

OHIO AUDITOR OF STATE
KEITH FABER

A photograph of a multi-tiered waterfall cascading over a rocky cliff face. The water is captured with a long exposure, creating a soft, blurred effect. The surrounding area is lush with green trees and foliage.

2024 ANNUAL REPORT

Efficient



Effective



Transparent



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Mission

As Ohio's chief compliance officer, the Auditor of State makes Ohio government more efficient, effective, and transparent by placing checks and balances on state and local governments for taxpayers.

Letter from the Auditor



Ohioans should have confidence that their state and local governments are not abusing their tax dollars. Our mission at the Auditor of State's Office is to help ensure that Ohio's public dollars are being used legally and that instances of waste or fraud in public spending is identified and stopped.

In the last fiscal year, our Audit team released 4,132 audits, including 3,665 financial audits that identified nearly \$2 million in findings for recovery from misspent funds.

During FY 2024, our Special Investigations Unit (SIU) helped to convict eight corrupt public employees and issued 24 findings for recovery, for total recovery of nearly \$1.3 million.

This report summarizes some of our office's accomplishments over the last year:

Latest Medicaid Report Identified More Than 120,000 Individuals Enrolled in Multiple States

The data contained over 124,000 individuals that were enrolled in Ohio's program and at least one other state's program at the same time.

Auditors were unable to confirm Ohio residency for 40 percent of the sampled capitation payments between 2019 and 2022. Over the four-year period examined, Ohio made capitation payments of more than \$1 billion to provide services to individuals enrolled in multiple states' Medicaid programs. The estimated financial impact on the Medicaid Program was more than \$200 million.

Special Investigations Unit Continued to Bring Criminals to Justice

Over the last five years, the Auditor's SIU has helped to convict more than 120 individuals caught stealing from Ohio's public coffers.

This has led to findings for recovery exceeding \$20 million.

New Laws Require Fraud Training and Reporting for Public Employees

Ohio's latest budget requires training for all public employees and elected officials on how to detect and report suspected fraud. Additionally, Senate Bill 91 requires all state and local employees, along with all elected officials, to report alleged fraud, theft in office, or misuse or misappropriation of public money.

This legislation works in tandem with the fraud training requirements passed in the state budget.

Finance receives excellence award

The Finance Department's 2023 Annual Comprehensive Financial Report was awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the 26th year in a row.

The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Keith Faber
Ohio Auditor of State

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Auditor Faber addresses the Local Government Officials Conference (LGOC).



Above: Auditor Faber attends the ceremonial signing of SB 91 (Fraud Bill) with Gov. DeWine.

Right: The Auditor with Union County Sheriff Jamie Patton



Susan Willeke of the Ohio Ethics Commission speaks to participants at the LGOC.

AOS INITIATIVES

Initiatives & Accomplishments

Auditor of State Returns to the Ohio State Fair

After a several-year hiatus, the Auditor of State’s Office (AOS) returned to the Ohio State Fair in 2023. This reengagement with the public at one of the state’s largest annual events marked a milestone in the office’s commitment to engaging with citizens from all over the state. At the Auditor’s booth, located in the Bricker Building, we connected with thousands of fairgoers, reinforcing the importance of accessible government and public accountability. We fielded a range of questions, addressing concerns about state and local government finances and educating citizens on the role of the Auditor of State in ensuring fiscal responsibility across Ohio. The booth’s popularity was evident, with visitors collecting AOS-branded bags and pencil/pen sets, which served as not only practical giveaways but also tangible reminders of the office’s presence and accessibility.

Auditor’s Office Leads Multi-Agency Investigation into Eastern Gateway Community College

The Auditor of State’s Office demonstrated its commitment to fiscal integrity and public trust through its proactive investigation into potential wrongdoing at Eastern Gateway Community College. On Jan. 4, 2024, the Auditor of State’s Special Investigations Unit (SIU) executed a search warrant related to ongoing investigations concerning the college.

This operation was conducted in collaboration with the Jefferson County Sheriff’s Office, the Ohio State Highway Patrol’s Computer Crimes Unit, the U.S. Secret Service, the Columbus Division of Police’s Digital Forensics Unit, and the Ohio Narcotics Intelligence Center. The coordinated effort highlights the Auditor of State’s ability to leverage partnerships across various levels of law enforcement, ensuring a robust and effective approach to uncovering and addressing potential financial irregularities in Ohio’s educational institutions.

Auditor Unveils Public Employee Fraud Prevention Training and Reporting Law

The Auditor of State helped pass legislation that requires public employees to participate in a fraud training program. This effort included a new fraud training program, which began in 2024 as part of an initiative to enhance public fraud identification and reporting. The focused training, initiated by Auditor Faber and mandated by the Ohio Revised Code, equips state employees, elected officials, and local government personnel with the knowledge and tools to identify, report, and prevent fraud, waste, and abuse in public institutions. To facilitate widespread adoption, the AOS created a free on-demand virtual training video, accessible via the Auditor’s website, ensuring consistent delivery of this critical information across all levels of government in Ohio.

The implementation of statewide mandatory fraud training is another step forward in safeguarding public resources and fostering a culture of accountability. The Auditor’s approach to fraud awareness and prevention fulfills legislative requirements and serves the broader public interest by enhancing transparency, protecting taxpayer dollars, and reinforcing public trust in government operations.

OFFICE DIVISIONS

What does the Financial Audit section do?

- Conducts audits of all public entities as required by Ohio law.
- Performs financial and compliance audits of each public entity at least once every two fiscal years.
- Reviews the methods, accuracy, and legality of the accounts, financial reports, records, and files of all public entities, and, where applicable, expresses an opinion on whether a public entity's financial statements are fairly presented.
- Determines whether an entity has complied with the laws, rules, ordinances, and orders pertaining to the office.

Financial Audits

Center for Audit Excellence

The Center for Audit Excellence (CFAE) comprises experienced auditors and managers who are experts in auditing standards, accounting principles, and a variety of other specialties. CFAE also works with Independent Public Accounting (IPA) firms in Ohio to promote, enable, and continuously enhance the quality and consistency of IPA audits performed on behalf of the AOS.

CFAE oversees and ensures AOS is complying with audit and accounting standards promulgated by the American Institute of Certified Public Accountants, U.S. Government Accountability Office (GAO), Governmental Accounting Standards Board (GASB) and the Federal government.

CFAE is also responsible for creating, monitoring, and reviewing audit quality assurance based on national standards and Ohio law. Through regular training, CFAE ensures that all employees working for the Auditor of State are up to date on these standards.

CFAE has a rigorous continuous updating process for preparation and maintenance of the AOS Audit Manual and a number of testing audit programs, tools, practice aids and reporting examples for auditors and IPAs. These updates ensure compliance with ever-evolving auditing, accounting and federal standards. Currently, CFAE maintains 38 Audit Program Groupings including 716 audit procedures. We also maintain 716 practice aids either on our internet or intranet, or in TeamMate (the AOS audit documentation software), with an additional 463 files linked within various practice aids.

