AUDITOR OF STATE

- Requires the Auditor of State (AOS) to conduct a performance audit of PUCO by May 1, 2027.
- Requires AOS to conduct a performance audit and a financial audit of the Ohio Judicial Conference and provide the results to the Speaker of the House and the Senate President by December 31, 2026.
- Eliminates AOS's responsibility to pay for audit costs related to audits of medical assistance programs or individual medical assistance recipients.
- Allows the AOS to access a state agency or state institution of higher education's systems 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.

Performance and financial audits

(Sections 701.90 and 701.140)

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

The act requires AOS to conduct a performance audit and a financial audit of the Ohio Judicial Conference and provide the results to the Speaker of the House and the Senate President by December 31, 2026.

Audit costs for medical assistance programs and recipients

(R.C. 5160.23, repealed)

The act 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. Formerly, AOS was 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.[13]

[13] R.C. 117.13, not in the act.

Access during audit

(R.C. 117.56)

The act modifies recently enacted law, scheduled to take effect October 1, 2025, that requires the Department of Transportation (ODOT) to give AOS access, during a financial or performance audit, to any system ODOT uses or maintains. The act expands this requirement to all state agencies and state institutions of higher education. It also establishes the following requirements:

- The access must be read-only and downloadable for analysis.
- The access must be requested after the notice of engagement letter is sent to the agency or institution.
- Any AOS employee or contractor must be a U.S. national of or lawful permanent resident of the U.S. to access the system or data.
- The data accessed must be kept on servers located in the U.S.
- The agency or institution must provide a comprehensive list of all the data available and data definitions necessary to understand the systems and data.

The act specifies that a system breach, unauthorized access, or unauthorized release of information resulting from the AOS accessing the system or data must be reported immediately to the State Highway Patrol and any other relevant law enforcement agency for criminal investigation.

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 act 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 having required the parties to give "satisfactory assurance" to AOS that affected records would be subject to audit as under prior law, the act simply makes those books and records subject to audit.

The act repeals law that required 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.[14]

[14] See also R.C. 3326.07 and 3326.211, not in the act.

The act repeals law that required 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 act 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 act 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 act 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.[15]

Continuing law requires executive agencies to submit copies of internally produced or independently produced audit reports to AOS. The act specifically indicates those reports must be pre-approved by AOS as required generally under continuing law.[16]

The act 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 act 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 act requires the County Auditors Association of Ohio, rather than AOS as under prior law, to issue notices to county auditors who have not completed the required coursework. The act 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 act 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 act 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

[15] See the Official Ohio Lands Book (PDF), published by AOS and available at ohioauditor.gov/publications.

[16] See also R.C. 117.43, not in the act.

education courses completed. Former law required such officers to retain documentation of such courses regardless of whether the courses are completed.

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

The act transfers, from AOS to the Department of Administrative Services (DAS), 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. Formerly, AOS had the responsibility to prepare a deed for these purchases. The act transfers this responsibility to DAS.

The act 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 act requires the Department of Education and Workforce (DEW), instead of AOS as under former 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 act removes AOS as a recipient of the report.

The act 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 act removes AOS's authority to alter the formula used to calculate the amount a school district must deposit into the fund. The act also removes AOS'S authority to designate alternative sources of revenue a school district can deposit into the fund.

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

The act 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 act 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 act requires FCC to certify the amount to the Attorney General for collection. Formerly, AOS issued a finding for recovery against the school district.

The act eliminates a requirement that AOS 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 act 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 act 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 act 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 act simply relocates this exemption to another provision containing numerous exemptions.

The act 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 act 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 act removes AOS and the Secretary of State from the process for investing money received by the courts for the assurance fund. Formerly, the Treasurer of State had to secure the advice and approval of AOS and the Secretary of State in order to invest the funds.

The act 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. Formerly, either the Adjutant General or AOS could initiate such an action.

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

The act repeals outdated laws related to the now-abolished State Committee for the Purchase of Products and Services by Persons with Severe Disabilities. New law was enacted to govern the procurement of products and services provided by persons with work-limiting disabilities from qualified nonprofit agencies.[17]

The act 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 act 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 act amends law recently enacted via S.B. 1 of the 136th General Assembly, which took effect June 27, 2025. Under that law, state institutions of higher education must implement safeguards to protect the institution's intellectual property, state security, and national security. The law formerly required AOS to audit these safeguards pursuant to AOS's continuing duty to conduct performance audits of state agencies. The act changes AOS's duty to audit the safeguards so that it be pursuant to AOS's continuing duty to audit public offices, reducing the number of mandatory audits.[18]

[17] R.C. 125.60 to 125.6012, not in the act.

[18] R.C. 117.46, not in the act; R.C. 117.11.