

New Audit Standards & Other Updates



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What We Will Be Covering

- AICPA Auditing Standards Board (ASB) Update
 - Latest on AICPA Statements on Auditing Standards and how they impact local governments
 - Statement No. 103, *Audit Documentation*
 - Audit Risk Assessment Suite (i.e., Statements 104 – 111)
 - Statement No. 112, *Communicating Internal Control Related Matters Identified in an Audit*
- Ohio Compliance Supplement Update

Why Discuss AICPA?

- Sets financial audit and attestation standards applicable to entities other than publicly traded companies
- AICPA Statements on Auditing Standards (SAS) apply to State and local government audits – not just an AOS issue
- Issued several new auditing standards applicable to audit periods ended on or after December 15, 2006
 - These standards will impact auditees and auditors alike

SAS 103 Audit Documentation

● We will now date our opinion when:

- All planned procedures are complete;
- The audit documentation has been reviewed;
- The financial statements and notes are drafted; AND
- Management has provided a signed representation letter to us
 - Opinion date = rep letter date from now on

Risk Assessment Standards



■ The AICPA recently issued a group of risk assessment standards (i.e., SAS 104–111)

- For the purpose of significantly strengthening auditing standards

- The focus is **RISK BASED**
- Greater emphasis is placed on testing of disclosures
- Guidance on evaluating audit findings is clarified and expanded
- Documentation requirements are significantly expanded

Risk Assessment Standards

- Enhances audits by requiring auditors to obtain and document a:
 - ✍ More in-depth understanding of the auditee and its environment, including its internal control, to identify the risks of material misstatement
 - ✍ More rigorous assessment of risks of material misstatement of the financial statements based on that understanding
 - ✍ Improved linkage between the assessed risks and the nature, timing, and extent of audit procedures performed in response to those risks
- AOS was already doing much of this

Risk Assessment Standards

- Evaluation of internal controls and assessment of control risk (*the risk that internal controls will fail to detect a material error or omission in the financial statements*) has been a long-time practice
 - However, in some cases, it was more efficient to perform only substantive tests rather than a test of internal controls
- The standards continue to allow a substantive approach, but only if certain criteria are met

Risk Assessment Standards

- The auditor must consider the effects of misstatements related to prior periods
- Unadjusted errors from past years must be rolled over into the current audit and evaluated together with current year unadjusted errors for materiality to the financial statements

Risk Assessment Standards

- Testing of operating effectiveness over internal controls can now be cycled and performed only once every 3 years (not every 3 biennial audits)
- However, auditors must document evidence that the control's design has not changed since their previous tests of operating effectiveness
 - Still need to "walk through" some transactions for the current year

Risk Assessment Standards

- When there are multiple transaction cycles (e.g., property taxes, intergovernmental revenue, payroll disbursements, etc.) for which auditors intend to rely on prior year operating effectiveness control tests, auditors must rotate them

➤ Rotating controls should also help avoid “spikes” in the audit costs that would happen if we only tested controls every third year

How The Risk Standards Might Affect Auditees

❶ The quality and depth of the auditors required understanding of an auditee and its environment, including internal controls, will be significantly enhanced

- To auditees, it may seem that auditors are asking more questions than in the past and/or the questions pertain to systems, controls, etc. that have been in place for years

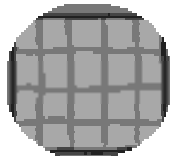
– **If so, please be patient!**

How The Risk Standards Might Affect Auditees

❷ More audit adjustments may be required to be posted to the financial statements as unadjusted errors from prior periods accumulate, especially taken together with potential current year audit adjustments

SAS 112 Communicating Internal Control Matters

- Effective for audits of periods ending on or after December 15, 2006
 - Already in Effect!!!
- Provides guidance on evaluating the severity of control deficiencies



SAS 112 Communicating Internal Control Matters

- *Reportable condition* is no longer used
- *Significant deficiency* and *material weakness* (defined in SAS No. 112) describe control deficiencies auditors must communicate to management and those charged with governance
 - Note: Auditors must continue to report uncorrected significant deficiencies and material weaknesses in subsequent audits

