

OHIO AUDITOR OF STATE  
KEITH FABER



# 2023 ANNUAL REPORT

Efficient

Effective

Transparent



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*Cover photo by Rob Abel/AOS*

*Inside photos by Robbie Weaver/AOS*

# Mission

As Ohio's chief compliance officer, the Auditor of State makes Ohio government more efficient, effective, and transparent by placing checks and balances on state and local governments for taxpayers.

# Letter from the Auditor



Ohioans should have confidence that their state and local governments are not abusing their tax dollars. Our mission at the Auditor's of State's Office is to ensure that there is no waste or fraud in Ohio government. In the last fiscal year, our Audit team released 4,028 audits, including 3,550 financial audits that identified nearly \$4.9 million in findings for recovery from misspent funds. During FY 2023, our Special Investigations Unit (SIU) helped to convict corrupt public officials, attaining 27 convictions on 56 charges related to 23 state and local governments. SIU secured restitution of more than \$2.9 million, and issued 51 findings for recovery, for total recovery of more than \$3.5 million. Our Ohio Performance Team examined Ohio's College Credit Plus Program. We identified system weakness in Ohio's Department of Medicaid that could be costing taxpayers up to \$25 million.

This report summarizes some of our office's accomplishments over the last year:

## Enhancing College Credit Plus

A performance audit of the state's College Credit Plus (CCP) Program found that enrolled middle and high school students saved more than \$163 million in tuition costs in 2021, an average of \$4,368 per family. Additionally, the number college credits earned through CCP more than tripled in the first seven years of the program, and more students likely would take advantage of dual enrollment with improved outreach and expanded opportunities for completing coursework away from college campuses.

## Medicaid Failures Could Be Costing Ohio up to \$24.5 Million a Year

A new audit found that Ohio Department of Medicaid (ODM) did not ensure County Department of Job and Family Services caseworkers processed system alerts to determine if benefits recipients were potentially receiving duplicative assistance from multiple states. In total, 59% of the Public Assistance Reporting Information System Alerts reviewed by state auditors were not addressed as required, and the inaction could be costing the state between \$5.3 million and \$24.5 million annually if ineligible residents are receiving duplicative program support.

## No Evidence of Wrongdoing at STRS, but More Transparency Needed

A special audit of the State Teachers Retirement System of Ohio (STRS) "found no evidence of fraud, illegal acts, or data manipulation related to the \$90 billion held in trust by STRS for its members." The audit did, however, identify the need for greater scrutiny by the Ohio Retirement Study Council (ORSC) and state lawmakers to conduct reviews of the pension system policies and related laws and consider changes to improve the overall management of funds.

## Special Investigations Unit Hits 100th Conviction

Auditor Faber called for increased training of government officials and required reporting of instances in which they suspect fraud and corruption in public offices, a day after his Special Investigations Unit closed its 100th criminal prosecution.

## SIU Honored for Inquiry into Clark County Auditor's Office Employee

The National State Auditors Association (NSAA) recognized our Special Investigations Unit for their investigation and work to secure a conviction against a former employee of the Clark County Auditor's Office, who stole more than \$1.8 million.

Sincerely,

Ohio Auditor of State

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# Ohio Auditor of State



**Above:** Auditor Faber speaks to our Administration team in Downtown Columbus.

**Right:** Auditor Faber meets with the Future Leaders Fellows at the start of their spring internship.



# AOS INITIATIVES

# Initiatives & Accomplishments

## Auditor Calls for Changes to Enable More Families to Participate in College Credit Plus

A performance audit of the state’s College Credit Plus (CCP) Program found that enrolled middle- and high-school students saved more than \$163 million in tuition costs in 2021, an average of \$4,368 per family. Additionally, the number college credits earned through CCP more than tripled in the first seven years of the program — and more students likely would take advantage of dual enrollment with improved outreach and expanded opportunities for completing coursework away from college campuses.

“Thanks to CCP, we have students graduating from high school with college degrees already in hand, and families are saving thousands of dollars in future tuition costs,” Auditor Faber said. “With some targeted improvements, even more Ohio students could be taking college classes long before enrolling in post-secondary programs.”

The Auditor of State’s Office also launched a powerful new online dashboard that provides detailed information on school districts’ participation in CCP, including rankings of school districts’ dual enrollment, information about home school and private school participation, and geographic breakdowns of college and university CCP outreach throughout the state.



**Auditor Faber speaks to our Administration team in Downtown Columbus.**

## Failure to Check for Duplicative Assistance Could Be Costing State \$5.3 Million to \$24.5 Million Annually

A new audit found that Ohio Department of Medicaid (ODM) did not ensure County Department of Job and Family Services caseworkers processed system alerts to determine if benefits recipients were potentially receiving duplicative assistance from multiple states.

In total, 59% of the Public Assistance Reporting Information System Alerts reviewed by state auditors were not addressed as required, and the inaction could be costing the state between \$5.3 million and \$24.5 million annually if ineligible residents are receiving duplicative program support.

“There continue to be ongoing oversight issues in Ohio’s Medicaid programs that should have been addressed,” Auditor Faber said. “It’s past time to deal with these problems.”

The Auditor of State’s Office recommended that ODM evaluate its process for responding to PARIS Alerts; monitor county offices’ responses and provide updated guidance for addressing alerts; and identify and recoup any improper capitation payments that were made for recipients receiving benefits in multiple states.

## Better Transparency Needed, but No Evidence of Fraud or Wrongdoing at STRS

A special audit of the State Teachers Retirement System of Ohio (STRS) “found no evidence of fraud, illegal acts, or data manipulation related to the \$90 billion held in trust by STRS for its members. STRS’ organizational structure, control environment, and operations are suitably designed and well monitored, both internally and by independent experts.”

However, STRS, the Ohio Retirement Study Council (ORSC), and state lawmakers should conduct a review of pension system policies and related laws and consider changes to improve the overall management of the funds. That includes potentially implementing more effective safeguards to ensure required actuarial reviews and fiduciary audits are conducted in a timely manner, rethinking how or whether bonus payments are offered to investment staff, and removing trade secret provisions that shield investment decisions from further scrutiny.

“STRS should be striving to be as transparent as possible on the funds held in their trust,” Auditor Faber said. “That means fully disclosing how these funds are being invested and the returns or losses on those investments.”

