

Legislative Update for Townships & Villages

Presented by
Tom Hancock, Legislative Director
Torri Shall, Assistant Legislative Director

AOS Office Overview

- Strives for efficient, effective and transparent government.
- Responsible for auditing all public offices in Ohio – nearly 6,000 entities
- Statewide staff of 800
- Services and functions:
 - Financial audits, performance audits, identify and investigate fraud in public agencies, financial services to local governments, and training

135th General Assembly: AOS Legislation

- House Bill 33 – Operating Budget
- Senate Bill 91 – Fraud Reporting
- House Bill 101 – Village Dissolution
- Senate Bill 104 – College Credit Plus

House Bill 33 – Operating Budget

- Local Government Audit Assistance Fund
 - Ensures audit rates for local governments remain at \$41.00 an hour
- Performance Audit Team expansion
 - Allows for additional staff to be hired to increase our bandwidth for taking on and completing performance audit projects.
- College Credit Plus- Auxiliary Funding
 - DEW shall establish a program to provide grants to school districts who are offering new CCP courses taught in secondary school by high school teachers with appropriate credentials.
 - Grant must be at least \$1,000 for each qualifying course and at least 25% of the grant must go to the teacher.
 - Priority is given to districts with a lack of advanced standing courses and districts with low CCP participation rates.

Questions on the Operating Budget?

Special Investigation Unit (SIU)

- The mission of the SIU is to promote transparency and accountability in the use of public funds, to expose fraud and corruption where it exists, and to assist law enforcement and prosecutors in the pursuit of justice.
- The Special Investigations Unit (SIU) brings together the disciplines of forensic accounting and fraud investigation, along with attorneys who have expertise in fraud and white-collar criminal prosecution to investigate government fraud.
- Since Keith Faber took office in January 2019, the Auditor's Special Investigations Unit has secured **117** convictions for fraud on **214** charges, resulting in **215** findings for recovery. Total findings so far: **\$20,582,715**

Fraud Training & Reporting

- Training
 - Included in HB 33 – Operating Budget
 - Effective October 3, 2023
- Reporting
 - Included in Senate Bill 91
 - Effecting March 27, 2023

Fraud Training

- Included in HB 33 – Operating Budget
- Requires the Auditor to create training material detailing Ohio's fraud-reporting system and the means of reporting fraud, waste and abuse.
- Training is required at the beginning of employment and once every four years.
- It will inform public employees and elected officials how to report when they see something amiss.
- See something, say something!

Fraud Training

- The Department of Administrative Services will administer the training materials to each state employee, statewide elected official, and the General Assembly member.
- The Auditor will administer the training material to elected officials and employees of a political subdivision.

Fraud Training

- Requires the Auditor of State to promptly notify the prosecuting attorney or similar chief legal officer of a municipal corporation if a report received under the fraud-reporting system involves probable theft or fraud by a public office or official, unless the chief legal officer is the perpetrator.

Fraud Training

- Current employees and elected officials shall complete the training within ninety days of a date specified by the auditor of state unless good cause exists for noncompliance.
- AOS will issue a Bulletin announcing the effective date and provide information about how to access the training materials and receive a CPE certificate.
- The bulletin will be shared with all local government associations, fiscal officers and published on our website once it's released.

Senate Bill 91 – Fraud Reporting

- Effective March 27, 2024
- Requires state officials and employees of a state agency to report alleged fraud, theft in office, or misuse or misappropriation of public money to the Inspector General.

Senate Bill 91 – Fraud Reporting

- Requires all other state officials and employees, and certain other persons in local public office, to report alleged fraud, theft in office, or misuse or misappropriation of public money to the Auditor of State.
- Who has to report?
 - A person who is elected to a local public office
 - A person who is appointed to or within a local public office
 - A person who has a fiduciary duty to a local public office
 - A person who has a supervisory position within a local public office
 - A person who is employed in the department or office responsible for processing any expenses of the local public office.

Senate Bill 91 - Fraud Reporting

- Definitions:
 - **Misuse of public money**- knowingly using public money or public property in a manner not authorized by law.
 - **Misappropriation of public money**- knowingly using public money or public property for an unauthorized, improper, or unlawful purpose to serve a private or personal benefit or interest.

How Do I Report Fraud?

- Contact Special Investigations Unit (SIU):
 - Call 1-866-FRAUD-OH
 - Email us at fraudohio@ohioauditor.gov
 - Go to our website at ohioauditor.gov and file a fraud complaint

Questions on Fraud?

House Bill 101 – Village Dissolution

- Modifies the process for winding up the affairs of a dissolved village as follows:
 - Requires a Transition Supervisory Board to be established to supervise the various aspects of the transition.
 - Board includes the county auditor, a member of the board of commissioners, and the county recorder.
 - Requires the appointment of a receiver-trustee to perform certain duties including the collection of taxes, resolution of debts, distribution of property, continuity of utility services, handling of public records requests, and other matters.
 - Requires former village officials to assist the Board.
 - Removes AOS from assisting with the dissolution process.
 - AOS still performs final audit of dissolution.

Senate Bill 104 – College Credit Plus

- What is College Credit Plus?
 - Ohio's dual enrollment program that provides students in grades 7-12 the opportunity to earn college and high school credits at the same time by taking courses from Ohio colleges or universities.
- AOS performed a performance audit of the program that was released in August 2022.

Senate Bill 104 – College Credit Plus

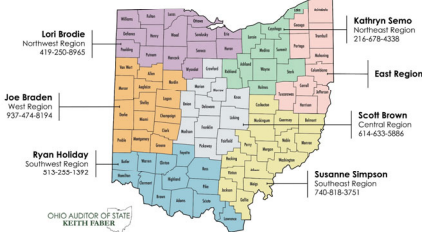
- This legislation included several of the recommendations from that audit including:
 - Creates an additional application deadline of November 1st for students to participate in CCP for the spring semester.
 - Requires colleges to provide an orientation to incoming students.
 - Requires schools to use CCP forms developed by ODHE and prohibits schools from modifying them.
 - Directs the Chancellor of Higher Education to establish an alternative credentialing process to certify teachers with relevant teach experience as CCP instructors.
 - Instructs AOS to review and audit data relative to the actual cost of CCP programming.

Legislation to Watch

- SB 75 (Blessing): Economic Development, JEDDs
- HB 187 (Hall): Property Tax
- HB 257 (Hoops): Virtual Meetings
- HB 315 (Hall): Township Omnibus
- HB 331 (Mathews): Dissolution of Villages
- HB 344 (Mathews, Hall): Eliminate replacement property tax levies

Regional Liaisons

James Coyne | Director of Regional Liaisons / State Liaison | 614-204-9243



Questions?

Tom Hancock
Legislative Director
88 E Broad Street, 5th Floor
614-728-7171
Tehancock@ohioauditor.gov