SAS 112 Communicating Internal Control Matters: *Old Versus New*

Old Definitions	New Definitions
Material weakness	Material weakness
Reportable condition	Significant deficiency
Management letter comment (under Yellow Book only)	Other matters related to internal control - Deficiencies

SAS 112 Communicating Internal Control Matters

■ A control deficiency exists when the *design or operation* of a control does not allow management or employees, in the course of performing their assigned functions, to prevent or detect misstatements on a timely basis

■ Independent auditors are not an internal control component. While auditors are happy to assist where possible, management is still responsible for the design and operation of internal controls

SAS 112 Communicating Internal Control Matters

■ In classifying deficiencies, auditors must link identified control deficiencies to actual or *potential* financial statement misstatements

■ Misstatement potential exists if controls are ineffectively designed or operated

– A lack of misstatements does not automatically mean there are no deficiencies

- However, a presence of misstatements almost certainly means some level of deficiency exists

SAS 112 Communicating Internal Control Matters

• A *significant deficiency* is a control deficiency, or combination of control deficiencies ... such that there is:

– *More than a remote likelihood* that controls will not prevent or detect a *more than inconsequential* misstatement

• A *material weakness* is a significant deficiency, or combination of significant deficiencies, such that

– *More than a remote likelihood* that controls will not prevent or detect a *material misstatement*

SAS 112 Communicating Internal Control Matters:
Remote Likelihood & Inconsequential

- **Remote** is defined such that the chance of the future events or events occurring is slight
- Therefore, the likelihood of an event is “more than remote” when it is at least reasonably possible
- A misstatement is **inconsequential** if a reasonable person would conclude it’s clearly immaterial to the financial statements

Magnitude of misstatement that occurred, or could have occurred	Likelihood of misstatement	
	More Than Remote	Remote
Quantitatively or qualitatively material	Material weakness (Schedule of Findings)	Control deficiency but not a significant deficiency or a material weakness (Schedule of Findings)
More than inconsequential but less than material	Significant deficiency but not a material weakness (Schedule of Findings)	Control deficiency but not a significant deficiency or a material weakness (Management Letter)
Inconsequential (i.e. clearly immaterial)	Control deficiency but not a significant deficiency or material weakness (Management Letter or Verbal)	Control deficiency but not a significant deficiency or a material weakness (Management Letter or Verbal)

SAS 112 Communicating Internal Control Matters

- **Regarding compilations:** The auditee need not possess the ability to perform or re-perform the compilation, but must have properly designed and effectively operating controls to prevent or detect misstatements in the financial statements and footnotes
 - **This is true even if the auditee has hired a conversion team to prepare the compilation**
- If there are no controls or the controls are not effective, auditors must evaluate the severity to classify it as a significant deficiency or a material weakness

SAS 112 Communicating Internal Control Matters

? *You might ask . . . Are auditors able to express a clean opinion on the financial statements if material weaknesses in the internal control are present???*

SAS 112 Communicating Internal Control Matters

? *Can auditors be involved in drafting financial statements???*

- Although the auditor can propose adjustments and assist in assembling or drafting the financial statements, the auditor cannot establish or maintain the auditee's controls, including monitoring ongoing activities, since doing so would impair independence
- Additionally, auditors / auditees must be able to comply with the safeguards established by the Government Accountability Office's (GAO) *Yellow Book* if performing such "nonaudit" services

**SAS 112 Communicating Internal Control Matters:
*What about Single Audits?***

- A-133 adopted SAS 112 in the June 27, 2007 Federal Register.
 - Replaced *reportable condition* with *significant deficiency*
 - Adopted the new *material weakness* definition.
- AOS updated it's A-133 report letter to include the revised terminology

Recap – So what does SAS 112 Mean to You???

- May see more matters being communicated in the Schedule of Findings than in the past
 - However, remember that more findings does not necessarily result in an opinion modification
- A strong system of internal controls, including controls over presentation & disclosure, is the best prevention for auditees!





Questions about the AICPA Audit Standards???

