



# Dave Yost • Auditor of State

## House State Government Committee

**Shawn Busken, Legislative Director**

**House Bill 130**

**June 10, 2015**

Chairman Maag, Vice-Chair Kunze, Ranking Member Gerberry and members of the House State Government Committee, thank you for allowing me to testify today in support of HB 130, the DataOhio Initiative. For the purposes of my testimony before you today, I will focus on the provisions contained in the bill relating to the chart of accounts as well as the establishment of uniform accounting procedures.

HB 130 seeks to increase accessibility to public records and develop uniform accounting procedures and charts of accounts for government entities. Transparency is vital in building and maintaining the public's trust in government. Access to public records is one part of helping make government more transparent. House Bill 130 is a step forward in addressing both of these important concerns.

As noted in Auditor Yost's letter of support previously submitted to the committee, a chart of accounts is a financial organizational tool that provides a complete listing of every account in an accounting system. An account is a unique record for each type of asset, liability, equity, revenue and expense or expenditure. The descriptions of accounts need to be robust enough to consistently capture like information from entity to entity to help ensure comparability. The terminology and classification should be used consistently throughout the budget, the accounting ledgers, and the financial reports of the entity to serve as the foundation for the entity's financial record-keeping system. Establishing a uniform chart of accounts would help achieve the goal of speaking a common language amongst entities that serve similar functions and provide similar services.

The Auditor of State's Office administers the Uniform Accounting Network ("UAN") that is utilized by 1,169 townships, 463 villages, 143 libraries and 109 various other types of local government entities. For townships alone there are over 60 revenue account codes and descriptions and over 110 expenditure account codes and descriptions. It goes without saying that no two entities are exactly alike. Each entity has different expenses from the other. It would be helpful to our office to be able to have each office using the same set of rules when it comes to reporting their financial statements to our office. Creating uniform accounting procedures, in consultation with other interested parties, is worthwhile and could promote efficiency when our office conducts audits of any given entity. As proposed under the legislation, our office would have up to two years to establish these uniform accounting procedures and a chart of accounts.

The Auditor of State's office supports HB 130 and would like to thank Representatives Duffey and Hagan for their leadership on the DataOhio Initiative. Thank you Chairman Maag and members of the committee, I would be happy to answer any questions you may have at this time.