## Auditor of State’s Special Investigations Unit Hits 100th Conviction Since 2019

Auditor Faber called for increased training of government officials and required reporting of instances in which they suspect fraud and corruption in public offices, a day after his Special Investigations Unit (SIU) closed its 100th criminal prosecution.

“In most cases of public officials who lie, cheat, and steal from the public coffers, there are ample warning signs that should have been reported to investigators,” Auditor Faber said. “We want people to be able to spot red flags of potential corruption and fraud and know how to report their suspicions to the appropriate authorities.”

An [interactive online map](https://ohioauditor.gov/fraud/convictions_map.html) (ohioauditor.gov/fraud/convictions\_map.html) and a [new report](#) detail the public officials involved and their crimes.

## SIU Honored for Investigation, Prosecution of Clark County Auditor’s Office Employee

The Auditor of State’s Special Investigations Unit (SIU) was honored by a national group for its investigation of a former employee of the Clark County Auditor’s Office, who was convicted of stealing more than \$1.8 million.

SIU was among four offices nationally receiving Excellence in Accountability Awards from the National State Auditors Association (NSAA), which presents four awards annually for innovation and distinction in protecting public resources.

“SIU is working hard every day to find those who lie, cheat, and steal from the public coffers,” Auditor Faber said. “They’re dedicated to promoting transparency and accountability in the use of public funds and exposing fraud and corruption wherever it exists. People across the country are taking notice of their good work. This award is well-deserved.”

SIU received NSAA’s Forensic Report Award for its investigation into Robert Vanderhorst, a longtime employee of the Clark County Auditor’s Office who was convicted and sentenced to 7 years in prison in the theft of more than \$1.8 million.

## Office Space Evaluation and Adjustments

The past year, the Auditor of State’s Office has continued to evaluate and adjust office space needs based on a changing work environment. Continued successful hybrid work assignments and improved space allocation have resulted in a reduction of leased office space throughout the state. This has saved Ohioans’ tax dollars.

The Office is using more shared, multipurpose, and versatile workspaces in addition to hybrid work assignments. We will continue to look for ways to right-size our footprint in the coming year and we expect office space consolidations to continue. This will further advance Auditor Faber’s goals of saving taxpayer dollars while giving our team members the tools they need to maintain full productivity.

# OFFICE DIVISIONS

## What does the Financial Audit section do?

- Conducts audits of all public entities as required by Ohio law.
- Performs financial and compliance audits of each public entity at least once every two fiscal years.
- Reviews the methods, accuracy, and legality of the accounts, financial reports, records, and files of all public entities, and, where applicable, expresses an opinion on whether a public entity's financial statements are fairly presented.
- Determines whether an entity has complied with the laws, rules, ordinances, and orders pertaining to the office.

## Financial Audits

### Center for Audit Excellence

The Center for Audit Excellence (CFAE) comprises experienced auditors and managers who are experts in auditing standards, accounting principles, and a variety of other specialties. CFAE also works with Independent Public Accountants (IPAs) in Ohio to promote, enable, and continuously enhance the quality and consistency of IPA audits performed on behalf of the AOS.

CFAE oversees and ensures compliance with audit and accounting standards promulgated by the American Institute of Certified Public Accountants (AICPA), U.S. Government Accountability Office (GAO), Governmental Accounting Standards Board (GASB), and the federal government.

CFAE is also responsible for creating, monitoring, and reviewing audit quality assurance based on national standards and Ohio law. Through regular training, CFAE ensures that all employees working for the Auditor of State are up to date on these standards.

CFAE has a rigorous updating process preparing and maintaining the Auditor of State's Office Audit Manual and a number of testing audit programs, tools, practice aids, and reporting examples for auditors and IPAs. These updates ensure compliance with ever-evolving auditing, accounting, and federal standards. Currently, CFAE maintains 38 Audit Program Groupings, including 716 audit procedures. We also maintain 702 practice aids either on our internet, intranet, or in TeamMate (the AOS audit documentation software), with an additional 463 files linked within various practice aids.

#### CFAE offers:

- High-quality services to auditors and clients
- Independence from state and local government financial auditors and other AOS divisions
- Training, both internally to auditors and externally to clients and IPAs
- Technical assistance to auditors and clients
- Preparation and maintenance of financial statement audit; attestation engagement; and Single Audit testing audit programs, practice aids, and reporting examples for auditors and IPAs

- Manuals and handbooks for auditors and clients
- Daily consultation services for auditors
- Independent Public Accountants (IPA) report and working-paper reviews
- Collaboration with Local Government Associations and State and Federal Agencies
- TeamMate maintenance, including maintenance of the AOS TeamMate + Executive Summary Portal
- Maintenance of the AOS Executive Summary Portal
- Maintenance and updating of the AOS Audit Employees Intranet
- One-on-one assistance with auditors working through complex audit issues
- Participation in several national organizations, committees, and working groups
- Participation in the AOS Change Committee to aid in ongoing enhancements and improvements with AOS practice
- Maintenance of the Hinkle System
- Monitoring for two colleges/universities
- Internal peer reviews for the seven Ohio regions

## Accomplishments and Efforts

### *Compliance Standards*

CFAE continually evaluated and updated policies and procedures for Confirmation of Independence, among other programs, to more clearly document our compliance with ever-changing auditing standards.

### *COVID-19 Response*

CFAE continued to be an integral part of the Auditor of State's COVID-19 federal funding response team. AOS worked with local governments, as well as state and federal agencies, as Ohio and the nation continued to respond to COVID-19. During FY 2023, in addition to direct communications with local officials, CFAE provided trainings to local governments across the country to aid in their understanding of the accounting and federal requirements of the numerous funding streams.

## By the numbers

July 2022 through  
June 2023

**4,028**

Total reports  
released

**3,550**

Financial audits  
released

**\$3.9 million**

Findings for  
Recovery issued  
from 124 reports

**Audits performed  
by both AOS and  
Independent  
Public  
Accountants  
include:**

**1,614**

Financial audits

**317**

Agreed-upon  
procedure (AUP)  
engagements

As part of the COVID-19 resources CFAE maintains on the AOS website, CFAE developed fiscal tracking to help local governments identify COVID-19 federal funding and Uniform Guidance Federal Procurement training. This page includes guidance graphics for general program requirements, single audit rules, and related accounting and reporting topics to simplify and summarize requirements in a more digestible format. This guidance is particularly relevant to first-time Single Audit clients.

