

---

---

## AUDITOR OF STATE

- Requires the Auditor of State (AOS) to conduct a performance audit of PUCO by May 1, 2027.
- Eliminates AOS's responsibility to pay for audit costs related to audits of medical assistance programs or individual medical assistance recipients.
- Repeals a provision recently enacted via the Transportation Budget scheduled to take effect in October that would have allowed AOS to access the records of ODOT during an audit.
- Removes AOS from a variety of processes.
- Specifies that certain fiscal officers need only keep records of completed initial or continuing education courses.
- Changes AOS's duty to audit certain safeguards implemented by state institutions of higher education.

### **PUCO performance audit**

(Section 701.90)

The bill requires Auditor of State (AOS) to conduct a performance audit of PUCO by May 1, 2027. The audit must include a review of the Ohio Power Siting Board.

### **Audit costs for medical assistance programs and recipients**

(R.C. 5160.23, repealed)

The bill repeals AOS's responsibility to pay cost related to audits of a medical assistance recipient. Continuing law allows AOS to audit a medical assistance recipient upon request of the Medicaid Director and allows AOS to examine the records related to medical assistance programs. Currently, AOS is responsible for the related costs. Under continuing law, generally a state agency is responsible for the costs of its audits and audits of private entities that receive money from the agency.<sup>17</sup>

### **ODOT audits**

(Sections 125.20 to 125.24; repeal of the amendment to R.C. 117.12 and enactment of R.C. 117.56 made by H.B. 54 of the 136<sup>th</sup> General Assembly; repeal of Section 820.50 of H.B. 54 of the 136<sup>th</sup> General Assembly)

The bill repeals law recently enacted via the Transportation Budget (H.B. 54) that would have allowed AOS to access the records of ODOT during an audit. The provision would have taken

---

<sup>17</sup> R.C. 117.13, not in the bill.

effect in October. For more information about the provision, please see the [LSC Final Analysis\(PDF\)](#) for H.B. 54 (136<sup>th</sup>), page 11, “**Audit access**” (PDF), available at [legislature.ohio.gov](http://legislature.ohio.gov).

## **Remove AOS from various processes**

(R.C. 9.35, 117.11, 117.38, 117.44, 149.10, 149.30, 169.13, 306.43, 308.13, 317.20, 319.04, 321.03, 323.611, 501.09, 501.11, 507.12, 703.34, 733.81, 735.05, 749.31, 1533.13, 3313.27, 3314.08, 3315.18, 3315.181, 3317.035, 3318.051, 3318.48, 3326.51, 3328.16, 3375.39, 3375.92, 3381.11, 3709.15, 3717.071, 5117.12, 5310.06, 5705.12, 5705.121, 5705.28, 5705.29, 5705.30, 5705.38, 5923.30, and 6101.55; R.C. 117.113, 117.251, 117.441, 117.51, 501.03, 3314.50, 4115.31, 4115.32, 4115.33, 4115.34, 4115.35, and 4115.36, repealed)

The bill makes various changes to laws related to AOS, as follows:

Continuing law allows public officials to contract for electronic data processing or computer services. Instead of requiring the parties to give “satisfactory assurance” to AOS that affected records will be subject to audit as under current law, the bill simply makes those books and records subject to audit.

The bill repeals law requiring AOS to audit each science, technology, engineering, and mathematics (STEM) school every fiscal year. STEM schools are public schools and are subject to audit by AOS as are all public offices under continuing law.<sup>18</sup>

The bill repeals law requiring AOS to make a notation on an audit report for a county treasurer’s office if the treasurer invested at least 10% of the county’s money in eligible institutions.

The bill requires the annual financial report filed by public offices under continuing law to include budgetary comparison information as required by the applicable reporting framework or as prescribed by AOS.

The bill removes the requirement for AOS to operate a fiduciary training program annually for members and employees of state boards and commissions. Currently AOS must conduct the program and attendance is optional.

