

Auditor of State

OVERVIEW

The Auditor of State is an elected constitutional officer who serves a four-year term and is responsible for auditing all public offices in Ohio including: cities and villages, schools and universities, counties and townships, as well as the many departments, agencies and commissions of state government. Over 4,600 audits are performed each year. The Auditor also provides consulting services to local entities, training for public officers, and prepares state payroll statements.

The Auditor of State employs approximately 965 full time employees and is currently operating with an annual budget of approximately \$89.67 million to fulfill its responsibilities. The majority of the Auditor's employees are approximately 800 auditors located around the state in 9 regional offices (Canton/Akron, Cincinnati, Cleveland, Columbus, Dayton, Southeast, Toledo, and Youngstown). Each regional office is staffed by a Senior Deputy Auditor and an Assistant Senior Deputy Auditor.

The Auditor of State's office is organized into three budget *programs*, each referred to as a Program Series. The three program series, as described in the Executive Blue Book, are Audit Services (Program Series 1), Centralized Services (Program Series 2), and Local Government Services (Program Series 3). Each of these three program series will be presented in detail in the Analysis of Executive Proposal section of this Red Book.

The work of the Auditor's office is completed through seven *divisions* of operation:

- Audit Division.
- Administration Division.
- Local Government Services Division.
- Fraud, Waste, and Abuse Prevention (FWAP) Division.
- Information Technology Division.
- Planning, Initiative, and Communication Division.
- Legal Division.

Audit Division

Under the authority of ORC Chapter 117, the Audit Division performs financial and compliance audits of Ohio's public entities to identify critical issues related to public entities' financial reporting, legal compliance, reportable conditions, systems of internal control, control weaknesses, high-risk investments, and irregular or illegal activities. The Audit Division serves all state and local government entities in Ohio. Working from the nine regional offices (eight geographic regions and one for state audits), the

auditors audit the financial records of Ohio's political subdivisions, ensuring that state and locally collected revenues are spent according to the direction of the General Assembly, school boards, city or village councils, township trustees, and boards of county commissioners. Audits are conducted on an annual basis to meet federal government requirements. Biennial audits are also performed with auditors examining both years in a biennium. Audits are done to ensure that:

- Public funds are legally expended.
- Records are maintained in accordance with law.
- Generally Accepted Accounting Principles (GAAP) are followed.
- Standard principles of fiscal management are followed.

In addition to continuing existing auditing practices, the Audit Division, with the recent enactment of Senate Bill 345, will add two new types of entities, Community Improvement Corporations (CIC) and Community Development Corporations (CDC) to their client base. The number of CICs is 295; and the number of CDCs is 5.

Administration Division

The Administration Division monitors the human resources, records, graphics, financial, and warrant writing functions of the Auditor's office. The Administration Division also provides the Auditor's budget, an annual financial statement, regular financial information to management, the payroll, and invoices for collections and services to local and state governments. The Administration Division provides warrant writing and electronic funds transfer administration. The division provides centralized support to the office's 965 full-time employees and is responsible for purchasing and inventory management for the Auditor's office operations.

Local Government Services Division (LGS)

The Local Government Services Division acts as a consulting and fiscal advisory group to all government agencies and subdivisions. In that role the Local Government Services Division provides technical expertise, training, professional accounting services, GAAP conversion assistance, financial forecasts, fiscal watch and emergency analysis, records reconstruction and reconciliation, and assistance with the Uniform Accounting Network (UAN), which is an accounting system for townships, villages, and libraries. In FY99 LGS became responsible for developing ratio analysis for local governments.

The LGS joined with the State Software Development Team in the creation of the GAAP subsystem for schools. GAAP software is intended to save time and money by making the conversion process more efficient and eventually enabling local governments to become less reliant on hired consultants. Available to counties and cities, GAAP software allows local entities to submit their annual financial reports to the Auditor of State's office electronically.

The Local Government Services Division is responsible for implementing the Uniform Accounting Network (UAN), which is an electronic data processing accounting system for townships, villages, and libraries to assist these subdivisions in the keeping of their accounting records. The system includes hardware, software, training, and support. UAN's accounting, payroll, and ancillary applications (i.e. cemetery and inventory tracking) help to reduce the time necessary for entities to process accounting

transactions and maintain the related accounting records. About 1460 Ohio townships, villages, libraries, and special districts are audited using the Uniform Accounting Network. The Auditor of State has completed the following number of UAN-based audits: townships (1034), villages (309), libraries (93), and special districts (24). The annual fee for participating in UAN depends upon a local government's total annual budgeted revenues. The fee ranges from as low as \$336 per year for entities with annual revenues under \$50,000 to as high as \$3,636 per year for governments with revenues over \$10 million per year.