### *Federal Resources Page*

CFAE also created a centralized [federal resources](https://ohioauditor.gov/resources/federal.html) webpage (ohioauditor.gov/resources/federal.html) to help users find critical information related to federal programs. This page includes links to a federal program tracker for and guidance about the Infrastructure Investment and Jobs Act; cybersecurity guidance; federal procurement requirements; example Schedules of Expenditures of Federal Awards (SEFA); help understanding a local government's responsibilities under the Uniform Guidance Act; vendor vs. service organization evaluations; training programs; and many other related tools.

#### **CFAE also:**

- Works with federal and state agencies to gain expertise in federal program requirements to help governments manage these programs and effectively develop testing procedures for auditors.
- Actively participates in AICPA Government Audit Quality Center (GAQC) staff and Executive Committee members' biannual Single Audit Roundtable (SART) meeting held with key Single Audit stakeholders (both federal and state) to discuss matters of mutual interest.
- Participated in calls and conferences with the U.S. Department of Homeland Security; Secret Service; U.S. Department of Health and Human Services; U.S. Department of Treasury; U.S. Government Accountability Office; and the Ohio Office of Budget and Management to discuss nationwide COVID-19 pandemic funding issues affecting local governments.
- Kept current with audit and accounting standards promulgated by the American Institute of Certified Public Accountants, U.S. Government Accountability Office (GAO), Governmental Accounting Standards Board (GASB) and the Federal government.
- Represented the office on several NSAA, GAQC, GFOA, and AGA committees, as well as various Single Audit, COVID-19, and GASB Working Groups, which gives our office a voice in drafting and implementing new accounting pronouncements and federal requirements and changes to the National Peer Review requirements and process.
- Served on a national committee with the U.S. Census Bureau to provide testing and feedback for the transition of the Federal Audit Clearinghouse from Census to the U.S. General Services Administration, expected to be complete in the fall of 2023.
- Participated in national XBRL working groups to test and provide feedback on the use of XBRL (and similar machine-readable data formats). This participation will be critical to Ohio's implementation of the Federal Financial Data Transparency Act.

- Assisted in drafting five bulletins.
- Implemented the following AICPA auditing standards (SAS) and GASB accounting standards as well as the following GASB accounting standards effective during or by the end of FY 2023:
  - SAS No. 142, *Audit Evidence*
  - SAS No. 148, *Amendment to AU-C 935* (amendment arising from SAS No. 142 only)
  - GASB Statement No. 91, *Conduit Debt Obligations*
  - GASB Implementation Guide No. 2020-1, *Implementation Guidance Update — 2020*
  - GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*
  - GASB Statement No. 93, *Replacement of Interbank Offered Rates* (para. 11b)
  - GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
  - GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
  - GASB Statement No. 99, *Omnibus 2022*
  - GASB Concepts Statement No. 7, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements*

To further assist with implementation, CFAE also collaborated with LGS on the bulletin for GASB 87 and helped develop examples and auditing procedures for the implementation of GASB 87.

CFAE began producing GASB fact sheets for auditors, to provide abbreviated highlights of the standards and help develop a better understanding of the new requirements.

- Developed extensive updates required by the following AICPA auditing standards which are effective for Dec. 31, 2023, and subsequent fiscal year-end audits:
  - SAS No. 143, *Auditing Accounting Estimates and Related Disclosures*
  - SAS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources*
  - SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* which are applicable for Dec. 31, 2023, and subsequent fiscal year ends.

- o SAS No. 148, *Amendment to AU-C Section 935* (amendments not arising from SAS No. 142)

SAS 141 allowed for reporting suite changes to be implemented for periods ending on or after Dec. 15, 2021. However, the reporting suite did not contain many common examples for various auditor report opinions. The AICPA State and Local Government guide was released the following year, and it provided the additional examples that the original standard lacked. As a result, CFAE reviewed and updated all current opinion examples provided to our auditors. Additionally, the guide added a new chapter, so CFAE also reviewed the whole guide and updated all references to it throughout our practice aids on the intranet and within TeamMate.

### *Working with DITA*

Our DITA department has made great strides in automating certain audit tests and risk assessments and producing results for regional financial auditors to evaluate in their working papers. CFAE continues to work with DITA to identify opportunities where AOS can use electronic tools and capabilities, including audit data analytics and computer-assisted techniques; to perform risk-assessment procedures, tests of internal controls, substantive analytical procedures, tests of details and procedures; and to help AOS optimize its use of available technologies and leading practices. For example, DITA and CFAE have worked together on developing guidance and testing requirements for income tax revenue collected by RITA. Now the data for all collections by RITA and remitted to participating entities has been developed into testing workpapers for AOS financial staff, effectively reducing testing effort for local government auditors. This work has the potential of impacting about 380 clients across the state.

### *The Change Committee*

CFAE moderates the Change Committee, developed as a result of the FY 2021 AOS consulting engagement to gather, communicate, track, implement, and disseminate suggestions for change elevated from AOS staff to senior leadership for final approval. The Change Committee comprises members of the CFAE, each AOS division, each Financial Audit region, and the Deputy Audit division. Together, the members of the Change Committee evaluate change suggestions for feasibility and vote whether to advance those suggestions for final approval. This platform has been well-received and gives the employees a voice to share suggestions and ideas that would benefit everyone in the Office.

CFAE, as a result of multiple suggestions sent to the Change Committee, undertook an extensive review and update of the new hire and sponsorship program. Additional training courses were also developed — in particular, a training course on how to be a sponsor. Training materials and presentations were rewritten and rerecorded based on input and direction from the new hire/sponsorship committee, a subcommittee of the Change Committee.

Another committee suggestion developed and implemented by CFAE was for the Statewide Collaboration Team. This Teams channel is a platform for audit teams across the state to be able to work collaboratively through sharing of ideas and information concerning issues that individually we may only see occasionally but as an office may experience with more frequency.

## *TeamMate*

CFAE also maintains TeamMate. TeamMate is the AOS standard for documenting our audit projects. It provides a common platform for documenting, reviewing, and sharing work during and after the project. CFAE is responsible for maintaining the audit programs and procedures for audit staff to use within their engagements. This includes making sure the latest government and audit standards are incorporated. The maintenance of TeamMate documentation and training materials as well as testing upgrades and user support is also the responsibility of CFAE TeamMate Champions.

