

Fairfield County Auditor — Finance Internal Control Manual

Excerpts from the Ohio Compliance Supplement

Legal Compliance Control Procedures and Substantive Tests

Section A: General Budgetary Requirement

1-10 Compliance Requirement: Ohio Rev. Code Section 5705.41 (D) - "Blanket" fiscal officer certificates.

Summary of Requirements: Fiscal officers may prepare so-called "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding 3 months or running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

In addition to regular blanket certificates, a subdivision's fiscal officer may also issue so-called "super blanket" certificates for any amounts for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year or, in the case of counties, beyond the quarterly spending plan established by the county commissioners. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

In determining how the government ensures compliance, consider the following:

- Policies and Procedures Manuals
- Knowledge and Training of personnel
- Tickler Files
- Legislative and Management Monitoring
- Periodic Inspection/Monitoring of Blanket Purchase Orders
- Use of a log to record blanket certificates issued, track the period outstanding, and monitor the number of regular blanket certificates outstanding per account
- Management's identification of changes in laws and regulations
- Management's communication of changes in laws and regulations to employees

Suggested Audit Procedures - Compliance (Substantive) Tests

Inspect a representative number of "regular blanket" certificates and determine that:

- They do not exceed 3 months.
- They do not run beyond the fiscal year.
- They do not exceed \$5,000.
- Only one certificate is outstanding per line item appropriation.

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1-10 Compliance Requirement: Ohio Rev. Code Section 5705.41 (D) - "Blanket" fiscal officer certificates. (continued)

For subdivisions using "super blanket" certificates, inspect the certification of the fiscal officer for professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense and determine that:

- They do not run beyond the fiscal year or quarterly spending plan.