The Local Government Services Division will assist 10 districts in converting their fiscal 2000 financial statements to the new GASB 34 accounting format. The pilot project gives all involved parties – schools, LGS staff, and auditors – invaluable experience in learning and applying the new accounting format.

Fraud, Waste, and Abuse Prevention Division (FWAP)

The Fraud, Waste, and Abuse Prevention Division helps state and local governments identify and prevent fraud, waste, and abuse in their operations and public assistance programs. The division constantly develops new approaches to discover and recover misspent funds and identifies best business practices for assuring improved service delivery and operations.

Formally established in September 1995, the Fraud, Waste, and Abuse Prevention Division (FWAP) performs audits that differ from those performed by the Audit Division. Under authority of ORC Chapter 117, the FWAP identifies and reports incidents of noncompliance with state laws and local regulations. The Division serves as a source of analysis concerning the existence of fraud, waste, and abuse in Ohio institutions. FWAP's mission is to assess how well programs are performing in respect to their mandated objectives and taxpayer expectations, and to help state agencies prevent misspending their funds and improve their program operations. Included in this effort is an assessment of the potential for fraud, waste, and abuse within each program. FWAP may complete any of the following duties:

1. Assess the efficiency, economy, and effectiveness of agency programs.
2. Highlight incidents of noncompliance with federal and state laws and regulations.
3. Identify systemic weaknesses in internal controls.
4. Identify opportunities to recover misspent funds.
5. Recommend actions to improve agency operations and prevent future occurrences of fraud, waste, and abuse.

FWAP works closely with Medicaid, Child Support, and Welfare managers in the Ohio Department of Jobs and Family Services (ODJFS); the Ohio Attorney General's Medicaid Fraud Unit; the U.S. Attorney's Office; the Ohio Medical and Pharmacy Boards; and Federal Offices of Inspector General. In addition, the Auditor's Office formed the Welfare Fraud Prevention Initiative, which brings together over 20 Federal, State, local, and private sector stakeholders from across the state to discuss welfare fraud prevention.

Information Technology Division

The Information Technology Division is responsible for maintaining a Local Area Network (LAN) and a Wide Area Network (WAN) to provide information to the nine regional offices and more than 900 personal computers. The Information Technology division prints warrants and oversees electronic fund transfers.

Planning, Initiatives, and Communication Division

The Planning, Initiatives, and Communication Division serves the public and news media by responding to thousands of requests for information each year, ensuring the public is informed on the results of over 4,600 current audits and other initiatives. The staff seeks to ensure that the audit information is delivered in a timely and understandable fashion, allowing the public to be informed on how tax dollars are spent. This division provides information through a variety of media, including external training, regional advisory board meetings, Auditor of State technical bulletins, publications such as *Grant Source*, a Web site, and news releases. The staff also provides all internal communications functions.

Legal Division

The Legal Division provides legal expertise to management and local governments. The Legislative Affairs department of the Legal Division assists with the preparation and review of legislation affecting government finance.

ADDITIONAL FACTS AND FIGURES

Division	1998	1999	2000
Administration	51	56	56
Audit	675	699	740
Information Technology	47	51	36
Fraud, Waste, Abuse, and Prevention (FWAP)	28	29	30
Legal	18	20	9
Local Government Services	73	74	81
Communication			13
Totals	892	929	965

Employee Years of Experience – FY 2000*		
Tenure	Number of Employees	% of Total
Under 2 Years	202	21%
2-5 years	175	18.1%
5-10 years	198	20.5%
10-15 years	160	16.6%
15-20 years	112	11.6%
20-25 years	83	8.6%
Over 25 years	35	3.6%
Total	965	100%

**Source: Auditor of the State of Ohio*

Government Audits

There are over 4,600 public agencies that by Ohio law must be audited at least once every two years by the Auditor of State. Most local governments and state agencies must be audited annually under federal law. The Auditor is permitted to charge public agencies for the cost of these audits. The auditor is also permitted to contract with independent public accounts (IPAs) in the private sector to complete required audits. The following list* displays the number of audits performed in FY 2000 by the Auditor of State per entity type.

