

Fairfield County Auditor — Finance Internal Control Manual

Excerpts from the Ohio Compliance Supplement

Part 1: Contracts and Expenditures

Section I: General

2-19 Compliance Requirement: Ohio Rev. Code Section 9.48 - Joint contracting and purchasing programs for **counties** and **townships**.

Summary of Requirements: A county or township may permit one or more other counties or townships to participate in contracts into which it has entered for the acquisition of equipment, materials, supplies, or services, and may charge such participant(s) a reasonable fee to cover any additional costs incurred as a result of their participation. Also, a county or township may participate in a joint purchasing program operated by or through a national or state association of political subdivisions for which they are eligible for membership. If a county or township participates in another entity's contract or program, the purchase is exempt from competitive bidding which may otherwise be required if the contract was awarded pursuant to a competitive bidding selection procedure. No county or township shall participate in a joint purchasing contract if it has already received bids for such acquisition unless participation enables it to make the acquisition at a lower price.

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

- Policies and Procedures Manuals
- Knowledge and Training of personnel
- Board Monitoring
- Presence of an Effective Accounting System
- 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

By reading the minutes, scanning disbursements, and inquiry, determine if the county or township has entered into joint contracting or purchasing programs.

For joint contracts, based on your reading of the minutes, determine if the entity did not competitively bid the project, or documented that the joint acquisition price was lower than the bids received.