CFAE offers:

- High-quality services to auditors and clients
- Independence from regional state and local government financial auditors and other AOS divisions
- Training, both internally to auditors and externally to clients and IPAs
- Technical assistance to auditors and clients
- Preparation and maintenance of a significant number of financial statement audit, attestation engagement and Single Audit testing audit programs, practice aids and reporting examples for auditors and IPAs

- Manuals and handbooks for auditors and clients
- Daily consultation services for auditors
- Independent Public Accountant (IPA) report and working papers reviews
- Collaboration with Local Government Associations, State and Federal Agencies
- TeamMate + maintenance
- Maintenance of the AOS Executive Summary Portal
- Maintenance and updating of AOS' Audit Employees Intranet
- One-on-one assistance with auditors working through complex audit issues
- Participation in several national organizations, committees and working groups
- Participation in AOS Change Committee to aid in ongoing enhancements and improvements with AOS practice
- Maintenance of the Hinkle System
- Monitoring for two colleges/universities
- Internal regional peer reviews for the seven local regions

Accomplishments and Efforts

National Peer Review

The Ohio Auditor of State underwent a peer review conducted by the NSAA during the past fiscal year. AOS received an unmodified opinion with a rating of Pass, which is the highest rating we can receive.

Compliance Standards

CFAE continually evaluated and updated policies and procedures for Confirmation of Independence, among other programs to more clearly document our compliance with ever-changing auditing standards.

COVID-19 Response

CFAE continued to be an integral part of the Auditor of State's COVID-19 federal funding response team. AOS worked with local governments, as well as state and federal agencies, as Ohio and the nation continued to respond to COVID-19. During FY 2024, in addition to direct communications with local officials, CFAE

By the numbers

July 2023 through
June 2024

4,132

Total reports released

3,665

Financial audits released

\$2.02 million

Findings for Recovery issued from 97 reports

Audits performed by both AOS and Independent Public Accountants include:

Financial and compliance audits

Agreed-upon procedure (AUP) engagements

Basic audits

provided trainings to local governments across the state to aid in their understanding of the accounting and federal requirements of the numerous funding streams.

As part of the COVID-19 resources CFAE maintains on the AOS website, CFAE developed a Frequently Asked Questions document to assist local governments with decisions they may encounter related to COVID-19 federal funding. Additional COVID-19 federal funding guidance is posted on the COVID-19 Guidance for Clients page which includes guidance graphics for general program requirements, single audit rules, and related accounting and reporting topics to simplify and summarize requirements in a more digestible format.

Federal Program Resources Page

CFAE also maintains a federal program resources webpage (ohioauditor.gov/resources/federal.html) to help users find critical information related to federal programs. This page includes links to a federal program tracker for and guidance about the Infrastructure Investment and Jobs Act; cybersecurity guidance; and general federal resources. The general federal resources page contains information about single audits and local governments' responsibilities under the Uniform Guidance Act; presentations, checklists, and other pertinent information on federal procurement requirements; food service guidance, including vendor vs. service organization graphics; links to training programs; and many other tools and federal programs guidance.

CFAE also:

- Works with federal and state agencies to gain expertise in federal program requirements to help governments manage these programs and effectively develop testing procedures for auditors.
- Actively participates in AICPA's Government Audit Quality Center (GAQC) staff and Executive Committee members' biannual Single Audit Roundtable (SART) meeting held with key single audit stakeholders (both federal and state) to discuss matters of mutual interest.
- Participated in calls and conferences with the U.S. Department of Homeland Security; Secret Service; U.S. Department of Health and Human Services; U.S. Department of Treasury; U.S. Government Accountability Office; and the Ohio Office of Budget and Management to discuss nationwide COVID-19 pandemic funding issues affecting local governments.
- Keeps current with audit and accounting standards promulgated by the American Institute of Certified Public Accountants, U.S. Government Accountability Office (GAO), Governmental Accounting Standards Board (GASB) and the Federal government.
- Represents the office on several NSAA, GAQC, GFOA, and AGA committees, as well as various Single Audit, COVID-19, and GASB Working Groups, which gives our office a voice in drafting and implementing new accounting pronouncements and federal requirements and changes to the National Peer Review requirements and process.
- Currently is performing a public interest audit of a university in accordance with ORC [117.11\(B\)](#). The results of the public interest audit are anticipated to be released in FY 2025.

- Currently is monitoring State Universities and Colleges for compliance with the requirements outlined in Ohio Admin. Code 126:3-1-01. Monitoring of the State Universities and Colleges includes, but is not limited to, verifying unaudited financial statements are filed with the Auditor of State, verifying that the State Universities and Colleges obtain an annual audit, evaluating significant audit findings, as well as other matters that may impact the fiscal health of State Universities and Colleges.
- Assisted in approximately 230 GASB 68 census data examinations.
- Completed internal regional peer reviews for four of the regions.
- Completed the semi-annual evaluation of the State of Ohio sinking fund.
- Serves on a national committee to provide testing and feedback for the transition of the Federal Audit Clearinghouse from Census to the U.S. General Services Administration and provided valuable feedback in advance of the October 2023 transition.
- Participated in national XBRL working groups to test and provide feedback on the use of XBRL (and similar machine-readable data formats). This participation will be critical to Ohio's implementation of the Federal Financial Data Transparency Act.
- Assisted in drafting three bulletins.
- Implemented the following AICPA auditing standards (SAS) and GASB accounting standards effective during or by the end of FY 2024:
 - o SAS No. 143, *Auditing Accounting Estimates and Related Disclosures*
 - o SAS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources*
 - o SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, which are applicable for December 31, 2023, and subsequent fiscal year ends.
 - o SAS No. 148, *Amendment to AU-C Section 935* (amendments not arising from SAS No. 142)
 - o GASB Statement No. 91, *Conduit Debt Obligations*
 - o GASB Implementation Guide No. 2020-1, *Implementation Guidance Update — 2020*
 - o GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*
 - o GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*
 - o GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

- o GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
- o GASB Statement No. 99, *Omnibus 2022*
- o GASB Statement No. 100, *Accounting Changes and Error Corrections — an amendment of GASB Statement No. 62*

To further assist with implementation, CFAE also collaborated with LGS on the bulletin for GASB 96 and helped develop examples and auditing procedures for the implementation of GASB 96.

Also, in collaboration with LGS, CFAE produced a question-and-answer style document related to common accounting and auditing issues to assist LGS and auditors in having a consistent approach to common issues that arise in the completion of their engagements.

- Continued to develop and finalized extensive updates required by the following AICPA auditing standards which are effective for December 31, 2023, and subsequent fiscal year end audits:
 - o SAS No. 143, *Auditing Accounting Estimates and Related Disclosures*
 - o AS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources*
 - o SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, which are applicable for December 31, 2023, and subsequent fiscal year ends.
 - o SAS No. 148, *Amendment to AU-C Section 935* (amendments not arising from SAS No. 142)

Working with DITA

Our DITA department has made great strides in automating certain audit tests and risk assessments and producing results for regional financial auditors to evaluate in their working papers. CFAE continues to work with DITA to identify opportunities where AOS can use electronic tools and capabilities, including audit data analytics and computer-assisted techniques; to perform risk-assessment procedures, tests of internal controls, substantive analytical procedures, tests of details and procedures; and to help AOS optimize its use of available technologies and leading practices. For example, DITA and CFAE have recently worked together on automated confirmation testing working papers and revisions to the County Auditor Real Estate testing over county apportionment of local taxes. These working papers and tests will affect almost all of our local government audits and should eventually result in considerable time savings for field auditors once they are fully developed and rolled out. Additionally, CFAE provided an in-depth review of the DITA's full rewrite of the Record of Computer Environment and Controls (RCEC) practice aid.

