



## Ohio Revised Code

### Section 3311.60 Creation of position of independent auditors in certain school districts.

Effective: October 3, 2023

Legislation: House Bill 33

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This section applies to any school district that has an average daily membership, as reported under division (A) of section 3317.03 of the Revised Code, greater than sixty thousand and of which the majority of the district's territory is located in a city with a population greater than seven hundred thousand according to the most recent federal decennial census.

(A) Subject to approval by the electors under section 3311.61 of the Revised Code, the board of education of a school district to which this section applies shall create the position of independent auditor to be responsible for all internal auditing functions of the district. The independent auditor shall be selected by the selection committee prescribed by division (B) of this section. Upon selection of the independent auditor, the district board shall execute a written contract of employment with the independent auditor. The district board shall appropriate funds to support the operations and functions of the independent auditor and shall grant the independent auditor access to all district personnel, equipment, and records necessary to perform the duties prescribed by divisions (C) and (D) of this section. The term of office for the independent auditor shall be for five years and may be renewed for additional terms by the selection committee.

(B)(1) The independent auditor selection committee shall consist of the mayor, council president, and auditor of the city in which a majority of the territory of the district is located; the president of the school district board of education; and the probate court judge of the county in which a majority of the territory of the district is located. Members of the selection committee shall serve without compensation.

(2) The selection committee shall do the following:

(a) Establish qualifications for the position of independent auditor;

(b) Select, by majority vote, an individual to serve as the independent auditor;



- (c) Recommend to the district board of education the compensation for the position of independent auditor and the necessary additional funds to finance operations and functions of the independent auditor;
  - (d) Reappoint the independent auditor for an additional term, by a majority vote of the selection committee members;
  - (e) Appoint a successor, if the current independent auditor is not reappointed, by a majority vote of the committee members;
  - (f) In the event of a vacancy in the office of independent auditor, appoint a successor to the balance of the unexpired term, by a majority vote of the selection committee members;
  - (g) Remove the independent auditor from office, by a two-thirds vote of the selection committee members.
- (C) The independent auditor shall do the following:
- (1) Recommend to the district board of education the employment of personnel necessary to carry out the activities of the independent auditor;
  - (2) Prescribe duties and qualifications for staff of the independent auditor;
  - (3) Serve as the district's public records officer and oversee the maintenance and availability of the school district's public documents;
  - (4) Prior to certification by the school district superintendent, review reports and data that must be submitted to the department of education and workforce;
  - (5) Receive any complaints of alleged wrongful or illegal acts regarding the district's operations, finances, and data reported under the education management information system prescribed under section 3301.0714 of the Revised Code and supervise the internal investigation of those complaints.



At the independent auditor's discretion, the independent auditor may initiate investigations.

(6) Report the results of investigations of such wrongful or illegal acts, whether criminal in nature or otherwise, to the appropriate authorities or agencies, including the school district board of education, the city attorney of the city in which a majority of the territory of the district is located, the prosecuting attorney of the county in which a majority of the territory of the district is located, the auditor of state, the department of education and workforce, and the Ohio ethics commission;

(7) Propose to the selection committee a budget to support the independent auditor's operations and functions;

(8) Audit funds a partnering community school receives from the district's partnering community schools fund established under section 5705.21 of the Revised Code;

(9) Submit, not later than the first day of September of each year, a report on the activities of the independent auditor to the selection committee, the board of education of the school district, and the general assembly in accordance with section 101.68 of the Revised Code. The report required under division (C)(9) of this section is a public record under section 149.43 of the Revised Code.

If sufficient funds are available, the independent auditor may obtain the services of certified public accountants, qualified management consultants, or other professional experts necessary to perform the duties prescribed under divisions (C) and (D) of this section.

(D) In cooperation with the school district board of education and in coordination with the auditor of state, the independent auditor may conduct or initiate financial and performance audits and analyses of the school district to ensure the following:

(1) School district activities and programs comply with all applicable laws and district policies, procedures, and appropriations;

(2) Student performance and enrollment data are accurately and clearly reported;

(3) Ballot requests to levy a tax are based on accurate analysis and the needs of the district;



(4) Individual contracts of the district are consistent with the policies, procedures, budgets, and financial plans adopted by the district board;

(5) Incentive-based distributions and plans are consistent with the objectives adopted by the district board;

(6) District operations are executed in a cost-effective and efficient manner consistent with the objectives of and appropriations made by the district board;

(7) Accuracy of district financial statements and reports;

(8) Recommendations for improvement that have been adopted by the district board are implemented;

(9) Operating units or departments have necessary and appropriate operating and administrative policies, procedures, internal controls, and data quality protocols;

(10) Proper evaluation of district programs and activities, including a full accounting of all funds.