



Ohio Revised Code

Section 9.234 Records and reports by recipient - financial review - financial audit.

Effective: September 29, 2005

Legislation: House Bill 66 - 126th General Assembly

(A) Unless otherwise explicitly provided in the Revised Code, a recipient shall do all of the following:

(1) With respect to any money received prior to the performance of the recipient's obligations under the contract entered into under section 9.231 of the Revised Code, and any money received in excess of the contract payment earned, keep current and accurate records of the receipt and use of the money in a manner consistent with the contract;

(2) With respect to any money received after the recipient has performed its obligations under the contract entered into under section 9.231 of the Revised Code, keep current and accurate records of the recipient's expenditures on direct costs;

(3) Annually provide the contracting authority of the governmental entity with a report that includes both of the following:

(a)(i) Subject to division (A)(3)(a)(ii) of this section, an audit report, if a financial audit is required by division (B)(3) of this section; a financial review, if a financial review is required by division (B)(2) of this section; a financial review, if a financial review is required by division (B)(1) of this section and is not waived; or financial statements, major categories of expenditure of the money, and a summary of the activities for which the recipient used the money.

(ii) With respect to any contract described in division (A)(3) of section 9.231 of the Revised Code, an audit report or financial review if the performance of a financial audit or review is a compliance requirement established for purposes of that contract.

(b) Any other information that may be required by the contract.



(B)(1) A recipient that, pursuant to one or more contracts entered into under section 9.231 of the Revised Code, receives money totaling at least one hundred thousand dollars but less than three hundred thousand dollars in any fiscal year shall have a financial review performed for each fiscal year in which it receives that amount of money in accordance with the financial review standards of the American institute of certified public accountants. The financial review shall be performed by an independent public accounting firm. The financial review contract between the recipient and the firm shall provide that the state is an intended third-party beneficiary of the contract.

This financial review requirement may be waived, however, if the contracting authority of each governmental entity from which the recipient received money that fiscal year pursuant to a contract entered into under section 9.231 of the Revised Code agrees to the waiver.

(2) A recipient that, pursuant to one or more contracts entered into under section 9.231 of the Revised Code, receives money totaling at least three hundred thousand dollars but less than five hundred thousand dollars in any fiscal year shall have a financial review performed for each fiscal year in which it receives that amount of money in accordance with the financial review standards of the American institute of certified public accountants. The financial review shall be performed by an independent public accounting firm. The financial review contract between the recipient and the firm shall provide that the state is an intended third-party beneficiary of the contract.

(3) A recipient that, pursuant to one or more contracts entered into under section 9.231 of the Revised Code, receives money totaling five hundred thousand dollars or more in any fiscal year shall have a financial audit performed for each fiscal year in which it receives that amount of money according to generally accepted auditing standards by an independent public accounting firm. The engagement letter between the recipient and the firm shall provide that the state is an intended third-party beneficiary of the contract. The audit shall comply with rules adopted by the auditor of state under section 9.238 of the Revised Code. An audit performed pursuant to the federal "Single Audit Act of 1984," 98 Stat. 2327, 31 U.S.C. 7501 et seq., as amended, is sufficient if the state is an intended third-party beneficiary of the audit contract.

(C)(1) An audit conducted by the auditor of state pursuant to any other provision of the Revised Code is sufficient for purposes of division (B) of this section.



(2) A financial audit meeting the requirements of division (B)(3) of this section satisfies the financial review requirements of divisions (B)(1) and (2) of this section.

(3) The references in division (B) of this section to fiscal year mean the recipient's fiscal year.

(D) Nothing in this section shall be construed to limit in any way the authority of the auditor of state to conduct audits pursuant to any other provision of the Revised Code.