The Change Committee

CFAE moderates the Change Committee, developed as a result of the FY 2021 AOS consulting engagement to gather, communicate, track, implement, and disseminate suggestions for change elevated from AOS staff to senior leadership for final approval. The Change Committee comprises members of the CFAE, each AOS division, each Financial Audit region, and the Deputy Audit division. Together, the members of the Change Committee evaluate change suggestions for feasibility and vote whether to advance those suggestions for final approval. This platform has been well-received and gives the employees a voice to share suggestions and ideas that would benefit everyone in the Office.

TeamMate

CFAE also provides support for and maintains TeamMate. TeamMate+ is the AOS standard for documenting our audit projects. It provides a common platform for documenting, reviewing, and sharing work during and after a project. CFAE is responsible for maintaining the audit programs and procedures for audit staff to use within their engagements. This includes making sure the latest government and audit standards are incorporated. Maintaining TeamMate+ documentation and training materials as well as testing upgrades and providing user support is also the responsibility of CFAE TeamMate Champions.

During FY 2024, AOS migrated from TeamMate AM to TeamMate+. The CFAE TeamMate Champions set up and implemented the new software. This was accomplished in 21 separate training sessions across the state. Users were supported during this transition through office hours (27 hours), manuals, demos, and help guides. CFAE TeamMate Champions are also responsible for migrating seven years of engagements from TeamMate AM to TeamMate+.

CFAE maintains seven testing cabinets, including 867 audit procedures and 43 practice aids built into TM+ for engagements performed by AOS auditors.

Audit Approach Revisions

As mentioned earlier, CFAE implemented SAS 145 and 148. SAS 145, titled *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement* was effective for audits of financial statements ending on or after Dec. 15, 2023. This standard rewrote auditing codification 315 and introduced a new AICPA auditing guide. The changes clarified and enhanced requirements and guidance related to auditor's risk assessments, in particular understanding and documenting inherent risk and documenting our understanding of IT risk in an audit. SAS 148 titled Amendments to AU-C Section 935 introduced changes from SAS 145 into our compliance audits, which encompasses our single audits. The effective date for SAS 148 was consistent with SAS 145. These updates required significant revisions to our planning audit approach, practice aids, teammate procedures and audit manual and required extensive training development since prior to the implementation date, there was minimal external training resources.

In implementing these standards, CFAE:

- Updated 22 AOSAM Chapters
- Updated 30 practice aids, which includes the development of new practice aids relating to SAS 145 and 22 practice aids for SAS 148
- Updated 158 teammate procedures
- Produced about four hours of new training materials for implementing the new standards
- Held one hour Q&A office hour sessions with each of the eight AOS regions, and an additional session for both the NW and SE regions.
- Provided 30 minute booking sessions through the months of May and June for direct questions which has been utilized by field auditors
- Developed an ever-expanding FAQ section to address questions about SAS 145 and SAS 148 implementation, which currently addresses 64 unique questions

CFAE also has provided our work to the Indiana SAO and has provided input on implementation to both the Minnesota and Oregon State Auditors Offices.

Ohio Compliance Supplement

CFAE published its annual update to the 2024 Ohio Compliance Supplement (OCS), in collaboration with the Legal Division and AOS administration. The OCS provides staff and IPA auditors with a summary of Ohio laws and regulations, as well as suggested audit procedures that the AOS believes should be tested in local government audits pursuant to its public stewardship mandate and requirements in the auditing standards. As part of this extensive update process, CFAE evaluated 24 legislative bills (including the budget bill — HB33) to determine whether the requirements should be incorporated into the OCS. OCS Chapters 1-3, applicable to all entity types, was issued in November 2023, and OCS Chapter 4, applicable to Traditional Schools, Community Schools, ESCs, or STEM/STEAM Schools, was issued in May 2024.

Auditor Resources

CFAE solely maintains the AOS Auditor Resources intranet pages, providing auditors with a centralized location for 1,279 CFAE developed files, practice aids, and guidance needed to perform their engagements, in addition to the 260 files CFAE maintains for the AOS webpage.

We completed more than 1,600 audit consultations and report reviews. In addition, CFAE provided numerous trainings throughout the year to AOS auditors as well as contracted IPAs, local governments, and other federal and state agencies.

CFAE continues the customer service improvement efforts we began in FY 2022 to enhance and improve our customer service experience to all our internal and external customers. The goal is to provide exceptional service, and we continue to look for innovative solutions to meet and exceed customer expectations, resulting in improving our effectiveness and efficiency by identifying

where we can continue to improve our process, practice aids and tools, assistance provided, and timing of our updates to meet the needs of all internal and external customers.

GASB issued guidance aimed at improving the blueprint for government financial reports that it established a quarter-century ago. GASB Statement No. 103, *Financial Reporting Model Improvements*, provides targeted improvements to the financial reporting model that was established for state and local governments in 1999 by GASB Statement No. 34, *Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments*. Statement No. 103 builds on Statement No. 34 to enhance the effectiveness of governmental financial reports in providing information essential for making decisions and assessing a government’s accountability. While the requirements of this Statement aren’t effective until fiscal years beginning after June 15, 2025, earlier application is encouraged. Therefore, CFAE has begun review and evaluation of necessary updates.

Data & Information Technology Audit (DITA)

The Data and Information Technology Audits (DITA) department consists of 36 Information Technology (IT) auditors and managers. These auditors test IT general controls, application controls, and federal compliance at various state agency and local clients. They also prepare Service Organization Control (SOC) reports of school Information Technology Centers (ITCs); the State of Ohio Computer Center (SOCC); and the Ohio Administrative Knowledge System (OAKS), the State’s financial reporting and payroll application.

DITA auditors also use advanced data acquisition, Computer Assisted Auditing Techniques (CAATs), automation, storage, and analysis to interpret large amounts of data on a centralized basis, supporting auditors across the AOS divisions.

IT Control Testing

During fiscal year 2024, DITA:

- Updated the IT General Controls Testing program to identify risks related to use of IT, include more guidance regarding IT control best practices, and to comply with SAS 145.
- Tested IT controls at 55 counties, 25 cities, 4 schools and where applicable recommended best IT practices to help ensure IT controls were operating effectively to meet the overall objective of the entity and to help keep financial data secure.
- Provided control testing assistance documents for auditors to use on AOS school audits that use ITCs and IT control testing for 3 AOS school audits that don’t use ITCs.
- Tested IT controls at two regional transit authorities and two libraries.
- Tested IT controls at 15 state agencies and, where applicable, recommended best IT practices to help ensure IT controls were operating effectively to meet the overall objective of the agencies and help keep financial data secure.
- Completed 20 Service Organization Control 1 Type 2 (SOC 1 Type 2) reports including 18 ITCs, the SOCC, and OAKS.

Data Initiative

DITA focused on these areas related to data analysis in 2024:

Storage and quality

- DITA expanded the use of the database to include vendors related to our city and county audits. The data team is currently adding data from schools with an additional vendor to the database as well.

Data processing and automation

- DITA prepared OAKS Transaction file projects for all state agency clients used by our financial auditors to perform data analytics and sample transactions for substantive testing.
- DITA created and maintained automated processes that processed over 4,000 data files for more than 1,000 schools and local governments. In addition, DITA prepared new workpapers covering Cash, Income Tax Revenue, Intergovernmental Revenue, Debt, and Real Estate.
- DITA is continuing to use Machine Learning in current processes and looking for ways to use Machine Learning in other areas.

