



State of Ohio  
State Audit Committee Self-Assessment  
State Fiscal Year 2014 – (draft)

Status Key:

- X – Task accomplished
- P – Partially accomplished
- O – No activity

Category	Status			Evidence of Action	SAC Comments
	X	P	O		
<b>1.0 Financial Reporting Responsibilities</b>					
<b>1.1 Financial Reporting Process:</b> Review, in consultation with the OBM Financial Reporting Unit, Auditor of State and the CAE, the integrity of the state agencies' financial reporting processes.	✓			<ul style="list-style-type: none"> <li>• OBM financial statement timelines (Sept. &amp; Dec. 2013)</li> <li>• AOS updates (Dec. 2013 and Mar. 2014)</li> <li>• OBM Significant Judgments and Estimates (Sept. 2013)</li> </ul>	
<b>1.2 Accounting Principles and Financial Disclosure Practices:</b> Inquire as to the Auditor of State qualitative judgment about the appropriateness, not just the acceptability, of the accounting principles and clarity of financial disclosures practices used or proposed to be adopted.	✓			<ul style="list-style-type: none"> <li>• AOS updates (Sept. &amp; Dec. 2013)</li> </ul>	



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<b>1.3 Material Legal and Regulatory Matters:</b> Review legal and regulatory matters that, in the opinion of the State's management, may have a material impact on the financial statements and compliance with federal, state, and local laws and regulations.	✓			<ul style="list-style-type: none"> <li>OBM Material Legal and Regulatory matters (Sept. 2013)</li> </ul>	
<b>2.0 Internal Audit</b>					
<b>2.1 OIA Plans and Processes:</b> Annually, review and comment on the following: <ul style="list-style-type: none"> <li>OIA Charter, policies &amp; procedures,</li> <li>Audit plans and audit activities,</li> <li>Budget, staffing, and organizational structure</li> <li>The independence and objectivity of the OIA.</li> </ul>	✓			<ul style="list-style-type: none"> <li>OIA Charter (Dec. 2013)</li> <li>OIA Annual Plan (June 2014)</li> <li>OIA quarterly plan, budget &amp; staffing updates (all qtrs.)</li> <li>OIA independence statement (Dec. 2013)</li> </ul>	
<b>2.2 OIA Work Plan:</b> Annually, review and comment on the annual work plan, risk assessment process and results as prepared by the CAE.	✓			<ul style="list-style-type: none"> <li>OIA Annual Plan (June 2014)</li> </ul>	
<b>2.3 Internal Audit Reports:</b> Receive from the CAE, prior to each meeting, each final internal audit report and a progress report on the approved annual work plan, with explanations from any deviations from the original plan.	✓			<ul style="list-style-type: none"> <li>OIA Annual Plan status updates (all qtrs.)</li> <li>OIA draft reports and summary of IT and consulting activities (all qtrs.)</li> </ul>	



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<b>2.4 Internal Audit Processes:</b> Review OIA's compliance with applicable standards, which includes a quality assurance review every fifth year. Determine that all internal auditing is conducted only by employees or designees of the OIA. Review any difficulties the internal audit team encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.	✓			<ul style="list-style-type: none"> <li>Internal Quality Assessment (Mar. 2014)</li> </ul>	
<b>2.5 Management Action Plans:</b> Monitor the status of management action plans for significant recommendations.	✓			<ul style="list-style-type: none"> <li>Audit comment remediation updates (all qtrs.)</li> </ul>	
<b>2.6 Chief Audit Executive:</b> Provide input to the OBM Director for the annual evaluation of the CAE. Review and comment on the appointment, replacement, reassignment, or dismissal of the CAE.	✓			<ul style="list-style-type: none"> <li>CAE Assessment (Sept. 2013)</li> </ul>	
<b>3.0 External Audit</b>					
<b>3.1 Scope and Approach:</b> Meet, as needed, with representatives of the Auditor of State, or their designee, regarding the proposed scope and approach of their auditing functions and subsequently the results of their audits of state agencies.	✓			<ul style="list-style-type: none"> <li>AOS updates to annual State of Ohio audit, Single Audit, and OAKS SOC1 report (all qtrs.)</li> </ul>	



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<b>3.2 Auditing Policies and Practices:</b> Review with the Auditor of State that performs the State of Ohio financial statement audit: <ul style="list-style-type: none"><li>All critical accounting policies and practices used</li><li>All alternative treatments of financial information within generally accepted accounting principles that have been discussed with OBM, the ramifications of each alternative, and the treatment preferred by OBM.</li></ul>	✓			<ul style="list-style-type: none"><li>AOS Results of FY 13 State of Ohio and Single Audit (Mar. 2014)</li><li>AOS required communication letter (March 17, 2014)</li></ul>	
<b>3.3 Significant communications:</b> Review all significant written communications between the Auditor of State and OBM, such as any management letter or schedule of unadjusted differences.	✓			<ul style="list-style-type: none"><li>AOS required communication letter (March 17, 2014)</li></ul>	