The bill transfers custodian responsibility for Ohio’s public land records from AOS to the Ohio History Connection. This includes original field notes and plats of the U.S. government land surveys.<sup>19</sup>

Continuing law requires executive agencies to submit copies of internally produced or independently produced audit reports to AOS. The bill specifically indicates those reports must be pre-approved by AOS as required generally under continuing law.<sup>20</sup>

---

<sup>18</sup> See also R.C. 3326.211 and 3326.07, not in the bill.

<sup>19</sup> See the [Official Ohio Lands Book \(PDF\)](#), published by AOS and available at [ohioauditor.gov/publications](http://ohioauditor.gov/publications).

<sup>20</sup> See also R.C. 117.43, not in the bill.

The bill changes an erroneous reference in the Unclaimed Funds Law from AOS to the Office of Budget and Management, which is responsible for paying unclaimed funds held by the state to the owner.

Continuing law requires county auditors, township fiscal officers, and municipal fiscal officers to complete continuing education courses. The bill adds a requirement for these officials to retain documentation that the courses have been completed, and requires AOS to audit for compliance with the continuing education requirements. For the county auditors, the bill requires the County Auditors Association of Ohio, rather than AOS as under current law, to issue notices to county auditors who have not completed the required coursework. The bill also requires township and municipal fiscal officers' continuing education to include knowledge about bulletins or other information published by AOS and any other subject deemed appropriate by AOS.

The bill removes AOS from the process of verifying the completion of initial and continuing education programs required for township fiscal officers, city auditors, city treasurers, village fiscal officers, village clerk-treasurers, village clerks, and charter municipal officers who have duties like those of a city or village officer of the type listed here, including the duty to issue certificates of completion and "failure to complete" notices to such officers who complete or fail to complete education programs, respectively.

The bill specifies that city auditors, city treasurers, village fiscal officers, village clerk-treasurers, village clerks, and charter municipal officers who have duties like those of a city or village officer of the type listed here need only retain documentation of initial or continuing education courses completed. Existing law requires such officers to retain documentation of such courses regardless of whether the courses are completed.

The bill removes AOS from the process for a county to have sectional indexes made. Currently, the work must be done to the acceptance of AOS upon allowance by the board of county commissioners.

The bill transfers, from AOS to the Department of Administrative Services, the responsibility to issue deeds for property that was originally appropriated by Congress for the support of schools and ministerial purposes. Under continuing law, a lessee can purchase the property if the lessee has leased the property for 99 years and that lease is renewable forever, or if the lessee has renewed a lease for at least a 99-year term; the lessee is given a deed in fee simple to the property. Alternatively, a school district might sell such property for a variety of other reasons. Currently, ASO must prepare a deed for these purchases. The bill transfers this responsibility to the Department of Administrative Services.

The bill removes the requirement that AOS prescribe the form/manner of records that clerks, fiscal officers, and other agents must keep related to certain wildlife/hunting/fishing permits and licenses.

The bill requires the Department of Education and Workforce (DEW), instead of AOS as under current law, to require the fiscal officer of a community school or college-preparatory boarding school to execute a bond.

Continuing law requires a community school to annually report to DEW and AOS about students who live in a children's residential center. The bill removes AOS as a recipient of the report.

The bill removes the requirement for a community school's governing authority to file a bond or submit a written guarantee of payment for audit costs.

Continuing law requires each school district to have a Capital and Maintenance Fund for acquiring, replacing, enhancing, maintaining, or repairing permanent improvements. The bill removes AOS's authority to alter the formula used to calculate the amount a school district must deposit into the fund. The bill also removes AOS'S authority to designate alternative sources of revenue a school district can deposit into the fund.

The bill requires a school district, rather than AOS, to notify DEW when the school district transfers the required deposit for certain projects.

The bill removes AOS from the process of adopting DEW policies to reduce certain amounts payable to community schools that provide computer hardware and software to students.

