



## Ohio Revised Code

### Section 117.13 Recovery of costs of audits of state agencies - public audit expense fund-intrastate - public audit expense fund-local government.

Effective: September 30, 2021

Legislation: House Bill 110

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(A) The total costs of audits of state agencies, both direct and indirect, shall be recovered by the auditor of state in the following manner:

(1) The total costs of all audits of state agencies, both direct and indirect, shall be paid to the auditor of state on statements rendered by the auditor of state. Money so received by the auditor of state shall be paid into the state treasury to the credit of the public audit expense fund--intrastate, which is hereby created, and shall be used to pay costs related to such audits. The costs of audits of a state agency shall be charged to the state agency being audited, unless otherwise determined by the auditor of state. The costs of any employee or expert employed pursuant to section 117.09 of the Revised Code called upon to testify in any legal proceedings in regard to any audit, or called upon to review or discuss any matter related to any audit, may be charged to the state agency to which the audit relates.

(2) The auditor of state shall determine and publish annually rates to be charged to state agencies for recovering the costs of audits of state agencies. The rates shall take into consideration federal cost recovery guidelines.

(B) As used in this division, "government auditing standards" means the government auditing standards published by the comptroller general of the United States general accounting office.

(1) Except as provided in divisions (B)(2) and (3) of this section, any costs of an audit of a private institution, association, board, or corporation receiving public money for its use shall be charged to the public office providing the public money in the same manner as costs of an audit of the public office.

(2) If an audit of a private child placing agency or private noncustodial agency receiving public money from a public children services agency for providing child welfare or child protection



services sets forth that money has been illegally expended, converted, misappropriated, or is unaccounted for, the costs of the audit shall be charged to the agency being audited in the same manner as costs of an audit of a public office, unless the findings are inconsequential, as defined by government auditing standards.

(3) If such an audit does not set forth that money has been illegally expended, converted, misappropriated, or is unaccounted for or sets forth findings that are inconsequential, as defined by government auditing standards, the costs of the audit shall be charged as follows:

(a) One-third of the costs to the agency being audited;

(b) One-third of the costs to the public children services agency that provided the public money to the agency being audited;

(c) One-third of the costs to the department of job and family services.

(C) The total costs of audits of local public offices, both direct and indirect, shall be recovered by the auditor of state in the following manner:

(1) The total costs of all audits of local public offices, both direct and indirect, shall be paid to the auditor of state on statements rendered by the auditor of state. Money so received by the auditor of state shall be paid into the state treasury to the credit of the public audit expense fund-local government, which is hereby created, and shall be used to pay costs related to such audits. The costs of audits of a local public office shall be charged to the local public office being audited, unless otherwise determined by the auditor of state. The charges billed to the local public office for the cost of audits performed shall be offset subject to the availability of resources from the local government audit support fund created under section 117.131 of the Revised Code, the general revenue fund, or other state sources provided to the auditor of state for such purposes. The auditor of state shall establish the manner in which the offset shall be determined. The costs of any employee or expert employed pursuant to section 117.09 of the Revised Code called upon to testify in any legal proceedings in regard to any audit, or called upon to review or discuss any matter related to any audit, may be charged to the public office to which the audit relates.



(2) At the conclusion of each audit, or analysis and report made pursuant to section 117.24 of the Revised Code, the fiscal officer of the local public office audited may allocate the charges billed for the cost of the audit, or of the audit and the analysis and report to appropriate funds using a methodology that follows guidance provided by the auditor of state.

(3) The auditor of state shall provide each local public office a statement or certification of the amount due from the public office for services performed by the auditor of state under this or any other section of the Revised Code, as well as the date upon which payment is due to the auditor of state. The auditor of state is authorized to negotiate with any local public office and, upon agreement between the auditor of state and the local public office, may adopt a schedule for payment of the amount due under this section. Any local public office that does not pay the amount due to the auditor of state by that date may be assessed by the auditor of state for interest from the date upon which the payment is due at the rate per annum prescribed by section 5703.47 of the Revised Code. All interest charges assessed by the auditor of state may be collected in the same manner as audit costs pursuant to division (D) of this section.

(4) The auditor of state shall determine and publish annually rates to be charged to local public offices for recovering the costs of audits of local public offices.

(D) If the auditor of state fails to receive payment for any amount due, including, but not limited to, fines, fees, and costs, from a public office for services performed under this or any other section of the Revised Code, the auditor of state may seek payment through the office of budget and management. (Amounts due include any amount due to an independent public accountant with whom the auditor has contracted to perform services, all costs and fees associated with participation in the uniform accounting network, and all costs associated with the auditor's provision of local government services.) Upon certification by the auditor of state to the director of budget and management of any such amount due, the director shall withhold from the public office any amount available, up to and including the amount certified as due, from any funds under the director's control that belong to or are lawfully payable or due to the public office. The director shall promptly pay the amount withheld to the auditor of state. If the director determines that no funds due and payable to the public office are available or that insufficient amounts of such funds are available to cover the amount due, the director shall withhold and pay to the auditor of state the amounts available and, in the case of a local public office, certify the remaining amount to the county auditor of the county in



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which the local public office is located. The county auditor shall withhold from the local public office any amount available, up to and including the amount certified as due, from any funds under the county auditor's control and belonging to or lawfully payable or due to the local public office. The county auditor shall promptly pay any such amount withheld to the auditor of state.