Ohio Compliance Supplement:

Possible Updates to Next Edition

OCS: Updates to Next Edition

- Updates are still in progress
- Estimated completion date for the next OCS edition is not currently known
- OCS only includes topics of *financial / audit* relevance
 - Other laws that may otherwise be important might not be covered in this session or included in the next OCS edition

OCS: Updates to Next Edition

- We will take a look at:
 - Updates made to existing OCS sections
 - New legislation of potential OCS significance
 - SEE HANDOUT - The legislation discussed herein is not intended to be all-inclusive. You should still consult with your statutory legal counsel, as appropriate
 - Recent AOS Technical Bulletins of potential OCS significance



OCS: Updates to Next Edition

- Update to OCS Appendix B, *Bonding Requirements*
 - OAG Opinion 2005-004 states a Township Fiscal Officer entering office prior to 11/5/05 and providing bond in accordance with ORC 507.03, has provided the bond required to qualify for office and is not required to provide a bond that meets the minimum requirements established by HB 148.
 - Anyone entering office after said date must comply
 - **Cautionary Note:** Good idea to consult with your statutory legal counsel (e.g., County Prosecutor) due to the various possibilities

OCS: Updates to Next Edition

■ **AO5 Bulletin 2007-001, Force Account Limits – Clarification and Amplification of AO5 Bulletin 2003-003**

- **“Force Account” is defined as a project conducted by a public office, using the office’s own labor, material, and equipment**
 - Helpful to think of it as a “*Labor*” Force Account

OCS: Updates to Next Edition

■ **AO5 Bulletin 2007-001, Force Account Limits – Clarification and Amplification of AO5 Bulletin 2003-003 (continued)**

- **Before undertaking a project by force account, a public entity must estimate the cost of the project**
 - If total cost > certain statutory limits, project must be competitively bid
 - If total cost < certain statutory limits, project may be conducted by force account w/o competitive bidding

OCS: Updates to Next Edition

■ **AO5 Bulletin 2007-001, Force Account Limits – Clarification and Amplification of AO5 Bulletin 2003-003 (continued)**

- **Current statutory bidding limits:**
 - **County [ORC 5543.19]:** \$30,000/mile for construction/reconstruction of roads; \$100,000 for bridges or culverts
 - **Township [ORC 5575.01]:** \$15,000/mile for construction/reconstruction of roads; \$45,000 for maintenance or repair
 - **Municipality [ORC 723.52]:** \$30,000 for construction/reconstruction of streets

OCS: Updates to Next Edition

■ **AOS Bulletin 2007-001, Force Account Limits – Clarification and Amplification of AOS Bulletin 2003-003 (continued)**

– **Partial-mile projects:**

- Confusion has arisen in the application of bidding limits to partial-mile projects
 - For example, would the limit for a 1.5 mile project for a county be \$45,000 or \$60,000?
- Absent specific legislative guidance on this matter, AOS has determined that it is appropriate to consider the legislative intent separately for projects under one mile and for projects exceeding one mile

OCS: Updates to Next Edition

■ **AOS Bulletin 2007-001, Force Account Limits – Clarification and Amplification of AOS Bulletin 2003-003 (continued)**

– **Partial-mile projects > one mile:**

– **Apply limits proportionally for partial miles**

- For example, the bidding limit for a 1.5 county project would be \$45,000
- If the total project cost was less than \$45,000, the county could undertake the project through force account; otherwise, it must be competitively bid

OCS: Updates to Next Edition

■ **AOS Bulletin 2007-001, Force Account Limits – Clarification and Amplification of AOS Bulletin 2003-003 (continued)**

– **Partial-mile projects < one mile:**

– **Do NOT apply limits proportionally**

- For example, as discussed in the previous slide, if a county applied the limits proportionally to a small road repair project of one-tenth of a mile, the bidding limit would be \$3,000
- AOS did not believe this was the intent of the legislature; therefore, the entire per-mile limit will apply for any project less than one mile, regardless of distance (i.e., \$30,000 in the county example above)

OCS: Updates to Next Edition

■ **Reminders:**

- ◆ Remember, nothing is set in stone yet!!!
- ◆ The legislative items discussed in this session have been identified as potentially significant items for inclusion in the next OCS; however, the final determination on whether, where, and how these items will be implemented has not been made
- ◆ The next OCS will likely be issued in 2008

Questions???