The bill eliminates the requirement that AOS and the DEW Director jointly establish a method for auditing community schools that provide computer hardware and software to students, as well as the requirement that AOS, the DEW Director, and the Governor jointly make recommendations to the General Assembly for legislative changes to assure fiscal and academic accountability for such schools.

When funds due to the Ohio Facilities Construction Commission (FCC) have not been returned within 60 days by a school district, the bill requires FCC to certify the amount to the Attorney General for collection. Currently, AOS issues a finding for recovery against the school district.

The bill eliminates a provision requiring AOS to audit school districts serving as STEM school sponsoring districts for compliance with certain financing requirements in the course of an annual or biennial audit of the district.

The bill removes AOS (or a representative) as an alternate person responsible for counting all remaining money, bonds, and other securities of a library's or board of education's fiscal officer. Under continuing law, this can be counted by the board of library trustees or board of education, as applicable, or a committee of the board.

Continuing law allows AOS to conduct annual audits of school districts' enrollment information "by a number of school districts determined by the [Auditor] and selected at random." The bill removes this limiting language, thereby allowing AOS full discretion in selecting which school districts to audit.

Ohio's Tax Levy Law requires political subdivisions to obtain approval of AOS before creating a new fund; AOS must consult the Tax Commissioner before approving a fund. The bill makes two changes. First, it removes the requirement for AOS to consult the Tax Commissioner. Second, an exemption exists under continuing law for a board of health of a city or general health

district to establish a Home Health Services Fund; the bill simply relocates this exemption to another provision containing numerous exemptions.

The bill removes the authority of the Director of Agriculture and Director of Health to ask AOS to audit retail food establishment license fees or food service operation license fees charged by a local board of health. Continuing law allows a Director to request an audit of the board if the Director feels it would be in the public interest.

The bill removes the requirement for the Director of Development to consult with AOS when preparing reports about the impact of the prohibition against discontinuing heating services on the number of uncollectible and past due residential accounts. The Director still is required to consult with energy companies, energy dealers, the Department of Aging, and the Commission on Hispanic-Latino Affairs.

The bill removes AOS and the Secretary of State from the process for investing money received by the courts for the assurance fund. Currently, the Treasurer of State must invest the funds with the advice and approval of AOS and the Secretary of State.

The bill removes AOS from the process of filing an action against an officer of the organized militia who cannot properly account for property/money in the officer's possession. Currently, either the Adjutant General or AOS can initiate such an action.

The bill requires the judges that preside over conservancy districts, instead of AOS as under current law, to consider approvals for modifying the form of the annual levy portion of a conservancy district's assessment record.

The bill removes outdated provisions from the Revised Code related to the now-abolished State Committee for the Purchase of Products and Services by Persons with Severe Disabilities. New provisions were enacted to govern the procurement of products and services provided by persons with work-limiting disabilities from qualified nonprofit agencies.<sup>21</sup>

The bill removes forms prescribed by AOS from the process of filing an estimate of contemplated revenue and expenditures for the ensuing fiscal year by the head of a department, board, commission, or district authority entitled to participate in an appropriation or revenue of a subdivision, and from school district appropriation measures.

The bill eliminates the requirement that a tax budget and school library district budget include certain information prescribed by AOS.

## **Audit state institutions of higher education safeguards**

(R.C. 3345.591)

The bill amends law recently enacted via S.B. 1 of the 136<sup>th</sup> General Assembly, which will take effect on June 27, 2025. Under continuing law, state institutions of higher education must implement safeguards to protect the institution's intellectual property, state security, and national security. Existing law requires AOS to audit these safeguards pursuant to AOS's

---

<sup>21</sup> R.C. 125.60 to 125.6012, not in the bill.

continuing duty to conduct performance audits of state agencies. The bill changes AOS's duty to audit the safeguards to be pursuant to AOS's continuing duty to audit public offices, reducing the number of mandatory audits.<sup>22</sup>

---

<sup>22</sup> R.C. 117.46, not in the bill; R.C. 117.11.