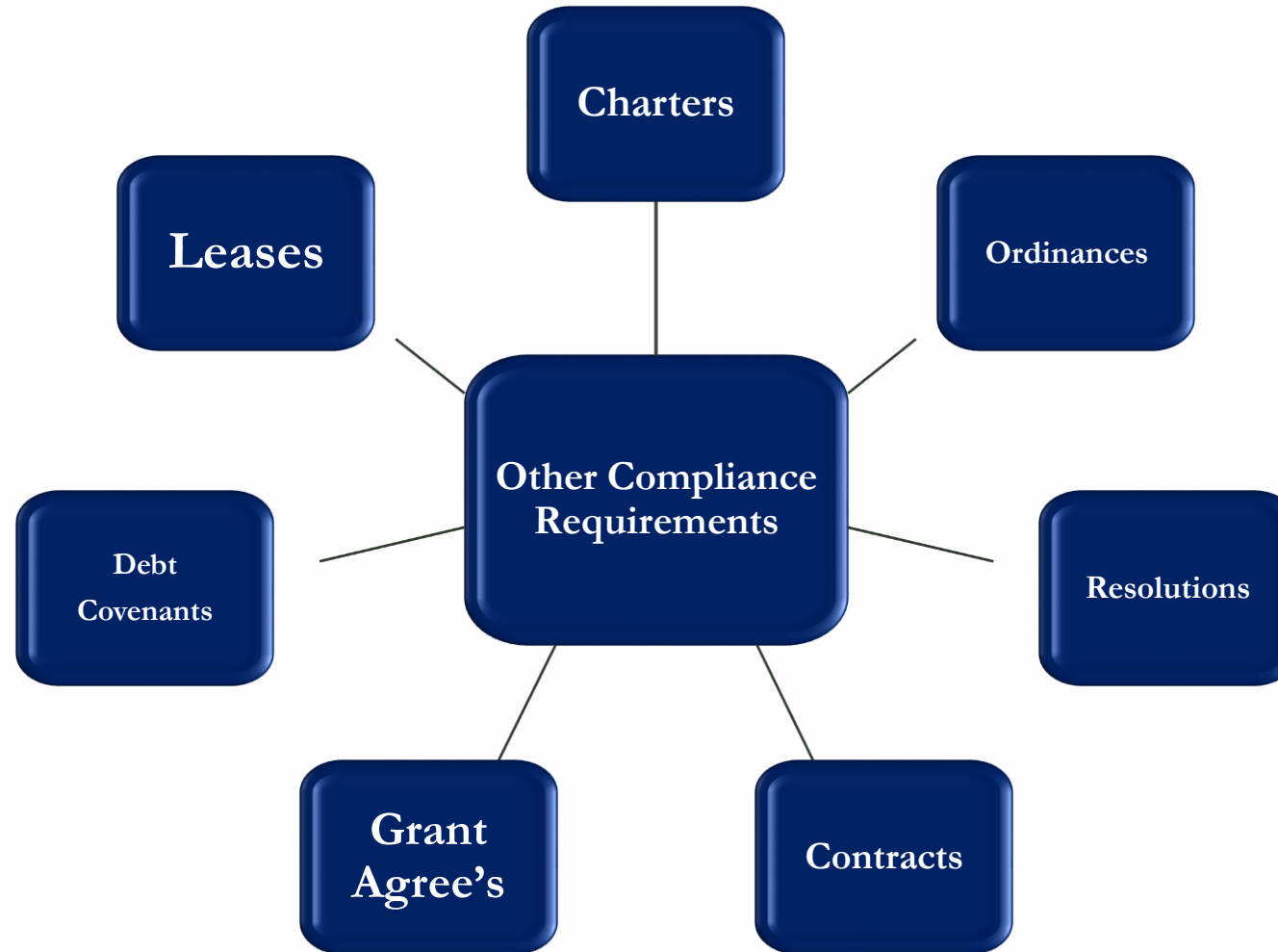


**CFAE
Selections**

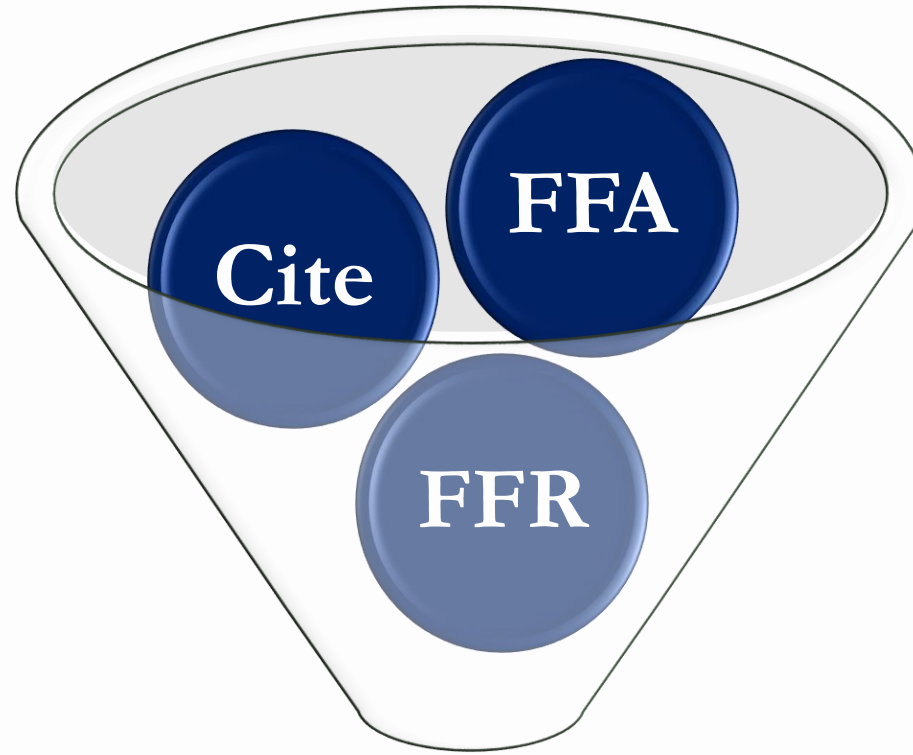
**O
P
M**

**Auditor
Quantitative
& Qualitative
Evaluations**

Other Compliance Requirements



Audit Findings



**Findings of Legal
Noncompliance**

Noncompliance Citations

Federal &
State
Constitutions

United States
Code & Rules