Total Number of Audits Released by all Divisions – FY 2000

Libraries	237
Schools	713
Cities	312
Villages	441
Townships	894
County and County Agencies	944
Universities	50
State Agencies	88
Health Care	36
Special Audits	<u>23</u>
TOTAL	3,738

* Source: Clerk of the Bureau (within the Audit Division of the Auditor of State)

Warrants Issued by Auditor of State

The Auditor of State issued warrants and electronic fund transfers electronic fund transfers (EFTs) in the following amounts and numbers.

Warrants (FY2000)			EFTs (FY 2000)	
Type	Count	Amount	Count	Amount
Judicial Payroll	3,950	\$28,628,462.46	3,130	\$15,268,962.57
Legislative Payroll	404	\$4,926,903.85	753	\$3,296,999.98
Bi-weekly Payroll	652,143	\$2,119,552,092.13	72,572	\$1,247,087,074.33
Maintenance	1,099,407	\$6,829,120,944.67	267,191	\$19,886,972,774.32
Income Tax	3,822,519	\$1,075,404,509.38	260,480	\$55,480,723.39
Monthly Welfare	1,495,913	\$389,369,475.38	95,332	\$25,768,557.80
Auxiliary	257,997	\$73,720,011.16		
Medicaid	452,844	\$1,665,364,159.51	228,340	\$4,718,874,565.91
Foster Care	983	\$80,686,042.18		
Workforce	4,851	\$300,332.24		
Q12	52	\$1,596,675.47		
Replacements	6,189	\$12,096,573.73		
Totals	7,797,252	\$12,280,766,182.16	1,627,798	\$25,952,749,658.20

Accomplishments and Initiatives

The following accomplishments and initiatives are included among those listed by the Auditor of State.

- A comprehensive technology project to improve report processing by adopting more paperless steps. Online audits have eliminated labor-intensive steps associated with printing, mailing, and editing reports, and saving an anticipated \$500,000 annually.
- Helping Ohio's school systems increase efficiency through performance audits for school districts in a fiscal watch or a fiscal emergency.
- Identification of more than \$50 million in improperly spent or unaccounted tax dollars in fiscal 2000, an effort that produced \$8.5 million in questioned spending through special audits.
- Effective financial training to client governments, independent public accounting firms and even peer agencies.
- Offered early training opportunities and collaboration with client governments to help them adopt the GASB No. 34 standard for comprehensive governmental accounting years ahead of schedule. Standards become effective in 2002.
- Completed an equipment upgrade for more than 1,400 governments involved in the Uniform Accounting Network (UAN) program, an accounting and reporting system that is designed to meet the needs of smaller governments at an affordable cost. Nearly two-thirds of Ohio's townships, villages, and libraries are UAN members.

ANALYSIS OF EXECUTIVE PROPOSAL

The executive proposal addresses the Auditor of State’s budget through three Program Series: Audit Services Program (Program Series 1), Centralized Services Program (Program Series 2), and Local Government Services Program (Program Series 3).

AUDIT SERVICES PROGRAM

Program Series 1

Purpose This program series is comprised of two of the seven divisions of the Auditor’s office:

- Audit Division.
- Fraud, Waste, and Abuse Prevention Division (FWAP).

The audit services provided by the Audit Services Division identify critical issues related to public entities financial reporting. Audit Services Division also provides recommendations to government entities regarding how to improve internal controls and overall operations. The Fraud, Waste, and Abuse Prevention Division identifies and reports incidents of non-compliance with state laws and local regulations.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	070-321	Operating Expenses	\$20,020,471	\$21,370,851
GRF	070-403	Fiscal Watch/Emergency Tech Assistance	\$450,000	\$450,000
109	070-601	Public Audit Expense – Intrastate	\$8,883,722	\$8,983,722
422	070-601	Public Audit Expense – Local Government	\$33,840,100	\$33,840,100
Total funding: Audit Services Program			\$63,194,293	\$64,644,673

Funding Source: GRF and Auditor of State Fund Group (rotary funds 109, 422) moneys that come from charges to state and local governments for the cost of audits provided by the Audit Division and from fees paid by local officials for training sessions.