Questions may also be sent via email to:
Marnie Carlisle at: macarlisle@auditor.state.oh.us

125th/126th General Assembly - Enacted Legislation

Bill #	GA Enacted	Subject	Entity Type	Effective Date	ORC Section	Description
HB 1 (Special Session)	125	Campaign Finance	County and State Political Parties	3/31/2005		Establishment and use of restricted funds by county and state political parties, as well as the receipt and expenditure of moneys from the Ohio Political Party Fund.
HB13	125	Emergency Medical Services	Counties	3/30/05	5739.026	To permit the levy by a board of county commissioners of a sales and use tax for the purpose of providing emergency medical services
HB16	125	Capital Appropriations	Educational Service Centers (and other political subdivisions indirectly)	5/6/05	755.16 and 755.18	Permits educational service centers to contract with political subdivisions to acquire, construct, operate, or maintain parks, recreational facilities, and community centers.
HB16	125	Capital Appropriations	Counties		Section 40.01	Temporarily authorizes certain counties to return excess balances in their county delinquent property tax collection funds to the taxing units in the county. The authority expires after 60 days from the act's effective date.
HB16	125	Capital Appropriations	Townships		5709.75	Authorizes some townships to temporarily use money in a tax increment financing fund to pay public safety operating expenses.
HB46	125	Medical Expenses	Political Subdivisions*	8/17/06	9.833, 305.172	To permit political subdivisions to offer and make contributions to health savings accounts for employees.
HB68	125	Transportation Budget	Counties and Townships	6/29/2005	4504.02, 4504.15, 4504.16, and 4504.18	Specifies that a county or township must conduct two public hearings prior to adopting any resolution concerning the levy of a local motor vehicle license tax.
HB68	125	Transportation Budget	Counties and Municipal Corporations		4501.04, 4503.02, 5531.09, 5531.10, 5735.05, 5735.25, 5735.27, 5735.28, and 5735.29	Permits counties and municipal corporations to pledge and obligate money received from the state motor vehicle license and fuel taxes, and from TIF service payments in lieu of taxes, for the repayment of State Infrastructure Bank obligations issued for public transportation projects.
HB115	125	Education	School Districts and Community Schools	6/23/06	3314.014 and 3312.01 to 3312.13	To establish the Educational Regional Service System and to permit the governing authority of a start-up community school that meets certain conditions to establish another community school above the cap on the number of community schools
HB162	125	Correctional Facilities	Community-based Correctional Facilities	10/10/2006	Entire Bill	To revise the law governing community-based correctional facilities.
HB203	125	School Inspections	School Districts	3/21/06	3707.26, 4736.01, 117.102, 3313.473, 3314.15, 3701.93, 3701.931, 3701.932, 3701.933, 3701.934, 3701.935, 3701.936	Regarding inspections of school buildings by boards of health. Copies of these reports must be submitted to a number of entities, including the AOS.
HB226	125	Court Proceeding Fees	Municipal Corporations	2/27/06	1901.26	To authorize the legislative authority of a municipal corporation to establish a schedule of fees to be taxed as costs in a municipal court proceeding for services performed by officers or employees of the municipal corporation's police department or marshal's office.
HB289	125	Family/Children First	County Family and Children First Councils	8/17/06	121.37, 121.374	Not sure this is relevant, because the bill doesn't seem to make major changes, but it adds to the duties of the Ohio Family and Children First Cabinet Council and county family and children first councils.
HB313	125	Deposit Of Public Money	Counties and Political Subdivisions as defined in ORC 135.01**	7/4/06	135.18, 135.181, 135.353, 135.144	To reduce the pledging requirements by public depositories and to specify debt and obligations eligible to secure the public deposit and to authorize the deposit of public money in federally insured certificates of deposit.
HB363	125	Law Librarians	Law Library Associations	8/3/06	3375.49	To allow the board of trustees of a law library association to elect to assume responsibility for paying the entire compensation of the librarian and all assistant librarians of the law library despite the otherwise applicable statutory payment requirements for that compensation.