Ohio Revised
Code

Ohio Admin.
Code

Local
Ordinances

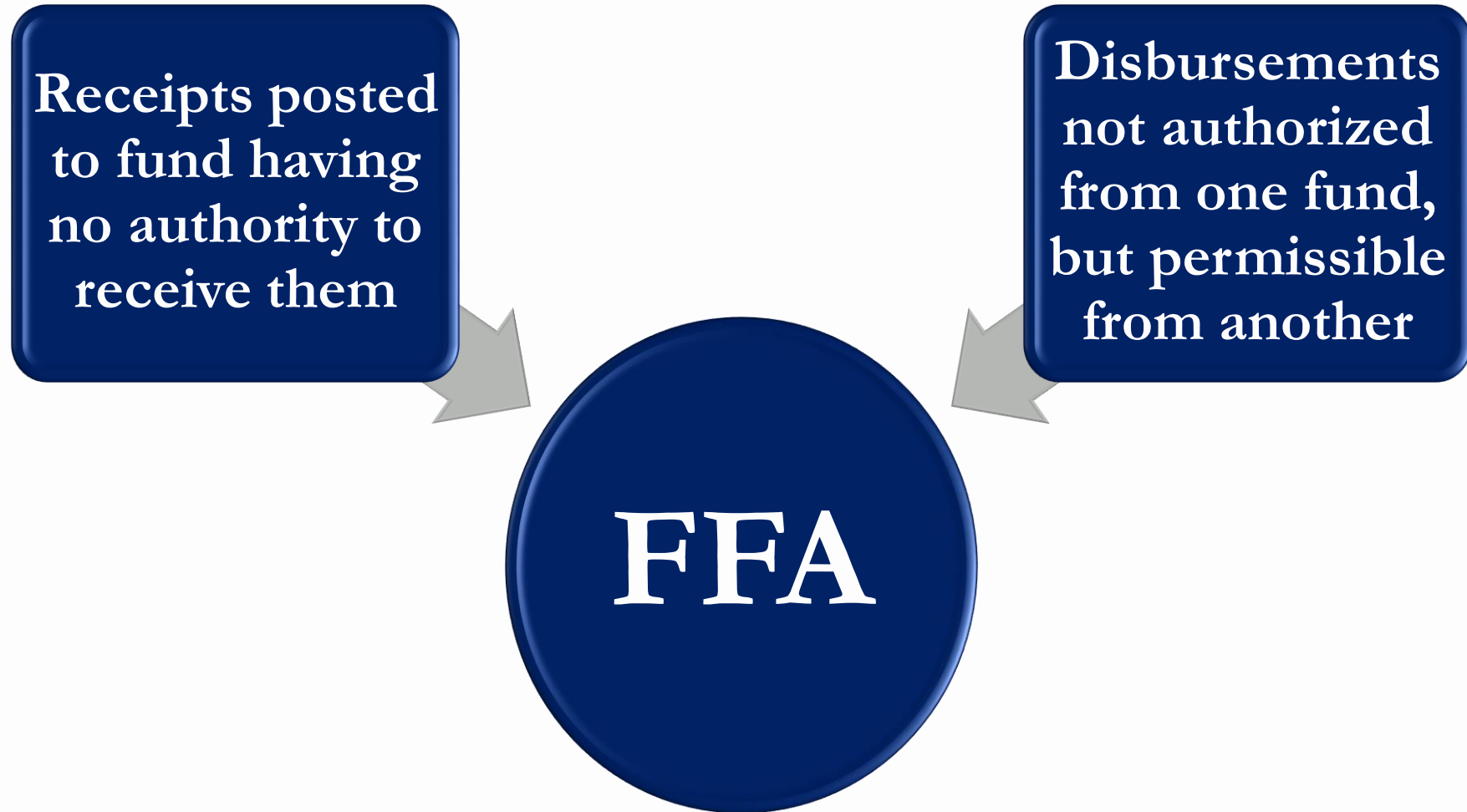
Federal &
State Court
Decisions

Federal &
State
Regulations

Ohio Ethics
Commission
Opinions

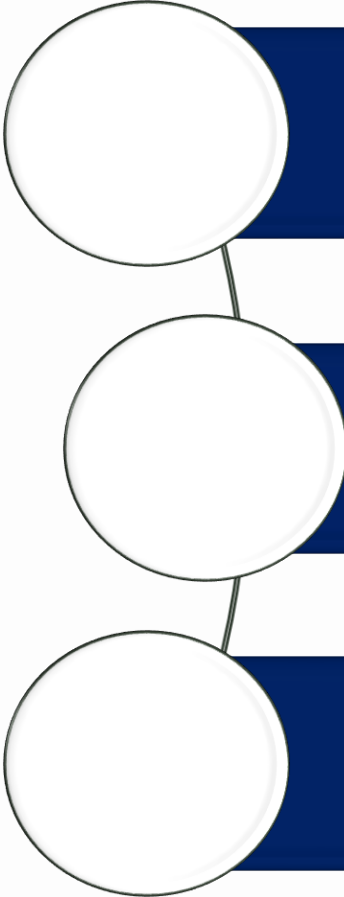
Local
Charters

Findings for Adjustment (FFA)



Findings for Adjustment (FFA)

IMPORTANT NOTES:



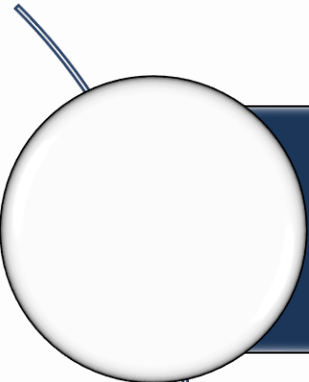
Auditors may detect a *finding for adjustment* affecting two funds reported in the same opinion unit. This adjustment would have no effect on the financial statements (and the auditor's opinion), but may still represent reportable noncompliance if it is material to either of the two funds.