Audit Division

Implication of the Executive Recommendation: The Governor’s recommendation will enable the Auditor to carry out statutory and constitutional responsibilities. In addition, this funding level will allow the Auditor to continue improving the timeliness of completing required audits of public agencies. The Auditor should also be able to perform more performance audits and special audits with the recommended funding level. The number of performance audits and special audits requested from local governments, particularly larger school districts and local governments in fiscal watch, are anticipated to increase over the biennium.

Performing more performance and special audits will require increased employee

compensation in order to ensure the Auditor has enough qualified staff for the demands of the FY 2002 – FY 2003 biennium. The recommended funding will allow for these staff costs.

Fraud, Waste, and Abuse Prevention Division

In the previous biennium, FWAP issued more than 100 reports that contained \$16.5 million in identified findings that resulted in more than \$4 million. FWAP continues to reach its goals of preventing the erroneous distribution of money in Medicaid-related payments to nursing homes, assisting program administrators in improving internal controls over payments in the Medicaid, Food Stamp, and Public Assistance programs, and helping the Department of Administrative Services develop written uniform procedures for the handling and safeguarding of bids and proposals.

CENTRALIZED SERVICES PROGRAM

Program Series 2

Purpose: The Centralized Services Program is comprised of four of the seven divisions:

- Administration Division.
- Legal Division.
- Planning, Initiatives, and Communication Division.
- Information Technology Division.

Through the *Administration Division*, the Auditor oversees services to state-funded agencies, handles various administrative activities such as writing over 7.7 million warrants (checks) annually for state payroll, and Aid to Families with Dependent Children recipients, making payments to the state's suppliers of goods and services, handling over 1.6 million electronic fund transfers (EFTs), handling budgeting, billing and accounts receivable, and maintaining the inventory and deed records of state-owned real property.

The *Legal Division* provides professional support and legal guidance to state agencies and local governments.

Through the *Planning, Initiatives, and Communication Division*, the Auditor's office serves the public and news media by responding to thousands of requests for information each year, ensuring that the public is informed on the results of current audits and other initiatives.

The *Information Technology Division* maintains a Local Area Network (LAN) and a Wide Area Network (WAN) connecting the Auditor's nine regional offices. This division writes warrants and maintains a role in handling electronic fund transfers.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	070-321	Operating Expenses	\$13,489,330	\$14,095,735
GRF	070-405	Electronic Data Processing – Administration	\$1,037,823	\$1,077,707
GRF	070-406	Uniform Accounting Network/Technology Improvement Fund	\$1,448,714	\$1,451,001
109	070-601	Public Audit Expense – Intrastate	\$274,979	\$285,266
422	070-601	Public Audit Expense – Local Government	\$920,972	\$928,972
R06	070-604	Continuous Receipts	\$204,400	\$209,510
Total funding: Centralized Services			\$17,376,218	\$18,048,191

Funding Source: GRF and Auditor of State Fund Group (rotary funds 109, 422) moneys that come from charges to state and local governments for the cost of audits provided by the Audit Division.

Administration Division

Program Description: The Administration Division consists of three departments: the Department of Finance, Department of General Services, and the Department of Human Services. Finance is responsible for the office's budget and the financial plan. Daily functions of the Administration Department include: processing payment of bills, receiving payments from audited entities, keeping track of billing and audit costs, and administering payroll. Authority for the Administration Division comes from ORC Chapter 117.

The Administration Division is responsible for the timely issuance of all payroll, maintenance and welfare warrants for the Auditor of State. The department recommends technology purchases and supports the hardware and software for the Local Area Network (LAN), personal computers, and mainframe computers in use by employees throughout the office.

Implication of the Executive Recommendation: The Governor’s recommendation will enable the Auditor to continue the activities of this program series at current levels as well as operate more efficiently and effectively.

Legal Division

Program Description: The Legal Division consists of the legal staff and a Legislative Affairs Department.

Legal Staff provides professional support to the Auditor, the Auditor’s employees, state and local entities, and the public. For example, legal staff provide legal guidelines to local governments to ensure that they are operating in compliance with state laws.

Legislative Affairs Department works with Auditor's office staff members, legislators and local government representatives in the preparation and review of legislation affecting government finance.

Implication of the Executive Recommendation: The Governor's recommendation will enable the Auditor to continue the activities of this program at current levels.