125th/126th General Assembly - Enacted Legislation

Bill #	GA Enacted	Subject	Entity Type	Effective Date	ORC Section	Description
HB385	125	Townships	Townships	9/21/06	148.04, 148.06, 305.11, 504.11, 505.172, 505.375, 505.391, 505.94, 515.01, 5705.10, 5705.35, 5705.36, 5747.51, 5747.62, 504.021, 5705.132	Makes a number of changes to laws relative to township authorities.
HB422	125	School Safety Plans	Community Schools	9/28/06	149.433, 3301.56, 3313.536, 3314.03, 3737.73, and 3737.99	Requires community schools and private schools to adopt school safety plans in the same manner as public school districts.
HB530	125	Capital Reappropriations	Municipalities, Townships, and Counties	3/30/06	5709.081, 5709.40, 5709.42, 5709.43, 5709.73, 5709.74, 5709.75, 5709.78, 5709.79, 5709.80	Tax increment financing: (1) Overview of tax increment financing; (2) Creation of incentive district TIFs by political subdivisions having populations exceeding 25,000; (3) Notice to affected subdivisions; (4) Compensation agreements between political subdivisions; (5) Payments required for certain special levies; (6) Use of TIF funds for police and fire equipment; (7) Distribution of moneys in tax increment equivalent funds (8) Tax increment financing changes immediately effective; (9) School funding formula adjustment for TIF incentive district side payments
HB530	125	Capital Reappropriations	School Districts		133.01, 133.06, 3313.372, 3318.052	School district debt limits and tax levies.
HB530	125	Capital Reappropriations	School Districts		733.03, 3317.01, 3317.02, and 3317.03	School district reporting of ADM
HB530	125	Capital Reappropriations	Community Schools		3314.02, 3314.03, 3314.08, 3314.26, 3314.35, 3314.36, 3317.03	Community School law changes
HB530	125	Capital Reappropriations	Counties		340.021	Combining separate boards for alcohol, drug addiction, and mental health services
HB530	125	Capital Reappropriations	Municipal Corporations		1901.31, 1901.311, 1901.32,	Compensation of municipal court employees
HB530	125	Capital Reappropriations	Counties		3109.14 and 3705.242	Law is unchanged by the act; however, the act (1) Establishes additional fees to be charged for copies of vital records; and (2) Changes the timing in forwarding fees to the State Treasurer for deposit in the Children's Trust and Family Violence Prevention Funds
HB530	125	Capital Reappropriations	Counties and Political Subdivisions*		5502.261	Counties may use general fund money to support emergency management agencies
HB530	125	Capital Reappropriations	Counties and County MRDD Boards		5705.091 and 5123.0413	County MR/DD Medicaid Reserve Fund
SB9	125	Terrorism Laws	State of Ohio, Instrumentalities of the State of Ohio, Political Subdivisions, and Private Entities	4/14/06	2909.32, 2909.33, 2909.34	Revised Ohio's terrorism laws. Provisions include a prohibition against government agencies doing business with an entity that has provided material assistance to a terrorist organization. For purposes of the declaration, "material support or resources" means currency, payment instruments, other financial securities, funds, transfer of funds, financial services that are in excess of \$100, as well as, communications, lodging, training, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."
SB10	125	MR/DD Boards	Counties	9/5/05	Entire Bill	To revise the law governing county boards of mental retardation and developmental disabilities.
SB107	125	Townships	Townships	12/20/05	Entire Bill	To replace the name of township clerk with the name township fiscal officer.