During FY 2023, AOS began migrating from TeamMate AM to TeamMate+. The CFAE TeamMate Champions are responsible for coordinating the implementation of TeamMate+ between all AOS regions and divisions who use TeamMate and TeamMate project management staff. While AOS has used TeamMate software for over ten years, TeamMate+ is a cloud-based application and will require a long-term and extensive implementation process and training for all AOS staff.

## *Ohio Compliance Supplement*

CFAE published its annual update to the 2023 Ohio Compliance Supplement (OCS), in collaboration with the Legal Division and AOS administration. The OCS provides staff and IPA auditors with a summary of Ohio laws and regulations, as well as suggested audit procedures that the AOS believes should be tested in local government audits pursuant to its public stewardship mandate and requirements in the auditing standards. As part of this extensive update process, CFAE evaluated 71 legislative bills passed to determine whether the requirements should be incorporated into the OCS. In FY 2023, CFAE created OCS Chapter 4 to incorporate steps that were only applicable to Traditional Schools, Community Schools, ESCs, or STEM/STEAM Schools. With OCS Chapters 1-3 being issued in November, this allows AOS to update and release school compliance changes separately from the remainder of the supplement. Also, the Center took on the initial review of all enacted legislation to determine whether the legislation would be applicable to audit engagements. Previously this process was initiated by the AOS Legal team.

CFAE assisted in 260 GASB 68 census data examinations.

## *Auditor Resources*

CFAE solely maintains the AOS Auditor Resources intranet pages, providing auditors with a centralized location for 513 CFAE developed files, practice aids, and guidance needed to perform their engagements, in addition to the 150 files CFAE maintains for the AOS webpage.

We completed more than 1,500 audit consultations and report reviews. In addition, CFAE provided numerous trainings throughout the year to AOS auditors as well as contracted IPAs, local governments, and other state agencies.

CFAE continued customer service improvement efforts we began in FY 2022 to enhance and improve our customer service experience to all our internal and external customers. The goal is to provide an exceptional service experience and we continue to look for innovative solutions to

meet and exceed customer expectations, resulting in improving our effectiveness and efficiency by identifying where we can continue to improve our process, practice aids and tools, assistance provided, and timing of our updates to meet the needs of all internal and external customers.

GASB continued to work on their long-term project to reexamine the blueprint of state and local government financial reporting. The project is meant to result in improvements to the current financial reporting model. CFAE, in conjunction with the AOS Local Government Services Division (LGS), is part of a national pilot project team to provide input for the response to GASB's Preliminary Views.

## Data & Information Technology Audit (DITA)

The Data and Information Technology Audits (DITA — formerly the Information Systems Audit section of the State region Financial Audit division) is a new department consisting of 35 Information Technology (IT) auditors and managers. These auditors test IT general and application controls for various local entities as well as state agency clients. They also prepare Service Organization Control (SOC) reports of school Information Technology Centers (ITCs); the State of Ohio Computer Center (SOCC); and the Ohio Administrative Knowledge System (OAKS), the State's financial reporting and payroll application.

DITA auditors also use advanced data acquisition, Computer Assisted Auditing Techniques (CAATs), automation, storage, and analysis to interpret large amounts of data on a centralized basis, supporting auditors across the AOS divisions.

### *IT Control Testing*

#### **During fiscal year 2023, DITA:**

- Tested IT controls at 71 cities and counties and where applicable recommended best IT practices to help ensure IT controls were operating effectively to meet the overall objective of the entity and to help keep financial data secure.
- Provided control testing assistance documents for auditors to use on AOS school audits that use ITCs and IT control testing for three AOS school audits that don't use ITCs.
- Tested IT controls at two regional transit authorities and two libraries.
- Tested IT controls at 15 state agencies and, where applicable, recommended best practices to help ensure IT controls were operating effectively to meet the overall objective of the agencies and help keep financial data secure.
- Completed 21 Service Organization Control 1 Type 2 (SOC 1 Type 2) reports including 19 ITCs, the SOCC, and OAKS.

### *Data Initiative*

DITA focused on these areas related to data analysis in 2023:

#### **Storage and quality**

- DITA worked with our Information Technology department to establish a database to house data acquired from school districts. This will allow broader use of school data.

### Data processing and automation

- DITA prepared OAKS Transaction file projects for all state agency clients used by our financial auditors to perform data analytics and sample transactions for substantive testing.
- DITA created and maintained automated processes that processed over 4,000 data files for approximately 900 schools and local governments.
- DITA is in the process of adding Machine Learning to the processes for better data analysis.

### Output and delivery

- DITA developed automated processes to produce output that helped financial auditors complete audits more effectively. DITA delivered packages, including pre-prepared work papers, automatically to financial auditors as the data was processed.
- DITA developed a mockup of a self-service store for auditor consideration for future delivery improvements.

### Training

- DITA provided improved training and staff development for those heavily involved in data work.

### Data Collaboration Projects

During fiscal year 2023, DITA worked with various other divisions of the AOS to provide services:

- Maintained a public facing [Map of Convictions](#) with the help of the Special Investigative Unit (SIU). The map is an interactive graphic with every conviction in Ohio since Auditor Faber took office in January 2019.
- Provided data analyses assisting our Local Government Services group.
- Helped with data acquisition through Innovative Ohio Platform for 5-year forecast data for the Ohio Performance Team.

### Independent Public Accountants (IPA)

The AOS relies on the assistance of, and contracts with, IPAs to perform statutorily required audits of each public office. From July 1, 2022, through June 30, 2023, the AOS released approximately 1,614 financial audit reports performed by IPAs, including 1,297 traditional financial audits and 317 Agreed-Upon Procedures engagements.

During fiscal year 2023, the CFAE performed 42 working paper reviews of IPA firms. IPA firms interested in bidding on financial audits must register at the online IPA portal and be approved by the Auditor of State's office. There are 56 active IPA firms registered with the office. The IPA portal allows the firms to:

- Express interest in audit contracts.
- View bid requests.
- Update firm information.

## Medicaid by the numbers

**219**

Number of reports produced by MCA

**\$794,000**

Medicaid payments

**\$29,000**

Costs incorrectly charged to Medicaid

- View their scores and report status.
- View client details and Hinkle System filings.
- Process client invoices.
- Process client contract modifications.

## Hinkle System Annual Financial Data Reporting System

The Hinkle System is an app developed by the Auditor of State’s Office that allows financial statements and debt and demographic data to be uploaded to the AOS.