If the client agrees and posts certain adjustment to the financial statements but refuses to post the adjustment to the accounting records auditors can still issue a finding for adjustment to correct the accounting records.

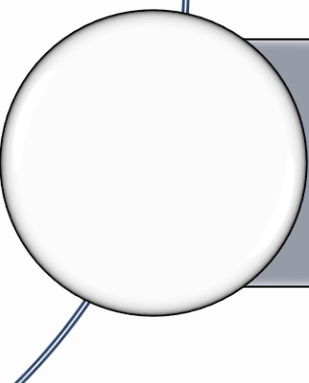
Certain FFA's *could* result in an opinion modification.

Findings for Adjustment (FFA)

IMPORTANT NOTES:



Auditors must document evidence that the agreed-to adjustments have been properly posted to the auditee's accounting records.



AU-C 450.11(b) requires auditors to consider the effect of uncorrected prior audit adjustments on the current audit.

ORC
9.24(H)(3)

Finding for Recovery (FFR)

ORC
117.28

Public money has been
illegally expended;

Public money that has
been collected has not
been accounted for;

FFR may
exist when:

Public money that is
due has not been
collected;

Public property has
been converted or
misappropriated.

Finding for Recovery (FFR) – Misc.

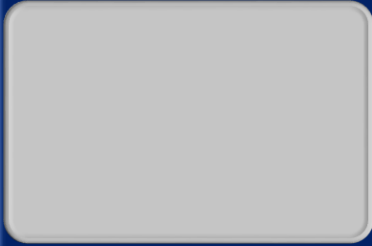


A FFR should be issued even if a criminal restitution order is already in place for the same conduct

If the entity identifies a FFR *before* the auditors do and the entity or individual repays before the audit report is issued, the auditor should not report the matter as a FFR, unless the finding relates to a criminal case, in which case the finding should always be reported.

If FFR is only partially repaid, a FFR is reported for the full amount and the amount that was repaid is listed

Appendix A – Budgetary (Applies to Ch. 1, Section A)



Budgetary & Certain Related Requirements

- Legal level of budgetary control (applies to section 1-1)



Transfers & Advances (referenced in 1-6 & 1-7 & 1-13)

- Some transactions that might not be ‘transfers’
- Transfers clarification



Direct Charges (referenced in 1-2 & 2A-2)

- Payments not requiring fiscal officer certification/encumbering

Other Topics Covered in IG

**Direct &
Material Laws
& Reg's**

**Compliance
Risk &
Controls**

**Home Rule
Powers**

**Substantive
Local Self-
Gov. Powers**

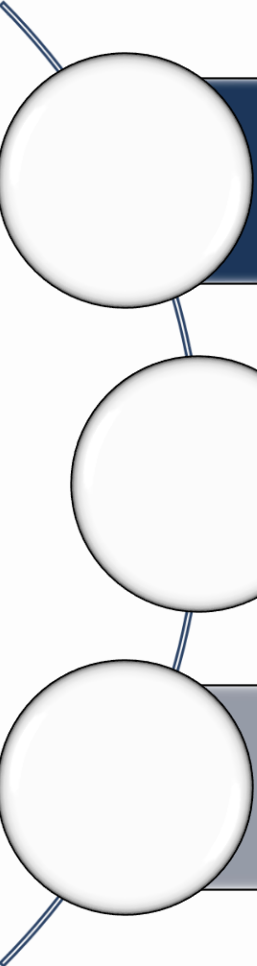
**Proper Public
Purpose**

**Referring
Audit Reports**

Debt

**Public
Officers'
Bond**

★ Key Take Aways ★



Many changes coming in 2026 OCS due to passage of legislation including HB 96 (Budget Bill)

2026 OCS should be available late 2025

OCS can be located on the AOS website (www.ohioauditor.gov) under Resources > Publications & Manuals

Questions

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