125th/126th General Assembly - Enacted Legislation

Bill #	GA Enacted	Subject	Entity Type	Effective Date	ORC Section	Description
SB125	125	Juvenile Detention Facilities	Counties	7/20/06	2151.655, 133.152	To authorize joint county juvenile detention facility districts to enter into agreements with the several boards of county commissioners providing for the financing of juvenile detention facility improvements.
SB148	125	Federal Liens	Counties	7/20/06	317.09	To authorize a county recorder to use electronic or magnetic medium for recording federal tax and other federal liens and to request the disposal of paper versions of those recorded documents.
SB321	125	Tobacco Budget	School Districts	9/5/06	3318.051, 3318.063, and 3318.121, 3318.05, 3318.052, 3318.06, 3318.08, 3318.18, 3318.36	School construction funding changes and clarification of debt limitations from HB 530.
HB9	126	Public Records	Any "Public office" (which includes any state agency), public institution, political subdivision, or other organized body, office, agency, institution, or entity established by Ohio law	3/29/2007	149.43	Requires all state and local elected officials, or their designees, to attend at least three hours of training on Ohio's Open Records laws during each term of office.
HB9	126	Public Records			149.43	Requires every public office to have in place a policy, which is to be distributed to all employees, for compliance with the Open Records laws (the AG is to develop a model policy). The public office is required to include its public records policies in any policy manuals it produces, and must also develop a poster describing its public records policy, which is to be displayed in the office.
HB9	126	Public Records			149.43	Imposes stronger new penalties – namely statutory damages, attorney's fees, and court costs – upon public offices who violate the public records laws.
HB9	126	Public Records			149.43	Modifies or creates records commissions for counties, municipalities, townships, libraries, and special taxing districts. In addition, the bill requires that any application or schedule for the destruction of records must be sent to the Ohio Historical Society for review to determine whether any of the records are of historical value (from there, the application goes to the Auditor of State for approval).
HB79	126	Community Schools	Community Schools	3/30/2007	3314.025	Compensation of board members of start-up schools
HB671	126	School Treasurers	School Districts and Educational Service Centers	3/30/2007	3313.22	Changes the term of office of a school district or ESC treasurer to up to five years, instead of the existing two years for the first "probationary" contract and four years for each subsequent contract.
HB671	126	School Treasurers	School Districts		3313.22	Changes the beginning and ending dates of a school treasurer contract.
HB671	126	School Treasurers	School Districts		3313.31	Clarifies that a school treasurer reports to the board.
HB671	126	School Treasurers	School Districts and Educational Service Centers		3313.22	Requires each school district and ESC board to adopt procedures for the evaluation of its treasurer which are to be used in the treasurer's contract process.
HB671	126	School Treasurers	School Districts		3313.22, 3313.24	Permits an individual who does not hold a valid treasurer's license to serve as a school treasurer if he/she meets the qualifications and has applied for a license but has not yet received the State Board of Education's decision.
HB671	126	School Treasurers	School Districts		3313.22	Subjects school treasurers to the same termination procedures that apply to teachers and administrators; i.e., a due process hearing rather than removal at any time by 2/3 vote of the board.
HB276	126	School Districts/Anti-bullying Provisions	School Districts and Community Schools	3/20/2008	3313.666, 3314.03	Requires school districts and community schools to adopt policies prohibiting harassment and bullying. RC 3313.666, 3314.03.

125th/126th General Assembly - Enacted Legislation

Bill #	GA Enacted	Subject	Entity Type	Effective Date	ORC Section	Description
HB276	126	School Districts/Anti-bullying Provisions	School Districts		117.53	Requires the Auditor of State to determine whether the school has adopted an anti-harassment policy, and to include that determination in the audit report (the Auditor does not play a role in developing the substance of the policy).
HB276	126	School Districts/Anti-bullying Provisions	School Districts		3315.2	Permits temporary deficits in school district special funds under certain conditions.
HB694	126	Political Contributions/Public	Political Subdivisions*	4/4/2007	3517.13, 3517.992, 109.96, and 3517.093	Prohibits a public office from awarding a contract to anybody who, within the previous two years, has contributed more than \$1,000 per any individual, partner, spouse, etc., up
HB119	126	Political Contributions/Public Contracts	Political Subdivisions*	Undetermined	3517.13	Amended HB 694 by increasing local government threshold from \$500 to \$10,000, aggregated on a calendar year basis, for contracts for goods and services. Also provided for an annual certification process whereby contractors may certify their compliance with campaign finance contribution limites and directed the SOS to adopt rules pursuant to the requirements of Chapter 119 of the ORC to determine what constitutes a contract under the law.