- During FY 2023, financial statements from 5,397 entities were filed through the Hinkle System — about 96 percent of the entities required to file reports during the year.
- The data and the unaudited financial statement document filed via the Hinkle System is posted on the AOS website, increasing public access and transparency.
- The Hinkle System is used to compile the Financial Health Indicators for counties and cities.

## Medicaid Contract Audit Section (MCA)

MCA is a standalone department under the Audit Division. It employs 18 professionals who combat fraud, waste, and abuse; identify improper Medicaid payments; and improve the integrity and cost-effectiveness of the Medicaid program.

- MCA works with the Ohio Department of Medicaid to perform compliance examinations of Medicaid providers and data-mining activities that identify risk areas for fraud, waste, and abuse.
- During FY 2023, the Ohio Attorney General’s Medicaid Fraud Control Unit, which is responsible for the investigation and prosecution of fraud in the Medicaid program, opened over four cases based on compliance examinations conducted by MCA.
- During FY 2023, MCA continued its involvement with the Healthcare Fraud Prevention Partnership (HFPP), which is a voluntary public-private partnership that helps detect and prevent healthcare fraud through data- and information-sharing. MCA used the data to open seven Medicaid provider compliance examinations.
- MCA participates in interagency Medicaid integrity groups and is a member of the National Health Care Anti-Fraud Association.

- Under an interagency agreement with the Ohio Department of Medicaid, MCA performs agreed-upon procedures on the cost reports of intermediate-care facilities for individuals with intellectual disabilities including the developmental centers operated by the Ohio Department of Developmental Disabilities and PASSPORT administrative agencies.
- Under an interagency agreement with the Ohio Department of Developmental Disabilities, MCA performs agreed-upon procedures on the cost reports of select county boards of developmental disabilities and their associated councils of governments.
- During fiscal year 2023, MCA released the following reports:
  - A public interest audit of the Department of Medicaid focused on Ohio’s participation in the Public Assistance Reporting Information System (PARIS). PARIS provides interstate matches to help states identify individuals or families who may be receiving benefits in public assistance programs from more than one state at a time. Auditors determined that in 59 percent of the PARIS alerts reviewed for June, September, and December 2021, either county eligibility staff took no steps to determine recipients’ residency or were not timely in completing the necessary steps. Consequently, the identified recipients were not timely terminated and the Department of Medicaid made improper capitation payments. The estimated fiscal impact on the Medicaid Program is between \$5.3 million and \$24.5 million for a 12-month period.
  - 37 compliance examinations identifying over \$1.7 million in improper Medicaid payments.
  - 15 agreed-upon procedures (AUP) reports on an intermediate-care facility identifying more than \$20,000 in findings and more than \$28,000 in unsupported or nonfederal reimbursable costs.
  - Four PASSPORT administrative agency AUP reports identifying over \$1,100 in nonfederal reimbursable costs.
  - 18 AUP reports on county boards of developmental disabilities and five associated council of governments identifying over \$4,500 in findings and over \$2.3 million in unsupported or nonfederal reimbursable costs.

## Special Investigations Unit

The Special Investigations Unit (SIU) serves as a link between the Auditor of State’s office and the law enforcement community. SIU consists of 11 investigators, 14 forensic auditors, three attorneys, and others who combine investigative, forensic auditing, and legal specialties into one cohesive team. SIU has collaborated with federal, state, and local law enforcement agencies in cases across Ohio.

SIU received 870 tips regarding suspected fraud and noncompliance of laws in governmental agencies throughout Ohio in this fiscal year. These tips came from many sources, including, but not limited to, public employees and concerned citizens. A majority of complaints were received

through email (254) and through our website (206). The work of SIU has helped to secure 27 convictions related to 23 state and local governments during fiscal year 2023. These convictions represent 56 charges, including 11 theft in office convictions, and restitution totaling \$2,950,644.15. Additionally, SIU has issued 51 findings for recovery as a civil remedy to help 28 state and local governments recover public dollars totaling \$3,575,444.

At any given time, SIU has about 105 active special audits and investigations. Two examples of the cases completed by SIU in fiscal year 2023 include the following:

### **Licking County Building Services (Licking County)**

The Licking County Sheriff's Office and County Commissioners requested the assistance of SIU to audit and investigate allegations that the former Building Services Director, Donald Dunston, approved questionable invoices from two vendors in Frisco, Texas. The invoices were discovered after Mr. Dunston was terminated for a separate gas theft from the County.

For the period of September 1, 2015, through May 3, 2018, the special audit and investigation confirmed Mr. Dunston misappropriated public funds totaling \$192,672. Using his position as Building Services Director, Mr. Dunston approved fraudulent invoices from two co-conspirators in Frisco, Texas — Windy Miller and William Crawford — for supplies and equipment that were never sent to the County. (Prior to moving to Ohio, Mr. Dunston lived in Frisco, Texas, and was neighbors with Mr. Crawford). Mr. Dunston then sent the invoices to the County Auditor for processing. Once the bills were approved, the checks would be mailed to Ms. Miller's legitimate business, Whirl of Windy, who would cash/deposit the check through her business account, keep a portion of the cash and provide the rest to Mr. Crawford, who would then mail a portion of the cash to Mr. Dunston. After Ms. Miller refused to continue participating in the scheme, checks were mailed directly to Mr. Crawford who cashed/deposited the checks through his fictitious business account (Crawford RAW Janitorial), kept a portion of the cash and mailed the remaining cash to Mr. Dunston.

Windy Miller was indicted by the Licking County grand jury on five counts, including one count of Theft, two counts of Tampering with Records, and two counts of Money Laundering. She entered a negotiated plea of guilty to one count of Theft (fourth degree felony). Ms. Miller was sentenced to 10 days in jail, five years community control and a fine of \$2,500, and restitution was ordered in the amount of \$19,203.49.

## **SIU by the numbers**

FY 2023:

**870**

Tips submitted  
regarding  
suspected fraud

**105**

Average number  
of open cases  
in our Special  
Investigations Unit

**27**

Convictions

**(866)  
FraudOH**

The number to  
call to report  
suspected fraud in  
government

### **Did you know?**

SIU collaborates  
with federal, state,  
and local law  
enforcement.

William Crawford was indicted by the Licking County grand jury on 12 counts, including one count of Engaging in a Pattern of Corrupt Activity, one count of Theft, one count of Telecommunications Fraud, five counts of Tampering with Records, and four counts of Money Laundering. He entered a negotiated plea of guilty to one count of Engaging in a Pattern of Corrupt Activity (second degree felony), one count of Theft (third degree felony), and three counts of Tampering with Records (third degree felonies). Mr. Crawford was sentenced to four years in prison. Restitution was paid by Mr. Dunston before Mr. Crawford's sentencing. Therefore, Mr. Crawford was not ordered to pay restitution in his case.