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<p><b>3.4 Review of Financial Statements and Audits:</b> Review with OBM management and the Auditor of State:</p> <p>a. The annual financial statements, related footnotes, and management’s discussion and analysis;</p> <p>b. The Auditor of State’s audit of the financial statements and their report thereon;</p> <p>c. The Auditor of State’s single audit of the federal awards administered by state agencies and their reports thereon;</p>	✓			<ul style="list-style-type: none"> <li>• AOS Results of FY 13 State of Ohio and Single Audit (Mar. 2014)</li> <li>• AOS required communication letter (March 17, 2014)</li> <li>• OBM Significant Judgments and Estimates (Sept. 2013)</li> </ul>	
<p><b>3.5 Audit Processes:</b> Periodically review issues that relate to the process of developing the financial statements and the conduct of audits including:</p> <ul style="list-style-type: none"> <li>• Any significant changes in the audit plan;</li> <li>• Any serious difficulties or disputes with management encountered during the audit; and</li> <li>• Matters required to be discussed by Statement on Auditing Standards; U.S. Government Accountability Office’s Government Auditing Standards; and the U.S. Office of Management and Budget’s Circular A-133 related to the conduct of the audits</li> </ul>	✓			<ul style="list-style-type: none"> <li>• AOS Results of FY 13 State of Ohio and Single Audit (Mar. 2014)</li> <li>• AOS required communication letter (March 17, 2014)</li> <li>• AOS updates to annual State of Ohio audit, Single Audit, and OAKS SOC1 report (all qtrs.)</li> </ul>	



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<b>4.0 Reporting Responsibilities</b>					
<b>4.1 Overall Audit Scope and Plans:</b> Review with the Auditor of State, the OBM Director, and the CAE, the audit scope and plan of the internal auditors and the external auditors. Review the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.	✓			<ul style="list-style-type: none"> <li>OIA Annual Plan (June 2014) – includes heat maps of audit coordination with OIA &amp; AOS</li> </ul>	
<b>4.2 Suspected Fraud and Abuse:</b> In accordance with the Suspected Fraud, Abuse or Reported Wrongdoing process (September 2009), review any suspected fraud or other illegal activity discovered by the OIA during the conduct of an internal audit.	✓			<ul style="list-style-type: none"> <li>Matters discussed in executive session.</li> </ul>	
<b>4.3 CAE Annual Report:</b> Review and comment on the CAE's annual report. Ensure that OBM makes available the report to the public by posting it on the office's web site before the first of July of each year.	✓			<ul style="list-style-type: none"> <li>OIA Annual Report (June 2014)</li> </ul>	
<b>4.4 Other Reports:</b> Report, as the Committee may deem appropriate, to the Governor and OBM Director about Committee activities, issues, and related recommendations.	✓			<ul style="list-style-type: none"> <li>Quarterly letter from SAC Chair on OIA reports deemed to be public reports (all qtrs.)</li> </ul>	



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<p><b>4.5 Other Communications:</b> Communicate on a regular basis with other state agency audit committees regarding audit issues that may impact the business of the Committee.</p> <p>Provide an open avenue of communication between the Committee, external auditors, internal auditors, state agency management, legislature, and other constituencies as needed.</p>	✓			<ul style="list-style-type: none"> <li>Quarterly summary reports issued by OIA to BWC Board of Directors Audit Committee (all qtrs. – executive session)</li> <li>BWC Assurance Review (Dec. 2013) and Lottery Assurance Review (Mar. 2014)</li> </ul>	
<b>5.0 Other Responsibilities</b>					
<p><b>5.1 Committee Charter and Processes:</b> Review the Committee’s charter annually, reassess the adequacy of this charter, and recommend any proposed changes.</p>	✓			<ul style="list-style-type: none"> <li>SAC Charter review (September 2013)</li> </ul>	
<p><b>5.2 Changes and Updates:</b> Consider changes that are necessary as a result of new laws, regulations, or accounting and auditing standards, including <i>Government Auditing Standards</i> (Yellow Book) issued by the Comptroller General of the United States.</p>	✓			<ul style="list-style-type: none"> <li>SAC Charter review (September 2013)</li> </ul> <p>NOTE: HB59 modified SAC’s ORC code sections to align with current SAC charter.</p>	
<p><b>5.3 Performance Assessment:</b> Annually assess the Committee’s performance of the responsibilities delineated in this charter.</p>	✓			<ul style="list-style-type: none"> <li>Committee to conduct self-assessment (June 2014)</li> </ul>	



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<b>6.0 Conduct of Committee Business</b>					
6.1 Committee meeting agendas and appropriate read-ahead materials are provided sufficiently in advance to allow members to participate effectively.					
6.2 Committee meetings are conducted in a manner that allows for sufficient discussion and well-reasoned decision making.					
6.3 The annual meeting plan covers the full range of committee responsibilities.					
6.4 Meeting agendas include unresolved items and issues raised at prior meetings.					
6.5 Meetings are not just pro-forma, but allow members and the committee as a whole to impact policies and practices.					
6.6 Follow-up to questions raised in meetings are answered effectively and timely.					