Planning, Initiatives, and Communication Division

Program Description: The Planning, Initiatives, and Communication Division serves the public and news media by responding to thousands of requests for information each year, ensuring that the public is informed on the results of current audits and other initiatives. Staff seeks to ensure audit information is delivered in a timely and understandable fashion, allowing the public to be informed on how tax dollars are spent. This division provides information through a variety of media, including external training, regional advisory board meetings, Auditor of state technical bulletins, publications, a website, Grant Source, and news releases. The staff also provides all internal communications functions.

Information Technology Division

Program Description: This division is responsible for maintaining a Local Area Network (LAN) and a Wide Area Network (WAN) to provide information to the nine regional offices and more than 900 personal computers.

LOCAL GOVERNMENT SERVICES PROGRAM

Program Series 3

Purpose The Local Government Services Program is comprised of only one of the seven divisions of the Auditor of State's office:

- Local Government Services Division.

The Local Government Services Division provides professional and technical services and assistance to local governments in the areas of accounting and operational activities. These services include technical expertise, training and professional accounting services to local governments – including assistance with GAAP conversion, assistance with financial forecasts, fiscal watch and emergency analysis, records reconstruction and reconciliation, and help in using the Uniform Accounting Network (UAN). UAN is an accounting system for townships, villages, and libraries. In FY 1999, LGS became responsible for developing ratio analysis for local governments.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	070-321	Operating Expenses	\$2,996,500	\$3,175,200
GRF	070-403	Fiscal Watch/Emergency Technical Assistance	\$550,000	\$550,000
GRF	070-406	Uniform Accounting Network/Technology Improvement Fund	\$974,600	\$1,007,200
109	070-601	Public Audit Expense – Intrastate	\$338,500	\$360,600
422	070-601	Public Audit Expense – Local Government	\$2,689,400	\$2,848,000
584	070-603	Training Program	\$198,200	\$217,000
675	070-605	Uniform Accounting Network	\$2,809,200	\$2,741,600
GRF	Sub-total P003	General Revenue Fund	\$4,521,100	\$4,732,400
Other Funds	Sub-total P003	Other Funds	\$6,035,300	\$6,167,200
Total P003 funding: Local Government Services			\$10,556,400	\$10,899,600

Funding Source: GRF and Auditor of State Fund Group (rotary funds 109, 422, 584, 675) moneys that come from charges to state and local governments for the cost of audits provided by the Audit Division and from fees paid by local governments for participation in UAN and various training sessions for local officials.

Local Government Services Division

Implication of the Executive Recommendation: The Governor’s recommendation will permit the Auditor to continue to offer additional assistance and benchmarking reports through this program and to continue upgrading the hardware and software for UAN. Recommended funding will permit the Auditor to maintain a replacement schedule for UAN to keep all hardware and software current. The Auditor expects to have a greater demand for the services of LGS over the next two years. The expected increase in demand is the result of:

- Increased requests for assistance with financial forecasts and reporting from local governments in fiscal watch.
- Continued expansion in the number of villages, townships, and libraries using UAN.
- Passage of SB 81 by the 122nd G.A., which expanded local training requirements to include annual training for village clerks and treasurers.
- Issuance of a revision to the financial reporting model for governments by the Governmental Accounting Standards Board, which will likely necessitate the Auditor of State’s assistance to local governments to enable local compliance with the changes set forth by the Board.

FY02-03 BIENNIUM BUDGET SUMMARY --- AUDITOR OF STATE

The following table displays a summary of the multi-program appropriated line items – those appropriated line items that are distributed over all three of the Program Series.

Fund	ALI	Title	FY 2002	FY 2003
GRF	070-321	Operating Expenses	\$36,506,301	\$38,641,786
GRF	070-403	Fiscal Watch/Emergency Technical Assistance	\$1,000,000	\$1,000,000
GRF	070-405	Electronic Data Processing – Administration	\$1,037,823	\$1,077,707
GRF	070-406	Uniform Accounting Network/Technology Improvement Fund	\$2,423,314	\$2,458,201
GRF Totals			\$40,967,438	\$43,177,694
109	109-601	Public Audit Expense–Intra- State	\$9,497,201	\$9,629,588
422	070-601	Public Audit Exp Local Government	\$37,450,472	\$37,617,072
584	070-603	Training Program	\$198,200	\$217,000
R06	070-604	Continuous Receipts	\$204,400	\$209,510
Fund 675	070-605	Uniform Accounting Network	\$2,809,200	\$2,741,600
Total Rotary Funds			\$50,159,473	\$50,414,770
Total All Budget Fund Groups			\$91,126,911	\$93,592,464

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Temporary Law Provisions

Fiscal Watch/Emergency Technical Assistance

Ohio Revised Code Chapters 118 and 3316 currently requires the Auditor of State to assume a role relating to fiscal watch or fiscal emergency activities; and in the fulfillment of that role, will incur expenses. Appropriation line item 070-402 shall be used for these expenses.