Output and delivery

- DITA maintained automated processes to produce output that helped financial auditors complete audits more effectively. DITA delivered packages, including pre-prepared work papers, automatically to financial auditors as the data was processed.
- DITA is testing a new self-service store for delivery improvements. This store is expected to go live for the FY 24 School Cycle. Included in this will be a new way for auditors to request any missing documentation that will alert the Data Team when submitted.

Training

- DITA provided improved training and staff development for those heavily involved in data work.

Data Collaboration Projects

During fiscal year 2024, DITA worked with various other divisions of the AOS to provide services:

- Maintained a public facing [Map of Convictions](#) with the help of the Special Investigative Unit (SIU). The map is an interactive graphic with every conviction in Ohio since Auditor Faber took office in January 2019.
- Established data coordination meetings with various Auditor of State departments to further data initiatives within other Auditor of State departments.

Independent Public Accountants (IPA)

The AOS relies on the assistance of, and contracts with, IPAs to perform statutorily required audits of each public office. From July 1, 2023, through June 30, 2024, the AOS released approximately 1,754 financial audit reports performed by IPAs, including 1,469 traditional

financial audits and 285 Agreed-Upon Procedures engagements.

During fiscal year 2024, the CFAE performed 51 working paper reviews of IPA firms.

IPA firms interested in bidding on financial audits must register at the online IPA portal and be approved by the Auditor of State's office. There are 55 active IPA firms registered with the office. The IPA portal allows the firms to:

- Express interest in audit contracts
- View bid requests
- Update firm information
- View their scores and report status
- View client details and Hinkle System filings
- Process client invoices
- Process client contract modifications

Hinkle System Annual Financial Data Reporting System

The Hinkle System is an app developed by the Auditor of State's Office that allows financial statements and debt and demographic data to be uploaded to the AOS.

- During FY 2024, financial statements from 5,485 entities were filed through the Hinkle System — about 96 percent of the entities required to file reports during the year.
- The data and the unaudited financial statement document filed via the Hinkle System is posted on the AOS website, increasing public access and transparency.
- The Hinkle System is used to compile the Financial Health Indicators for counties and cities.

Medicaid Contract Audit Section (MCA)

MCA is a standalone department under the Audit Division. It employs 18 professionals who combat fraud, waste, and abuse; identify improper Medicaid payments; and improve the integrity and cost-effectiveness of the Medicaid program.

- MCA works with the Ohio Department of Medicaid to perform compliance examinations of Medicaid providers and data-mining activities that identify risk areas for fraud, waste, and abuse.
- During FY 2024, based on compliance examinations conducted by MCA, six providers were referred to the Ohio Attorney General's Medicaid Fraud Control Unit, which is responsible for the investigation and prosecution of fraud in the Medicaid program.
- During FY 2024, MCA continued its involvement with the Healthcare Fraud Prevention Partnership (HFPP), which is a voluntary public-private partnership that helps detect and prevent healthcare fraud through data- and information-sharing. MCA used the data to open six Medicaid provider compliance examinations.

Medicaid by the numbers

120,000

Individuals enrolled in Ohio's program and that of at least one other state.

\$200 million

Financial impact of the multiple enrollments from 2019-2022

39

Compliance examinations, identifying \$1.2 million in improper payments

54

Total AUP reports, identifying \$31,700 in findings and \$1.6 million in unsupported or nonfederal reimbursable costs.

- MCA participates in interagency Medicaid integrity groups and is a member of the National Health Care Anti-Fraud Association.
- Under an interagency agreement with the Ohio Department of Medicaid, MCA performs agreed-upon procedures on the cost reports of intermediate-care facilities for individuals with intellectual disabilities including the developmental centers operated by the Ohio Department of Developmental Disabilities and PASSPORT administrative agencies.
- Under an interagency agreement with the Ohio Department of Developmental Disabilities, MCA performs agreed-upon procedures on the cost reports of select county boards of developmental disabilities and their associated councils of governments.
- During fiscal year 2024, MCA released the following reports:
 - o A public interest audit of the Ohio Department of Medicaid focused on the impact of concurrent Medicaid enrollment on Ohio's program. MCA collaborated with the Office of Audit Services in the U.S. Department of Health and Human Services, Office of Inspector General to obtain capitation payment data (a fixed per-member per-month payment). The data contained over 124,000 individuals that were enrolled in Ohio's program and at least one other state's program at the same time. Auditors were unable to confirm Ohio residency for 40 percent of the sampled capitation payments between 2019 and 2022. Over the four-year period examined, Ohio made capitation payments of more than \$1 billion to provide services to individuals enrolled in multiple states' Medicaid programs. The estimated financial impact on the Medicaid Program was more than \$200 million.
 - o 39 compliance examinations identifying over \$1.2 million in improper Medicaid payments.
 - o 20 agreed-upon procedures (AUP) reports on an intermediate-care facility identifying more than \$23,000 in findings and more than \$398,000 in unsupported or non-federal reimbursable costs.
 - o Five PASSPORT administrative agency AUP reports identifying over \$11,900 in nonfederal reimbursable costs.
 - o 22 AUP reports on county boards of developmental disabilities and seven associated council of governments identifying over \$8,700 in findings and over \$1.3 million in unsupported or nonfederal reimbursable costs.

Special Investigations Unit

The Special Investigations Unit (SIU) serves as a link between the Auditor of State's office and the law enforcement community. SIU consists of 13 investigators, 18 forensic auditors, three attorneys, and others who combine investigative, forensic auditing, and legal specialties into one cohesive team. SIU has collaborated with federal, state, and local law enforcement agencies in cases across Ohio. SIU was also nationally recognized for excellence in forensic reporting, receiving the NSAA's top honor for the second consecutive year.

SIU received 1,008 tips regarding suspected fraud and noncompliance of laws in governmental agencies throughout Ohio in this fiscal year. These tips came from many sources, including public employees and concerned citizens. Most complaints were received through email (192), the fraud hotline (135), and our website (246). The work of SIU has helped to secure 8 convictions related to 4 state and local governments during fiscal year 2024. These convictions represent 8 charges, including 3 theft in office convictions, and restitution totaling \$91,576.55. Additionally, SIU has issued 24 findings for recovery as a civil remedy to help 15 state and local governments recover public dollars totaling \$1,294,249.

At any given time, SIU has about 120 active special audits and investigations. Three examples of the cases completed by SIU in fiscal year 2024 include the following:

Meigs County Sheriff (Meigs County)

The Meigs County Prosecutor's Office requested the assistance of SIU to audit and investigate allegations the Meigs County Sheriff, Keith Wood, was withdrawing Law Enforcement Trust Fund (LETf) monies for gambling purposes.

The special audit and investigation covered the period of Jan. 1, 2021, through Nov. 11, 2022, and reviewed all transactions from the LETf account. SIU determined Sheriff Wood misappropriated public funds totaling \$4,965.79. Using his position as Sheriff, he had unimpeded access to the debit card and used automated teller machines to withdraw monies at his convenience. Sheriff Wood visited several locations between Ohio and West Virginia and used LETf funds to gamble at Limited Video Lottery locations. The special audit and investigation also uncovered additional purchases of lottery tickets, food, drinks, gasoline, and diesel fuel, which were determined to be personal expenses. Sheriff Wood did not provide any supporting documentation for these expenses.