Donald Dunston was indicted by the Licking County grand jury on 15 counts, including one count of Engaging in a Pattern of Corrupt Activity, one count of Theft in Office, one count of Telecommunications Fraud, one count of Theft and 11 counts of Tampering with Records. He entered a negotiated plea of guilty to one count of Attempted Engaging in a Pattern of Corrupt Activity, one count of Theft in Office, and three counts of Tampering with Records (all third degree felonies). Mr. Dunston was sentenced to 30 months in prison, and restitution was ordered in the amount of \$213,070.47 for the theft and special audit costs.

### **Vinton Township (Vinton County)**

SIU received information from the Vinton County Auditor alleging misuse of a Vinton Township debit card and credit card by the Township Fiscal Officer, Cy (formerly Cyril Vierstra), to make purchases related to the Union Ridge Wildlife Center (URWC). URWC was a nonprofit agency formed by Cy to provide native and non-native wildlife rehabilitation and sanctuary.

The special audit and investigation covered the period of January 1, 2016, through July 29, 2020, and reviewed debit and credit card transactions and non-payroll disbursements. SIU determined that Cy misappropriated public funds totaling \$311,608 through multiple schemes, due, in part, to a lack of internal controls and management oversight. Cy used the Township funds to purchase goods and services for URWC, which included a wildebeest, snow owls, and items for his personal use, and to start a lodging service through Airbnb at his residence. Cy created false documents including invoices, written statements, and Trustee minutes to mislead Township Trustees and auditors.

Cy was indicted by the Vinton County grand jury on 13 counts, including one count each of Engaging in a Pattern of Corrupt Activity, Theft in Office, Theft, Telecommunications Fraud, and Dereliction of Duty, and eight counts of Tampering with Records. Cy entered a negotiated plea of guilty to Engaging in a Pattern of Corrupt Activity (second degree felony), Theft in Office (third degree felony), three counts of Tampering with Records (third degree felonies), and Dereliction of Duty (second degree misdemeanor). Cy was sentenced to 57 months in prison, and mandatory post-release control for up to three years but not less than 18 months, and ordered to pay restitution of \$339,717.86, including the special audit costs.

# Training

## Accounting and Auditing (A&A) Training

All Auditor of State audit staff are required to complete 80 hours of Continuing Professional Education (CPE) every two years.

- The fall training consisted of two half-day live/virtual trainings. Additionally, a library of on-demand webinars was provided for staff to view. This provided auditors with 13.9 hours of CPE credit, with an additional 10 hours of available CPE credit. Audit managers received a total of 14.8 hours of CPE credit.
- The one-day in-person spring training provided audit staff with 7.2 hours. Staff were also provided 6.5 hours in on-demand webinars. There is an expected 0.4 additional CPE hours to be provided before the close of the fiscal year.
- The office continued to send notice of live virtual training opportunities that provide several additional CPE hours throughout the year.

## The Fiscal Integrity Act (FIA) Online Self-Reporting Portal

The Fiscal Integrity Act (FIA) raises the bar of accountability for fiscal officers across the state. The law helps deter accounting errors and fraud with increased training requirements and a removal process for fiscal officers. The FIA portal tracks required continuing education credit hours for more than 2,200 registered fiscal officers. It offers more than 250 training courses, and fiscal officers receive an electronic certificate of completion for filing and auditing purposes once training is completed.

## Annual Community School Training Conference

The Auditor of State's Office and the Ohio Department of Education provided live virtual training for community school educators, administrators, and sponsors. The program brought in more than 90 attendees and provided several updates, including school funding, compliance testing, grants management, Federal Education Stabilization Fund, and Education Management Information Services updates. Attendees received a total of 7.0 CPE hours.

## Combined IPA Conference

The Combined IPA Conference was held as a live/virtual event. There were approximately 93 in attendance from 23 firms. Agenda topics included updates on Governmental Accounting Standards Board pronouncements, Federal Procurement, and Ohio Compliance Supplement changes, as well as Ethics and a fraud case study. Attendees of the conference earned 6.9 Yellow Book CPEs.

## Village Fiscal Officers and Clerks Training

The office continued to provide access to free, on-demand webinars for local officials. The training was available to fiscal officers and clerks from villages, townships, libraries, and other special districts. The in-person village trainings will resume in the Fall of 2023.

## Ohio Township Association Annual Conference

In January, the Ohio Township Association provided an in-person annual conference. The Auditor of State's Office provided workshops on preparing for an audit, Single Audits, Ohio Budgetary Law, reconciliations, and updates from the Ohio Compliance Supplement and Uniform Accounting Network.

## Annual Local Government Officials Conference

The two-day conference was held as a hybrid event, with both in-person and virtual attendees. The conference provided about 260 in-person attendees and 285 virtual attendees with information on a variety of topics, including the American Rescue Plan Act, Capital Improvement Plans, cybersecurity, government fraud, accounting basics, Investment in Infrastructure and Jobs Act, performance audits, and many more. Attendees could earn up to 11 continuing education hours that qualify toward the Fiscal Integrity Act requirements.

## Annual Emerging Trends in Fraud Investigation and Prevention Conference

Historically, the Auditor of State's Office partners with the Central Ohio Chapter of Certified Fraud Examiners and the Ohio Attorney General's Office to train accountants, attorneys, law-enforcement officials, and investigators on the latest trends in fraud investigation and prevention. This year's conference was a hybrid event with approximately 235 in-person attendees and 700 virtual attendees. The agenda included information on the latest fraud schemes and how to combat them, along with many other topics.

## Speaker Requests

The Training Department processed 90 external speaking engagement requests and provided speakers for 73 events hosted by 60 groups.