The Auditor of State's responsibilities shall include, but not be limited to, the following:

- Duties related to the determination or termination of fiscal watch or fiscal emergency of municipalities, counties, or townships as outlined RC 118 and of school district as outlined in RC 3316.
- Development of preliminary accounting reports.
- Performance of annual forecasts.
- Provision of performance audits.
- Supervisory, accounting, or auditing services for the above-mentioned public entities and school districts.

The unencumbered balance of appropriation item 070-403, Fiscal Watch/Fiscal Emergency Technical Assistance at the end of fiscal year 2002 is hereby transferred to fiscal year 2003 for use under the appropriation item.

Electronic Data Processing

The unencumbered balance of appropriation item 070-405, Electronic Data Processing-Auditing and Administration, at the end of fiscal year 2002 is hereby transferred to fiscal years 2003 for use under the same appropriation item.

Uniform Accounting Network/Technology Improvements Fund

The foregoing appropriation item 070-406 Uniform Accounting Network/Technology Improvements Fund, shall be used to pay the cost of the development and implementation of the Uniform Accounting Network and technology improvements for the Auditor of State's Office. The unencumbered balance of the appropriation at the end of fiscal year 2002 is hereby transferred to fiscal year 2003 to pay the costs of the development and implementation of the Uniform Accounting Network and technology improvements for the Auditor of State's Office.

REQUESTS NOT FUNDED

All of the Auditor of State's requests were fully funded.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	2000	Estimated 2001	Executive 2002	% Change 2001 to 2002	Executive 2003	% Change 2002 to 2003
AUD Auditor of State								
GRF	070-321	Operating Expenses	\$ 33,982,036	\$33,625,207	\$ 36,506,301	8.6%	\$ 38,641,786	5.8%
GRF	070-403	FISCAL WATCH/EMERGENCY TECH ASSISTN	\$ 129,491	\$250,000	\$ 1,000,000	300.0%	\$ 1,000,000	0.0%
GRF	070-405	Electronic Data Processng-Aud & Adm	\$ 665,605	\$1,002,079	\$ 1,037,823	3.6%	\$ 1,077,707	3.8%
GRF	070-406	UAN/Technology Improvement Fund	\$ 2,468,221	\$7,788,514	\$ 2,423,314	-68.9%	\$ 2,458,201	1.4%
General Revenue Fund Total			\$ 37,245,353	\$ 42,665,800	\$ 40,967,438	-4.0%	\$ 43,177,694	5.4%
109	070-601	Public Audit Exp Intra-State	\$ 7,952,426	\$8,933,768	\$ 9,497,201	6.3%	\$ 9,629,588	1.4%
422	070-601	Public Audit Exp Local Government	\$ 27,483,967	\$36,472,007	\$ 37,450,472	2.7%	\$ 37,617,072	0.4%
584	070-603	Training Program	\$ 88,823	\$168,819	\$ 198,200	17.4%	\$ 217,000	9.5%
675	070-605	Uniform Accounting Network	\$ 1,218,754	\$1,229,253	\$ 2,809,200	128.5%	\$ 2,741,600	-2.4%
General Services Fund Group Total			\$ 36,743,970	\$ 46,803,847	\$ 49,955,073	6.7%	\$ 50,205,260	0.5%
R06	070-604	Continuous Receipts	\$ 43,785	\$200,000	\$ 204,400	2.2%	\$ 209,510	2.5%
Holding Account Redistribution Fund Group Total			\$ 43,785	\$ 200,000	\$ 204,400	2.2%	\$ 209,510	2.5%
Total All Budget Fund Groups			\$ 74,033,108	\$ 89,669,647	\$ 91,126,911	1.6%	\$ 93,592,464	2.7%