SIU by the numbers

FY 2024:

1,008

Tips submitted
regarding
suspected fraud

120

Average number
of open cases
in our Special
Investigations Unit

8

Convictions

(866) FraudOH

The number to
call to report
suspected fraud in
government

Did you know?

SIU collaborates
with federal, state,
and local law
enforcement.

Sheriff Wood was indicted by the Meigs County grand jury on five counts — one count of Theft in Office, one count of Telecommunications Fraud, one count of Misuse of Credit Cards, one count of Soliciting or Accepting Improper Compensation, and one count of Misuse of Credit Cards.

He entered a negotiated plea of guilty to one count of Theft in Office, a fourth degree felony. Sheriff Wood was sentenced to three years of community control and ordered to pay restitution of \$5,000 (before sentencing, he repaid the County \$4,160, which was in addition to the restitution ordered by the Court), including the special audit costs.

Carrollton Exempted Village School District (Carroll County)

SIU received information from the Carrollton Exempted Village School District regarding fraud concerns involving a District Board Member, Michael Pozderac. The District was concerned the vendor from which it purchased air purifiers, The Phoenix Rising, was owned by Mr. Pozderac.

SIU's investigation and special audit determined The Phoenix Rising was associated with Gus Nickolas, a friend of Mr. Pozderac. Mr. Nickolas introduced Mr. Pozderac to the air purifier company Vollara LLC. Between March 1, 2021, and Jan. 31, 2022, the District purchased 50 air purifiers, totaling \$70,450, from The Phoenix Rising. The air purifiers were purchased by Mr. Pozderac; his wife and District teacher, Mary Jackie Pozderac; and District Superintendent Dr. David Quattrochi. They were then sold to the District through The Phoenix Rising. The air purifiers were purchased for \$540 each from Vollara LLC, and then sold to the District for between \$1,199 and \$1,499 each. Mr. and Mrs. Pozderac, Dr. Quattrochi, and Mr. Nickolas divided the resulting profits among themselves.

Michael Pozderac, Mary Jackie Pozderac, David Quattrochi, and Gus Nickolas were each indicted by the Carroll County grand jury on eight counts — one count of Engaging in a Pattern of Corrupt Activity, one count of Theft In Office, one count of Grand Theft By Deception, three counts of Having an Unlawful Interest in a Public Contract, one count of Money Laundering, and one count of Telecommunications Fraud. Mr. and Mrs. Pozderac and Dr. Quattrochi also were each indicted on one count of Representation by Present Official Prohibited and one count of Soliciting or Accepting Improper Compensation. Additionally, Mr. Nickolas was indicted on one count of Receiving Stolen Property.

Michael Pozderac pleaded guilty through a negotiated plea to one count of Theft in Office, a third-degree felony, and was sentenced to 30 days in county jail, 50 hours of community service, and three years of community control. Mary Jackie Pozderac also pleaded guilty, through a negotiated plea, to one count of Having an Unlawful Interest in a Public Contract, a first-degree misdemeanor, and was sentenced to 180 days stayed county jail sentence and 50 hours of community service. Mr. & Mrs. Pozderac were jointly ordered to pay restitution totaling \$55,180.

Dr. Quattrochi entered a negotiated guilty plea to one count of Theft in Office, a fourth-degree felony, and was sentenced to 30 days in county jail and three years of community control, and was ordered to pay restitution totaling \$16,727.50.

Mr. Nickolas entered a negotiated guilty plea to one count of Theft, a fifth-degree felony, and was sentenced to 50 hours of community service and 36 months of community control.

Village of Fort Loramie (Shelby County)

SIU received a memo from AOS financial auditors alleging former fiscal officer Carolyn Gasson manipulated utility reports provided to Council and the Mayor, improperly deleted utility accounts from the system, and used white out on utility billing stubs.

For the period of Feb. 1, 2014, through July 31, 2019, the special audit and investigation confirmed Ms. Gasson misappropriated cash totaling \$13,908. She was responsible for all aspects of the utility accounting process, with no formal review or monitoring by an outside party. We identified 72 utility receipts, totaling \$5,580, in which monies collected were not deposited into the Village's bank account. Duplicate receipts were issued for trash bags, recycle bins, shelter house rentals, utility payments, and other miscellaneous items by Ms. Gasson, but only upon request.

We identified 51 duplicate receipts indicating cash was received by the Village, totaling \$1,428, that were not deposited into the Village's bank account. A \$100 utility security deposit and completed application is required by the Village for all new accounts associated with a rented residential property. Ms. Gasson was responsible for collecting these receipts. We identified 69 utility security deposit applications, totaling \$6,900, that were neither deposited into the Village bank account nor receipted into the UAN accounting system.

Ms. Gasson was indicted by the Shelby County grand jury on one count of Tampering with Records and one count of Theft in Office. Ms. Gasson entered a negotiated plea to one count of Unauthorized Use of Property, a fourth-degree misdemeanor. She was sentenced to five years of community control. In addition, as part of the plea agreement, restitution of \$24,834.50, which included audit costs, was paid.

Training

Accounting and Auditing (A&A) Training

All Auditor of State audit staff are required to complete 80 hours of Continuing Professional Education (CPE) every two years.

- The fall training consisted of two days of in-person training in Downtown Columbus. The first day of training provided 5.4 CPEs to all staff. An additional day of training provided 5.4 CPEs to managers.
- A series of on-demand webinars released throughout the year along with the in-person TeamMate+ training totaled 32.2 additional CPEs for auditors.
- The office continued to send notice of external live virtual training opportunities that provide several additional CPE hours throughout the year.

The Fiscal Integrity Act (FIA) Online Self-Reporting Portal

The Fiscal Integrity Act (FIA) raises the bar of accountability for fiscal officers across the state. The law helps deter accounting errors and fraud with increased training requirements and a removal process for fiscal officers. The FIA portal tracks required continuing education credit hours for more than 3,800 registered fiscal officers. It offers more than 350 training courses, and fiscal officers receive an electronic certificate of completion for filing and auditing purposes once training is completed.

Annual Community School Training Conference

The Auditor of State's Office and the Ohio Department of Education provided live virtual training for community school educators, administrators, and sponsors. The program brought in more than 140 attendees and provided several updates, including EMIS & ODDEX Updates, Ohio Compliance Supplement Updates, common audit issues, 2023 Community School Update, Cyber Security & School Safety, and community schools funding among other topics. Attendees earned a total of 6.6 Yellowbook CPE hours.

Combined IPA Conference

The Combined IPA Conference was held as a live/virtual event. There were approximately 162 in attendance from 40 firms. Agenda topics included updates on Governmental Accounting Standards Board pronouncements, College Credit Plus and Ohio Competitive Bidding Laws, as well as Ethics and a fraud case study. Attendees of the conference earned 7.6 Yellowbook CPEs.

Village Fiscal Officers and Clerks Training

This year, the office was able to provide the first in-person village trainings since fall 2019. The trainings were available to fiscal officers and clerks from villages, townships, libraries, and other special districts. The in-person village trainings covered a variety of topics such as cybersecurity, OPERS, budgeting, reconciliations, round tables, and fraud case studies. These trainings happened in Athens, Perrysburg, Twinsburg, Dayton, and Columbus. We had approximately 402 total attendees across the five locations.