## Local Government Services

The Local Government Services Section (LGS) is a consulting and fiscal advisory group to all governmental agencies and subdivisions. It provides an array of services including, but not limited to:

- Financial forecasts
- Generally Accepted Accounting Principles (GAAP) conversion assistance
- Annual financial report processing
- Record reconstruction and reconciliation
- Fiscal caution, fiscal watch, or fiscal emergency assistance.
- Merger and dissolution assistance
- Financial management training for elected officials

## By the numbers

July 2022 through  
June 2023 LGS  
helped prepare:

**46**

Annual  
Comprehensive  
Financial Reports

**163**

Basic Financial  
Statements

**11**

Supervision  
engagements

**38**

Cash Basis  
Statements

**LGS also  
responded to or  
helped with:**

**25**

Local government  
reconciliations

**1,536**

Inquiries on  
various subjects  
from local  
governments

LGS also distributes publications such as accounting manuals and policy bulletins to help local governments perform their duties and stay up to date on their statutory and accounting requirements.

## Accomplishments

During the past fiscal year, LGS helped local governments prepare:

- 260 financial reports, including 46 Annual Comprehensive Financial Reports (ACFR)
- 163 Basic Financial Statements (BFS).
- 11 supervision engagements (both ACFR and BFS)
- 38 Cash Basis Statements
- 2 Popular Annual Financial Reports (PAFR)

In addition, LGS received 142 fund-approval requests.

LGS provided consultation services to a joint venture involving many school districts, in an effort to clarify their organizational mission and operating activities, resulting in improved financial reporting.

Currently LGS is fiscal supervisor of 12 entities in fiscal emergency, providing financial counsel to both the local governments and the oversight commission in recovery efforts. We also are assisting three local governments in fiscal watch and another four in fiscal caution.

In fiscal year 2023, LGS assisted in the fiscal emergency termination of the Village of Mount Sterling. Staff also helped the Village of Rome as it processed through an involuntary dissolution declared by a common pleas court judge. This is the second time in the state's history that a village has been involuntarily dissolved under Ohio Revised Code [§703.201](#).

LGS continued to emphasize its presence with small local governments. With new fiscal officers filling positions every day, the need for our assistance continues to grow. LGS staff:

- Responded to 1,536 constituent/client inquiries from various governments, answering questions about accounting, budgeting, and reporting.
- Performed 25 local government reconciliations, allowing them to once again produce accurate reports presented to decision makers.
- Provided 34 one-on-one fiscal officer trainings.
- Had 20 engagements providing UAN monitoring, allowing the local government to continue using the UAN system with deficit balances. As part of the monitoring engagement, LGS ensures deficits do not increase and provides technical assistance in eliminating their deficits.

In 2021, LGS began a program offering four free hours of service to fiscal officers experiencing issues that could jeopardize the financial health of their entity. In FY 2023, LGS provided 17 fiscal officers with this service, an increase over the previous fiscal year.

The UAN timely reconciliation program also began in 2021. This program ensures UAN fiscal officers are performing reconciliations in a timely manner. In the event UAN fiscal officers do

not perform timely reconciliations, LGS reaches out to the client to discuss concerns. During fiscal year 2023, LGS reached out to 132 UAN fiscal officers because of this program.

The division assisted in preparing bulletins on estimating capital assets historical cost using the Consumer Price Index, GASB 87 leases, and Ohio Facilities Construction Commission issues. We also teamed up with other AOS staff to begin our goal of providing new manuals to villages, townships, sheriffs, and ADAMH boards.

Externally, we collaborated with the Ohio Library Council in updating program codes and definitions for library chart of accounts. We also provided reconstruction and reconciliation services to a school district and a related joint venture along with input to the state Software Development Team related to school software issues.

In fiscal year 2023, our section coordinated with the Training division on the development of live and virtual training programs providing local government officials and fiscal officers education opportunities on variety of topics. LGS developed courses to enhance their knowledge and skills in such areas as governmental accounting, budgeting, reporting, legal compliance, cybersecurity, and ethics.

Internally, LGS developed training programs for both LGS and audit staff. The courses focused on implementation of GASB 87 (leases including Excel files), GASB 91 (conduit debt obligations), GASB 97 (certain component unit criteria and accounting and financial reporting), and involuntary dissolutions.

In addition, staff hours were allocated to research potential issues related to the implementation of GASB 94 and 96. We also assisted the Fiscal division with preparation and review of the Auditor of State Office's Annual Comprehensive Financial Report.

**LGS staff also:**

- Assisted with Auditor of State responses to two Governmental Accounting Standards Board (GASB) exposure drafts/preliminary views documentation and completed a GASB-driven survey on GASB 68.
- Updated regulatory and Other Comprehensive Basis of Accounting financial statement shells.
- Continued to provide access and technical assistance to users and entities using Web-GAAP, an internet-based GAAP conversion application.
- Served on the National State Auditor's Association Lease Standards Implementation Workgroup; along with being a member of their Accounting Reporting and Auditing Committee.
- Served on the National GFOA's Accounting, Auditing and Financial Reporting Committee.
- Presented to groups at the Ohio and National GFOA, Ohio Treasurer of State, Loveland Local School District, Buckeye Hills, Ohio Municipal Financial Officers' Association, Ohio Township Association, IPA Conference, Sheriffs' Association, Soil and Water Association, and the Local Government Officials Conference.