General Revenue Fund

GRF 070-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$26,730,642	\$27,887,893	\$33,982,036	\$33,625,207	\$36,506,301	\$38,641,786
	4.3%	21.9%	-1.1%	8.6%	5.8%

Source: GRF

Legal Basis: ORC 117.09

Purpose: To pay for personnel, maintenance, and equipment for the agency

GRF 070-403 FISCAL WATCH/EMERGENCY TECH ASSISTN

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$129,491	\$250,000	\$1,000,000	\$1,000,000
	N/A	N/A	93.1%	300.0%	0.0%

Source: GRF

Legal Basis: Am. Sub. H.B. 283 of the 123rd General Assembly

Purpose: To pay costs of providing technical and other assistance to local governments in fiscal watch and emergency

GRF 070-405 Electronic Data Processng-Aud & Adm

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$517,015	\$502,253	\$665,605	\$1,002,079	\$1,037,823	\$1,077,707
	-2.9%	32.5%	50.6%	3.6%	3.8%

Source: GRF

Legal Basis: ORC 117.10

Purpose: To pay for auditing state and local governments with computer-accounting based units and automated record keeping devices. Moneys are also used to administer automated systems needed to support and/or implement warrant writing and to inventory real and personal property owned by the state.

GRF 070-406 UAN/Technology Improvement Fund

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,898,139	\$1,370,342	\$2,468,221	\$7,788,514	\$2,423,314	\$2,458,201
	-27.8%	80.1%	215.6%	-68.9%	1.4%

Source: GRF

Legal Basis: ORC 117.101

Purpose: To pay for the development and implementation of the Uniform Accounting Network, including the activation costs for new participants. UAN is an electronic financial data processing system that provides accounting services to townships, villages, and libraries. Beginning with the FY 2000-FY 2001 biennium, this line item also pays for the implementation of new technology for the Auditor.

General Services Fund Group

109 070-601 Public Audit Exp Intra-State

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$5,073,609	\$5,885,780	\$7,952,426	\$8,933,768	\$9,497,201	\$9,629,588
	16.0%	35.1%	12.3%	6.3%	1.4%

Source: GSF: Payments from state agencies for the cost of annual, special, and biennial audits performed by the Auditor

Legal Basis: ORC 117.13

Purpose: To pay costs related to audits of state agencies

422 070-601 Public Audit Exp Local Government

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$25,809,810	\$26,622,034	\$27,483,967	\$36,472,007	\$37,450,472	\$37,617,072
	3.1%	3.2%	32.7%	2.7%	0.4%

Source: GSF: Payments from political subdivisions for the cost of annual, special, and biennial audits performed by the Auditor

Legal Basis: ORC 117.13

Purpose: To pay costs related to audits of non-state public agencies

584 070-603 Training Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$57,812	\$30,407	\$88,823	\$168,819	\$198,200	\$217,000
	-47.4%	192.1%	90.1%	17.4%	9.5%

Source: GSF: Fees collected from township clerks, city auditors, village clerks, county treasurers and staff of these officials who attend training sessions offered by the Auditor

Legal Basis: ORC 117.44 (county treasurer added to this section in Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: To pay for training of newly elected local fiscal officials and ongoing training of county treasurers

675 070-605 Uniform Accounting Network

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$289,591	\$257,311	\$1,218,754	\$1,229,253	\$2,809,200	\$2,741,600
	-11.1%	373.7%	0.9%	128.5%	-2.4%

Source: GSF: Annual fees from local governments ranging from \$336 to \$3,636, depending on the budgeted revenues of the local government

Legal Basis: ORC 117.13

Purpose: To pay for computer maintenance, upgrades, consulting, and other costs associated with maintaining the Uniform Accounting Network (UAN) for current members

Holding Account Redistribution Fund Group

R06 070-604 Continuous Receipts

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$15,271	\$30,423	\$43,785	\$200,000	\$204,400	\$209,510
	99.2%	43.9%	356.8%	2.2%	2.5%

Source: 090: Receives moneys collected by the Attorney General's Office from the resolution of cases of fraud involving warrants issued by the Auditor.

Legal Basis: Am. Sub. H.B. 283 of the 123rd G.A.

Purpose: To hold certain payments made to the Auditor by the Attorney General until a determination is made as to their proper disposition. The function of this line item was previously performed by the Depository Trust Fund, which was abolished in 1985 by the Am. Sub. H.B. 201 of the 116th General Assembly.