

**As Reported by the House Government Accountability and Oversight  
Committee**

**131st General Assembly**

**Regular Session  
2015-2016**

**H. B. No. 384**

**Representatives Schaffer, Duffey**

**Cosponsors: Representatives Blessing, Boose, Vitale, Brown, Buchy, Butler,  
Pelanda, Smith, R.**

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**A BILL**

To amend sections 117.46, 117.461, 117.462, and 1  
117.463 of the Revised Code to specify that 2  
state institutions of higher education may be 3  
subject to performance audits conducted by the 4  
Auditor of State. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 117.46, 117.461, 117.462, and 6  
117.463 of the Revised Code be amended to read as follows: 7

**Sec. 117.46.** Each biennium the auditor of state shall 8  
conduct a minimum of four performance audit of a minimum of four 9  
state agencies audits under this section. At Except as otherwise 10  
provided in this section, at least two of the audits shall be of 11  
state agencies selected from a list comprised of the 12  
administrative departments listed in section 121.02 of the 13  
Revised Code and the department of education and at least two of 14  
the audits shall be of other state agencies. At the auditor of 15  
state's discretion, the auditor of state may conduct a 16  
performance audit of a state institution of higher education as 17

one of the four required performance audits. The offices of the 18  
attorney general, auditor of state, governor, secretary of 19  
state, and treasurer of state and agencies of the legislative 20  
and judicial branches ~~shall are not be~~ subject to an audit under 21  
this section. 22

The auditor shall select each agency or institution to be 23  
audited and shall determine whether to audit the entire agency 24  
or institution or a portion of the agency or institution by 25  
auditing one or more programs, offices, boards, councils, or 26  
other entities within that agency or institution. The auditor 27  
shall make the selection and determination in consultation with 28  
the governor and the speaker and minority leader of the house of 29  
representatives and president and minority leader of the senate. 30

An audit of a portion of an agency or institution shall be 31  
considered an audit of one agency or institution. The authority 32  
to audit a portion of an agency or institution in no way limits 33  
the auditor's ability to audit an entire agency or institution 34  
if it is in the best interest of the state. 35

The performance audits under this section shall be 36  
conducted pursuant to sections 117.01 and 117.13 of the Revised 37  
Code. In conducting a performance audit, the auditor of state 38  
shall determine the scope of the audit, but shall consider, if 39  
appropriate, supervisory and subordinate level operations in the 40  
agency or institution. 41

As used in this section and in sections 117.461, 117.462, 42  
and 117.463 of the Revised Code, "state institution of higher 43  
education" has the meaning defined in section 3345.011 of the 44  
Revised Code. 45

**Sec. 117.461.** Every state agency or state institution of 46

higher education audited pursuant to section 117.46 of the Revised Code shall accept comments regarding the performance audit from interested parties. The comment period shall begin on the day following the release date of the audit and shall conclude at the end of the fourteenth day following the release date. The agency or institution shall make all comments available to the public on the twenty-first day following the release date of the audit. The agency or institution shall determine how to accept comments under this section.

**Sec. 117.462.** (A) A state agency or state institution of higher education shall implement the recommendations of a performance audit conducted pursuant to section 117.46 of the Revised Code. If an agency or institution does not commence implementation of such recommendations within three months after the end of the comment period for the audit, the agency or institution shall do both of the following:

(1) File a report explaining why the agency or institution has not commenced implementation of the recommendations with the governor, auditor of state, speaker and minority leader of the house of representatives, and president and minority leader of the senate;

(2) Provide testimony explaining why the agency or institution has not commenced implementation of the recommendations to the house of representatives and senate committees dealing primarily with the programs and activities of the agency or institution.

(B) Comments submitted to the agency or institution under section 117.461 of the Revised Code shall be attached to the report required by division (A) (1) of this section.

(C) If an agency or institution does not fully implement 76  
an audit recommendation within one year after the end of the 77  
comment period for the audit, the agency or institution shall 78  
file a report with the governor, auditor, speaker and minority 79  
leader of the house of representatives, and president and 80  
minority leader of the senate justifying why the recommendation 81  
has not or will not be implemented. 82

**Sec. 117.463.** (A) The auditor of state shall annually 83  
submit a report in writing to the governor, the speaker and 84  
minority leader of the house of representatives, and the 85  
president and minority leader of the senate describing both of 86  
the following: 87

(1) Whether state agencies or state institutions of higher 88  
education that received performance audits in the immediately 89  
preceding year implemented the audit recommendations; 90

(2) The amount of money saved as a result of the 91  
implementation. 92

(B) The auditor of state shall establish a process for 93  
obtaining the information required for the report. 94

(C) The report shall be submitted no later than the 95  
thirtieth day of March of each year. 96

**Section 2.** That existing sections 117.46, 117.461, 97  
117.462, and 117.463 of the Revised Code are hereby repealed. 98