Ohio Township Association Annual Conference

In February, the Ohio Township Association provided the in-person annual conference. The Auditor of State's office provided workshops on preparing for an audit, Performance Audits, Ohio Budgetary Law, reconciliations, and updates from the Ohio Compliance Supplement and Uniform Accounting Network. This year, our office conducted a training session on Certified Public Records Training (CPRT). The office will present the CPRT again in 2026.

Annual Local Government Officials Conference

The three-day conference was held as an in-person event this year. The conference provided about 455 attendees with information on a variety of topics, including the Ohio Budgetary Law, Investment Tips, Cybersecurity, government fraud, accounting basics, grant writing, Mail Theft and Fraud, ODOT Confirmation Process, performance audits, and many more. This year, the office partnered with the Ohio Treasurer of State's (TOS) Office to provide a CPIM certification track put on by speakers provided by the TOS Office. Attendees could earn up to 16.75 continuing education hours that qualify toward the Fiscal Integrity Act and CPIM requirements.

Annual Emerging Trends in Fraud Investigation and Prevention Conference

Historically, the Auditor of State's office partners with the Central Ohio Chapter of Certified Fraud Examiners and the Ohio Attorney General's office to train accountants, attorneys, law-enforcement officials, and investigators on the latest trends in fraud investigation and prevention. This year's conference was a hybrid event with approximately 300 in person attendees and 690 virtual attendees. The agenda included information on the latest fraud schemes and how to combat them, along with many other topics.

Speaker Requests

The Training Department processed 81 external speaking engagement requests and provided speakers for 60 events hosted by 43 organizations.

By the numbers

July 2023 through
June 2024 LGS
helped prepare:

255

Financial
Reports

157

Basic Financial
Statements

11

Supervision
engagements

41

Cash Basis
Statements

**LGS also
responded to
or helped with:**

25

Local government
reconciliations

1,779

Inquiries on
various subjects
from local
governments

Local Government Services

The Local Government Services Section (LGS) is a consulting and fiscal advisory group to all governmental agencies and subdivisions. It provides an array of services including, but not limited to:

- Financial forecasts
- Generally Accepted Accounting Principles (GAAP) conversion assistance
- Annual financial report processing
- Record reconstruction and reconciliation
- Fiscal caution, fiscal watch, or fiscal emergency assistance.
- Merger and dissolution assistance
- Financial management training for elected officials

LGS also distributes publications such as accounting manuals and policy bulletins to help local governments perform their duties and stay up to date on their statutory and accounting requirements.

Accomplishments

During the past fiscal year, LGS helped local governments prepare:

- 255 financial reports, including 44 Annual Comprehensive Financial Reports (ACFR)
- 157 Basic Financial Statements (BFS).
- 11 supervision engagements (both ACFR and BFS)
- 41 Cash Basis Statements
- 2 Popular Annual Financial Reports (PAFR)

In addition, LGS received 177 fund-approval requests.

Currently, LGS is the fiscal supervisor of 12 local governments and one school district in fiscal emergency, providing financial counsel to both the entities and the oversight commissions in recovery efforts. We are also assisting three local governments and one school district in fiscal watch and another four local governments in fiscal caution.

In fiscal year 2024, LGS performed a fiscal analysis of Mt. Healthy City School District, which led to a fiscal emergency declaration. Staff also provided aid to the Village of Rome in finalizing their processes of the involuntary dissolution declared by a common pleas court judge. This is the second occasion in the state’s history that a village has been involuntarily dissolved under ORC Chapter 703.

LGS continued to emphasize its presence with small local governments. With new fiscal officers filling positions every day, the need for our assistance continues to grow. LGS staff:

- Responded to 1,779 constituent/client inquiries from various

governments, answering questions about accounting, budgeting, and reporting.

- Performed 25 local government reconciliations, allowing them to once again produce accurate reports presented to decision makers.
- Provided 33 one-on-one fiscal officer trainings.
- Had 14 engagements providing UAN monitoring, allowing the local government to continue using the UAN system with deficit balances. As part of the monitoring engagement, LGS ensures deficits do not increase and provides technical assistance in eliminating their deficits.

In 2021, LGS began a program offering four free hours of service to fiscal officers experiencing issues that could jeopardize the financial health of their entity. In FY 2024, LGS provided 16 fiscal officers with this service.

The UAN timely reconciliation program also began in 2021. This program ensures UAN fiscal officers are performing reconciliations in a timely manner. In the event UAN fiscal officers do not perform timely reconciliations, LGS reaches out to the client to discuss concerns. During fiscal year 2024, LGS reached out to 161 UAN fiscal officers to offer assistance.

The division assisted in preparing bulletins on estimating capital assets historical cost using the Consumer Price Index, GASB 96 subscription-based information technology agreements; House Bill 33 pertaining to cash receipts at school-affiliated events; update to the GASB 14 Bulletin and the Ohio Facilities Construction Commission issues. We also teamed-up with other AOS staff to further our goal of providing new manuals to villages, townships, and ADAMH boards.

LGS is also collaborating with CFAE, DITA and externally with the Ohio Association of School Business Officials and the Ohio Department of Education and Workforce, to update the Uniform School Accounting System user manual. We anticipate publication of the updated manual in 2025.

LGS focus on internal projects:

- Together with HR and Finance, LGS performed a full review and update to the AOS Organizational Chart, which requires periodic updates in an effort to provide the most current office structure for the various manuals and distributed resources about the office at the time of publication.
- Staff of all four LGS Regions along with LGS administration formed a group to develop comprehensive new-hire training manuals and videos.
- Representatives of the various divisions of the office join forces to discuss topics and ideas relevant to our daily work. This brainstorming approach inspired the development of the LGS + Audit = Success group that routinely meets to discuss thoughts and concepts that, when viewed from different perspectives of the office, lead to a more productive office environment.
- The focus of LGS technical staff was to prepare TEAM members to better serve our clients by implementing GASB 94 and 96 with the early implementation of GASB 100 and 101. In addition, a flow chart was developed to assist regions throughout the independence process along with developing procedures related to four-free-hour

projects. Substantial effort was made for the development of a review shell for GAAP reports. The staff also assisted Fiscal with preparation and review of the office's Annual Comprehensive Financial Report.

- In fiscal year 2024, LGS assisted the Training Department in the development of live training programs providing local government officials and fiscal officer education opportunities on a variety of topics. The main focus was to develop workshop presentations at the Local Government Officials Conference, which was attended by over 500 public officials.

LGS staff also:

- Assisted in preparing responses to the Governmental Accounting Standards Board (GASB) exposure draft on disclosure and classification of certain capital assets.
- Served as a member of GASB's Research Roundtable related to GASB 75.
- Updated regulatory and other comprehensive basis of accounting financial statement shells.
- Continued to provide access and technical assistance to users and entities using Web-GAAP, an internet-based conversion software application. Worked with IT on the Web-GAAP rewrite and the transition from the State Software Development Team to the Auditor's office.
- Served on the National Association of State Auditors, Comptrollers and Treasurers' Lease Standards Implementation Workgroup and a member of the Accounting, Reporting and Auditing Committee.
- Provided 47 presentations to enhance local government fiscal officers with knowledge and skills in areas of governmental accounting, budgeting and reporting. Presentations were delivered to:
 - Central Ohio Association of Governmental Accountants
 - Ohio Land Bank Annual Conference
 - Northwest Ohio Job and Family Services Director Association Fiscal Workgroup
 - IPA Conference
 - Ohio Treasurer of State
 - Ohio Municipal Financial Officer Association
 - Ohio Township Association
 - Ohio Municipal League of Mayors Association
 - Ohio Department of Mental Health and Addiction Services
 - Auditor's Village Clerk Fall Trainings and the Local Government Officials Conference

Ohio Performance Team

The Ohio Performance Team (OPT) conducts performance audits of Ohio public entities — from the tiniest village to the largest state agencies — to help government leaders provide efficient and effective services in a transparent manner.