Footnotes:

* (Under law unchanged by the act, a "political subdivision" is a municipal corporation, township, county, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state (R.C. 9.833(A))

** "Subdivision" means any municipal corporation, except one which has adopted a charter under Article XVIII, Ohio Constitution, and the charter or ordinances of the chartered municipal corporation set forth special provisions respecting the deposit or investment of its public moneys, or any school district or educational service center, a county school financing district, township, municipal or school district sinking fund, special taxing or assessment district, or other district or local authority electing or appointing a treasurer, except a county. In the case of a school district or educational service center, special taxing or assessment district, or other local authority for which a treasurer, elected or appointed primarily as the treasurer of a subdivision, is authorized or required by law to act as ex officio treasurer, the subdivision for which such a treasurer has been primarily elected or appointed shall be considered to be the "subdivision." The term also includes a union or joint institution or enterprise of two or more subdivisions, that is not authorized to elect or appoint a treasurer, and for which no ex officio treasurer is provided by law.

HB 66 - Budget Bill Provisions
126th General Assembly - Enacted Legislation
Effective 9/29/05 (unless otherwise noted)

Bill #	GA Enacted	Subject	Entity Type	Effective Date	ORC Section	Description
HB66	126	ADM Audits	School Districts	6/30/2005	3317.035	Random audits of school district ADM reports
HB66	126		Community Schools	6/30/2005	3314.013, 3314.015, 3314.02, 3314.021, 3314.03, 3314.031, 3314.032, 3314.06, 3314.074, 3314.08, 3314.13, 3314.014, 3314.061, 3314.084, 3314.085, 3314.12, 3314.25, 3314.26, 3314.27, 3314.28, 3314.35, 3314.36	Community Schools: (1) Community School Caps, (2) Moratorium on E-schools, and (3) E-school spending requirements.
HB66	126		School Districts	6/30/2005	3319.081, 3319.0810, 3319.17, 3319.172	Reduction of the number of school district employees for financial reasons and termination of school district transportation staff.
HB66	126		School Districts	6/30/2005	3319.06	School district internal auditors
HB66	126		School Districts	6/30/2005	Uncodified section 206.10.21	School district sale of real property
HB66	126		School Districts	6/30/2005	3313.489 and 5705.391; Repealed R.C. 3311.40	Elimination of school districts' annual spending plan and submission of certificate of estimated resources
HB66	126		School Districts	6/30/2005	3316.043	Updated five-year projections for fiscal watch and fiscal emergency school districts
HB66	126		School Districts	6/30/2005	3315.17, 3315.18, 3316.06, 3316.16	Suspension of set-asides for school districts in certain circumstances
HB66	126		Political Subdivisions* Except School Districts☆	6/30/2005	9.833; Uncodified section 611.03	Health care benefits for agencies of political subdivisions. Please note that the provisions regarding health care benefits for school district employees do not actually take effect in HB 66. See Bulletin 2006-003 for additional guidance.
HB66	126		Counties and Municipalities	6/30/2005	4511.191	Use of money in the indigent drivers alcohol treatment funds
HB66	126		Counties	6/30/2005	307.88	Bids and bid guaranties for county purchases
HB66	126		Law Libraries	6/30/2005	3375.48, 3375.49, 3375.54, 3375.55	Law libraries - please note that these provisions were subsequently further modified by HB 363
HB66	126		County Boards of Election	6/30/2005	305.171, 3501.141, 3501.17, and 5705.40	Spending authority of county boards of elections
HB66	126		Political Subdivisions	6/30/2005	2744.08 and 2744.082	Treatment of political subdivision insurance and self-insurance costs and deductibles
HB66	126		County MRDD Boards	6/30/2005	5123.0412	Fee increase for county MR/DD boards
HB66	126		Political Subdivisions*	1/1/2006	9.23 to 9.239	Public Contracting Provisions - effective January 1, 2006. See Bulletin 2006-007 for additional guidance.
HB66	126		Municipal and County Courts	6/30/2005	120.07, 120.52, 120.53, 1901.26, 1907.24, 2303.201	Court Filing Fees

Footnotes:

* (Under law unchanged by the act, a "political subdivision" is a municipal corporation, township, county, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state (R.C. 9.833(A))

☆ The act excludes school districts from being considered "political subdivisions" and terminates their prior law authority regarding the provision of health care benefits to officers and employees under R.C. 9.833.