



Ohio Revised Code

Section 3314.51 Unauditable community school.

Effective: October 3, 2023

Legislation: House Bill 33

(A) If the auditor of state or a public accountant, under section 117.41 of the Revised Code, declares a community school to be unauditable, the auditor of state shall provide written notification of that declaration to the school, the school's sponsor, and the department of education and workforce. The auditor of state also shall post the notification on the auditor of state's web site.

(B) If the community school's current fiscal officer held that position during the period for which the school is unauditable, upon receipt of the notification under division (A) of this section, the governing authority of the school shall suspend the fiscal officer until the auditor of state or a public accountant has completed an audit of the school, except that if the school has an operator and the operator employs the fiscal officer, the operator shall suspend the fiscal officer for that period. Suspension of the fiscal officer may be with or without pay, as determined by the entity imposing the suspension based on the circumstances that prompted the auditor of state's declaration. The entity imposing the suspension shall appoint a person to assume the duties of the fiscal officer during the period of the suspension. If the appointee is not licensed as a treasurer under section 3301.074 of the Revised Code, the appointee shall be approved by the director of education and workforce before assuming the duties of the fiscal officer. The state board of education may take action under section 3319.31 of the Revised Code to suspend, revoke, or limit the license of a fiscal officer who has been suspended under this division.

(C) Notwithstanding any provision to the contrary in this chapter or in any other provision of law, the sponsor of the community school shall not enter into contracts with any additional community schools under section 3314.03 of the Revised Code between ninety days after the date of the declaration under division (A) of this section and the date the auditor of state or a public accountant has completed a financial audit of the school.

(D) Not later than forty-five days after receiving the notification under division (A) of this section, the sponsor of the community school shall provide a written response to the auditor of state. The sponsor shall provide a copy of the response to the community school. The response shall include the



following:

(1) An overview of the process the sponsor will use to review and understand the circumstances that led to the community school becoming unauditible;

(2) A plan for providing the auditor of state with the documentation necessary to complete an audit of the community school and for ensuring that all financial documents are available in the future;

(3) The actions the sponsor will take to ensure that the plan described in division (D)(2) of this section is implemented.

(E) If the community school fails to make reasonable efforts and continuing progress to bring its accounts, records, files, or reports into an auditable condition within ninety days after being declared unauditible, the auditor of state, in addition to requesting legal action under sections 117.41 and 117.42 of the Revised Code, shall notify the school's sponsor and the department of the school's failure. If the auditor of state or a public accountant subsequently is able to complete a financial audit of the school, the auditor of state shall notify the school's sponsor and the department that the audit has been completed.

(F) Notwithstanding any provision to the contrary in this chapter or in any other provision of law, upon notification by the auditor of state under division (E) of this section that the community school has failed to make reasonable efforts and continuing progress to bring its accounts, records, files, or reports into an auditable condition, the department shall immediately cease all payments to the school under this chapter and any other provision of law. Upon subsequent notification from the auditor of state under that division that the auditor of state or a public accountant was able to complete a financial audit of the community school, the department shall release all funds withheld from the school under this section.