Using and teaching data-driven analysis, OPT provides clients with the high-level tools and guidance they need to make management decisions to best serve their constituents.

Academic Distress

In FY 2024, at the request of the legislature, OPT completed performance audits of each of the three school districts in Academic Distress (East Cleveland City Schools, Youngstown City Schools, and Lorain City Schools)*. These projects made customized recommendations to each school district designed to improve the effectiveness of the Districts' operations.

*Lorain City Schools was released from Academic Distress by the legislature during the course of the audits, but this audit was completed and released due to the timing of the release.

State Agency Performance Audits

OPT completed a performance audit of the Ohio Board of Nursing, providing recommendations to enhance their data collection and management of day-to-day operations.

School District Performance Audits

OPT also released reports for the following fiscally distressed school districts to help improve the cost effectiveness of the operations and help resolve financial difficulties, as well as provide transparent information for the management of these entities as they make difficult decisions to remain financially solvent:

- Lake Local School District
- Mogadore Local School District
- Brookfield Local School District
- Ottawa Hills Local School District
- Mt. Healthy City School District

Higher Education Performance Audits

OPT released the Lakeland Community College performance audit in April 2024, which has resulted in many actions being taken by the College on the road to fiscal sustainability.

Other Performance Audits

OPT also completed client-requested work for the City of Marietta in FY2024

Accomplishments

- Served on the National State Auditor's Association Performance Audit, Peer Review, and Emerging Leaders Conference Committees
- Currently has the largest active pipeline of projects in recent history

Legislative Affairs

- Full funding of the Local Government Audit Support Fund will ensure that audit rates for local governments remain at \$41 per hour.
- AOS will continue the expansion of our Performance Audit division thanks to additional resources provided by the General Assembly. This will allow our agency to perform additional reviews of state agencies and find greater efficiencies for taxpayers.
- House Bill 101 modifies the village dissolution process by clarifying the Auditor of State's role and adding specific procedures for winding down the affairs of a village.
- Senate Bill 91 requires all state and local employees, along with all elected officials, to report alleged fraud, theft in office, or misuse or misappropriation of public money. This legislation works in tandem with the fraud training requirements passed in the state budget.
- The budget requires training for all public employees and elected officials on how to detect and report suspected fraud. These provisions will help our Special Investigations Unit (SIU) as they work to reduce fraud, waste, and abuse of public resources.
 - This brief training is required at the beginning of employment and again every four years. It will inform public employees and elected officials of where to go and how to report if they see something amiss.
 - AOS will create the training program and advise Administrative Services on distribution to the appropriate individuals.
- AOS secured funding for a pilot program to incentivize College Credit Plus course adoption in schools throughout Ohio.
 - This initiative is a result of our College Credit Plus Performance Audit and will complement ongoing College Credit Plus legislation (SB 104 and House Bill 219).
- The budget improved agency accountability regarding implementation of Performance Audit recommendations.
 - State agencies must provide greater detail regarding the implementation of Performance Audit recommendations and the efficiencies achieved due to implementation.
 - The budget bill tightens the timeline that a state agency must meet in developing an implementation plan for audit recommendations and it requires agency leadership to provide an explanation to the General Assembly and the Auditor if recommendations are not implemented within one year of the audit comment period.

Legal Division

The Legal Division is the in-house counsel that provides legal advice to the entire office on HR contracts and other matters. It also provides legal advice to AOS employees in the Center for Audit Excellence and Local Government Services; to those conducting financial audits in the State, Medicaid, and seven geographic regions; and to the Performance Audits Team, Deputy Audit Special Team, and the Data & Information Technology Audit team.

The Legal Division also:

- Offers in-house instruction and advice on legal matters for Auditor of State employees, for example, answering over 1,800 legal questions related to financial audits.
- Works with CFAE and LGS to update Office manuals and training programs for various units of local government.
- Presents Certified Public Records Training sessions, which every elected official or their designee in Ohio is required to take once each term. More than 1,400 elected officials or their designees attended AOS presentations.
- Maintains a web page that enables public bodies to view findings for recovery during the contract process, because state agencies are not allowed to award contracts to any entity if a finding for recovery has been issued and is unresolved.
- Refers potentially unethical conduct by public officials to the Ohio Ethics Commission for investigation.
- Helps prepare referrals to other governmental agencies.
- Serves as the AOS Open Government Unit, responding to all public records requests. This year, the legal team responded to 491 requests.
- Negotiates and reviews all contracts entered into by the Auditor of State's Office.

Public Affairs

The Public Affairs Division is responsible for all internal and external communications and publications for the Auditor of State’s office. The division issues news releases and manages the content of the office’s website.

Multimedia and Social Media

To help the public and the media understand complex audit information, the division continues to expand its use of multimedia to enhance the presentation of information through:

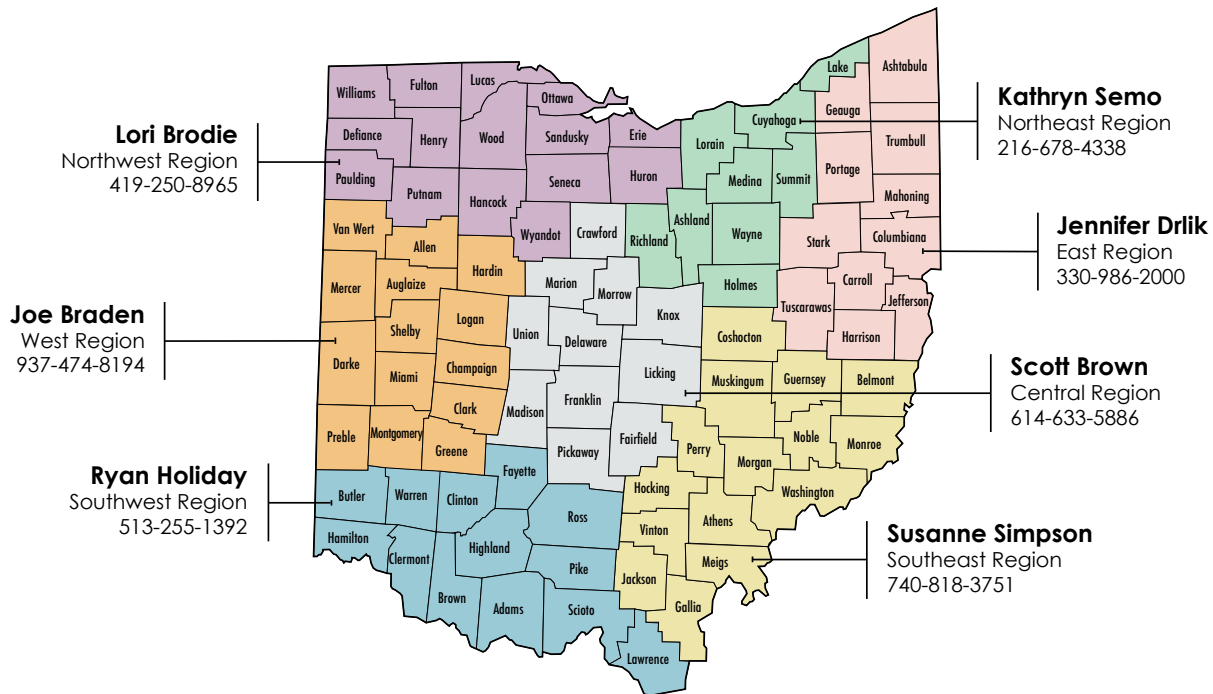
- Video, audio
- Twitter, Facebook, Instagram, YouTube
- Infographics, interactive maps, photography

Field Operations

The Field Operations team is the link among the Auditor’s office, local officials, and the public. These regional liaisons work closely with other AOS staff to provide assistance and information for the benefit of taxpayers.

Regional Liaisons

Joe Braden | Deputy Director of Regional Liaisons | 937-474-8194



ADMINISTRATIVE SERVICES

Human Resources

The Human Resources Department directs policy on human-resource management issues and related administrative support for all Auditor of State offices. The department strives to develop programs that attract, develop, retain, and engage a skilled and diverse workforce.

HR creates an equal-employment opportunity workplace and provides guidance and assistance in areas such as employee relations, promotions and transfers, new hires and resignations, health-care benefits, and labor relations. The department also develops, enforces, and maintains employee policies and procedures for the Auditor's office.

The department consists of three sections:

Payroll

The payroll section is responsible for preparing Auditor of State payroll for submission to the Department of Administrative Services, reviewing employee payroll information, and verifying accuracy of information entered into the computer system.

Recruitment

This section is responsible for finding and hiring the most qualified candidates in a timely and cost-effective manner. The recruitment team builds and maintains strategic partnerships with Ohio colleges and universities to educate potential candidates about the benefits of joining the office.

Human Capital Management

This section, HR's largest, is responsible for processing all personnel actions and movements, such as hiring, transfers, terminations, and promotions.

College Internships and Co-ops

As Ohio's chief compliance officer, the Auditor of State's office is tasked with making Ohio governments more efficient, effective and transparent. The AOS believes that a pipeline of talent is crucial in fulfilling its important role. College internships and co-ops are an excellent way to build that pipeline and the AOS is dedicated to hosting dozens of interns and co-ops each year.

Here are a few facts about our programs:

- Interns perform hands-on work with full-time audit staff — receive the same duties as entry-level auditors.
- Work throughout a semester or over the summer.
- Interns learn auditing techniques and gain insight into government operations.
- Positions are available statewide.
- Interns have an inside track to permanent positions after graduation.

To date, the AOS hosted over 55 interns this year and 60 last year. Many of our interns are offered and accept full time positions at the AOS and go on to have meaningful and successful careers here.

Any college students interested in exploring internship or co-op opportunities can reach out to our recruitment team at recruiting@ohioauditor.gov.

Future Leaders Fellowship

This is an immersive, 10-week program that provides hands-on work experience to first-generation college students or scholars from under-represented communities. The fellowship, which provides housing and transportation to the Downtown AOS office, is intended to build confidence in practical skills to benefit the students' long-term career paths and community involvement. The program, now in its second year, is designed for undergraduate and graduate students, of any major, attending Ohio and bordering state colleges and universities. Through two years of the program, eight Future Leaders Fellows have been hosted by the AOS and over 75% of them have accepted or completed additional internships at the AOS.

Corporate Work Study with Cristo Rey High School

The Ohio Auditor of State has partnered with Cristo Rey High School over the last five years participating in the Corporate Work Study program. Cristo Rey students are placed in an internship role at the AOS with a goal of gaining on-site work experience, building confidence, and learning how to work in a corporate environment and connect lessons from the classroom to a career. The students work on-site at the AOS five days a month in divisions such as IT, Human Resources, and Communications. Over 14 Cristo Rey students have been placed at the AOS and had successful internships.

Information Technology

Information Technology (IT) develops and maintains the technology used by the Auditor of State's Office. A significant number of Auditor of State employees regularly work off-site, so it is vital they have convenient and timely access to the office's computer network. The IT Department ensures the office's computer systems function properly and all employees can access the information they need to efficiently perform their duties.

During FY 2024, IT started or completed the following projects:

Municipal Income Tax application — Audit staff are highly mobile often working at the auditee's location. This application will give staff the ability to daily report their work location through our timesheet application for tax withholding.

Hardware Study Committee — In previous years, audit staff would largely work in teams at audit sites or office space throughout the state while occasionally working remotely. Now staff have transitioned from remote work to distributed virtual teams. With this transition, equipment needs have changed. This committee has made recommendations on how IT should equip staff for this new work environment.

ERP replacement — The AOS uses a SMB ERP which was first implemented in 2006. The software will become obsolete in a couple of years so we have started looking at alternatives.

Hoteling software implementation — The AOS relocated our headquarters to another Downtown office building. Because we greatly reduced our office space, we implemented the office reservation software Tango Reserve rather than assigning individual work space.

UAN

The Uniform Accounting Network (UAN) is a financial management system designed for Ohio's local governments. Along with the UAN application, the office provides townships, villages, special districts, libraries, and cities with a computer system, training, and support.

The UAN application comprises five modules:

- Accounting
- Payroll
- Budget
- Inventory
- Cemetery

The Auditor of State's Office provides training online, on-demand, and in the Columbus area.

Finance

The Finance Department is responsible for, but not limited to, budgeting, contracts, leases, controlling board submissions, procurement, purchasing-card administration, inventory, billing and revenue, collection of delinquent accounts, and annual external financial reporting. The department also assists with public records requests and processes and records audit division bank confirmation requests.

The Finance Department continues to strongly encourage the usage of electronic checks for payment of monthly invoices. Electronic check payments have less risk associated with them (e.g., mail fraud), and payments are typically posted to client accounts within 24 hours of being settled. The number of clients using this feature has increased over 50% since the inception.

The eServices portal is managed by the Finance Department, giving clients 24/7 access to their account information. eServices provides clients with detail billing and payment history along with other pertinent account information at their convenience. eServices also has a specific 'Contact Us' section for clients who wish to follow-up with the respective departments of the Auditor's Office.

The Auditor's Office reduced the Columbus office to a more environmentally and work friendly downtown space. The reduction of space equates to an annual cost savings of more than \$375,000.

GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Auditor of the State of Ohio for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Auditor of State's Office has received the award for 26 consecutive years.

Office Organization



Keith Faber, Auditor of State

Office Division

- » Financial Audits
- » Training
- » Local Government Services
- » Ohio Performance Team
- » Special Investigations Unit
- » Legislative Affairs
- » Legal Division
- » Public Affairs

Administrative Services

- » Human Resources
- » Information Technology
- » Uniform Accounting Network
- » Finance

Contacts

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Local Government Services

Phone: 800-345-2519

Fax: 614-728-8027

Public Affairs & Media Inquiries

Phone: 614-644-1111

press@ohioauditor.gov

Uniform Accounting Network (UAN)

Phone: 800-833-8261

Fax: 877-272-0088

UAN_Support@ohioauditor.gov

Fraud Hotline

Phone: 866-FRAUD-OH
(866-372-8364)

fraudohio@ohioauditor.gov

Public Records Hotline

Phone: 888-877-7760



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