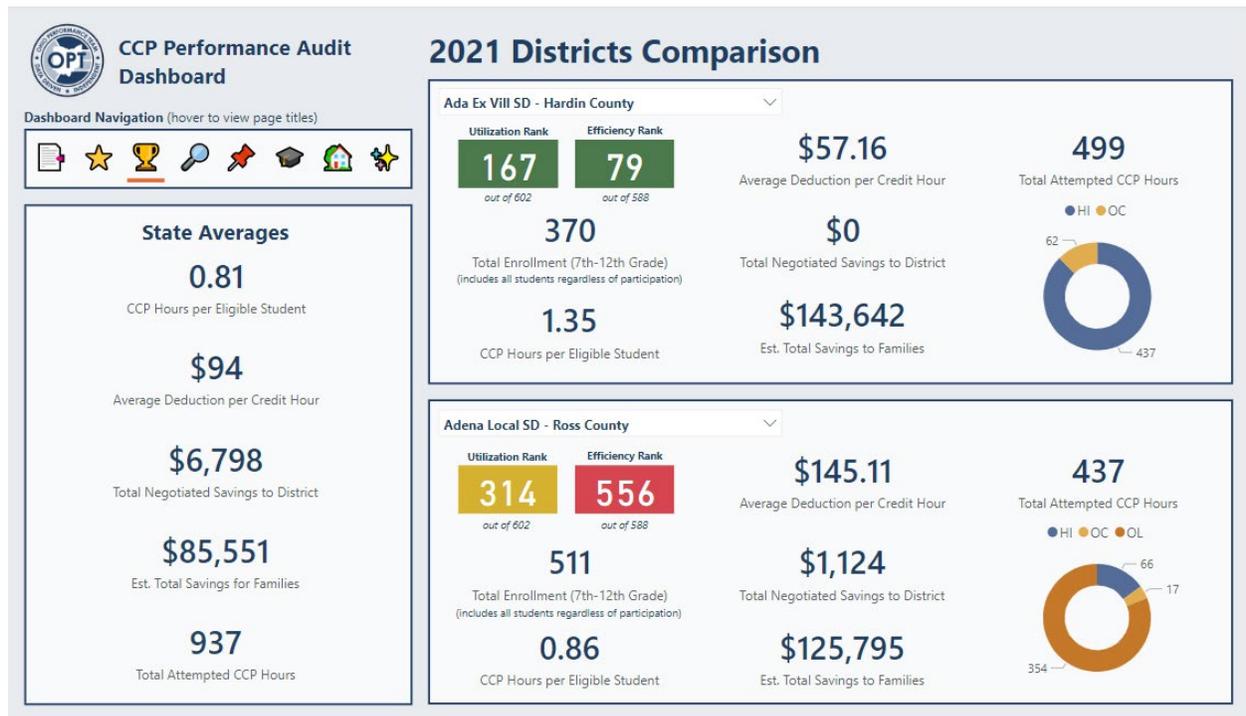
# Ohio Performance Team

The Ohio Performance Team (OPT) conducts performance audits of Ohio public entities — from the tiniest village to the largest state agencies — to help government leaders provide efficient and effective services in a transparent manner.

Using and teaching data-driven analysis, OPT provides clients with the high-level tools and guidance they need to make management decisions to best serve their constituents.

## College Credit Plus Program

In FY 2023, OPT completed a performance audit of the College Credit Plus Program, a joint venture between the Ohio Department of Education and Ohio Department of Higher Education, releasing a performance audit in August 2022. OPT also provided testimony to the legislature on changes to the program based on the recommendations of the report. As a part of the project, dashboards of participation by school district and college are available on the [College Credit Plus](#) page of the Auditor of State’s website.



## Co-Located Institutions of Higher Education

OPT completed a performance audit of Ohio’s Co-Located Institutions of Higher Education, providing recommendations to entities who share adjacent campuses with opportunities to collaborate and provide more efficient and effective services to their students.

## Other Performance Audits

Other statewide performance audit work included two projects for the Ohio Department of Natural Resources, analyzing their Orphan Wells and Dredging programs, a review of the

Multi Agency Radio Communications System (MARCS) within the Ohio Department of Administrative Services, and a review of workforce programs within the Ohio Department of Job and Family Services.

OPT also released reports for the following fiscally distressed school districts to help improve the cost effectiveness of the operations and help resolve financial difficulties, as well as provide transparent information for the management of these entities as they make difficult decisions to remain financially solvent:

- Union Local School District
- Ross Local School District
- Franklin Local School District
- Stow-Monroe Falls City School District

OPT also completed client-requested work for the City of Hilliard in FY 2023.

OPT has also spent the year working on legislatively requested audits of the three school districts currently in Academic Distress (East Cleveland City Schools, Youngstown City Schools, and Lorain City Schools). These audits will be released in FY 2024.

### **OPT Accomplishments**

- Served on the National State Auditor's Association Performance Audit, Peer Review, and Emerging Leaders Conference Committees
- Doubled output of state agency performance audit production during the biennium, compared with previous biennia.

## Legislative Affairs

- Full funding of the Local Government Audit Support Fund will ensure that audit rates for local governments remain at \$41 per hour.
- AOS will continue the expansion of our Performance Audit division thanks to additional resources provided by the General Assembly. This will allow our agency to perform additional reviews of state agencies and find greater efficiencies for taxpayers.
- The budget requires training for all public employees and elected officials on how to detect and report suspected fraud. These provisions will help our Special Investigations Unit (SIU) as they work to reduce fraud, waste, and abuse of public resources.
  - o This training, which will be brief, is required at the beginning of employment and once every four years. It will inform public employees and elected officials of where to go and how to report if they see something amiss.
  - o AOS will create the training program and advise Administrative Services on distribution to the appropriate individuals.
- AOS secured funding for a pilot program to incentivize College Credit Plus course adoption in schools throughout Ohio.
  - o This initiative is a result of our College Credit Plus Performance Audit and will complement ongoing College Credit Plus legislation (SB 104 and House Bill 219).
- The budget improved agency accountability regarding implementation of Performance Audit recommendations.
  - o State agencies must provide greater detail regarding the implementation of Performance Audit recommendations and the efficiencies achieved due to implementation.
  - o The budget bill tightens the timeline that a state agency must meet in developing an implementation plan for audit recommendations and it requires agency leadership to provide an explanation to the General Assembly and the Auditor if recommendations are not implemented within one year of the audit comment period.

## Legal Division

The Legal Division is the in-house counsel that provides legal advice to the entire office on HR contracts and other matters. It also provides legal advice to AOS employees in the Center for Audit Excellence and Local Government Services; to those conducting financial audits in the State, Medicaid, and seven geographic regions; and to the Performance Audits Team, Deputy Audit Special Team, and the Data & Information Technology Audit team.

**The Legal Division also:**

- Offers in-house instruction and advice on legal matters for Auditor of State employees, for example, answering over 1,800 legal questions related to financial audits.
- Helps mentor the next generation by maintaining an internship program for a law student to obtain law school credit.
- Works with CFAE and LGS to update Office manuals and training programs for various units of local government.
- Presents Certified Public Records Training sessions, which every elected official or their designee in Ohio is required to take once each term. More than 2,600 elected officials or their designees attended AOS presentations.
- Maintains a web page that enables public bodies to view findings for recovery during the contract process, because state agencies are not allowed to award contracts to any entity if a finding for recovery has been issued and is unresolved.
- Refers potentially unethical conduct by public officials to the Ohio Ethics Commission for investigation.
- Helps prepare referrals to other governmental agencies.
- Serves as the AOS Open Government Unit, responding to all public records requests. In 2021, the legal team responded to 464 requests.
- Negotiates and reviews all contracts entered into by the Auditor of State's Office.

# Public Affairs

The Public Affairs Division is responsible for all internal and external communications and publications for the Auditor of State’s office. The division issues news releases and manages the content of the office’s website.

## Multimedia and Social Media

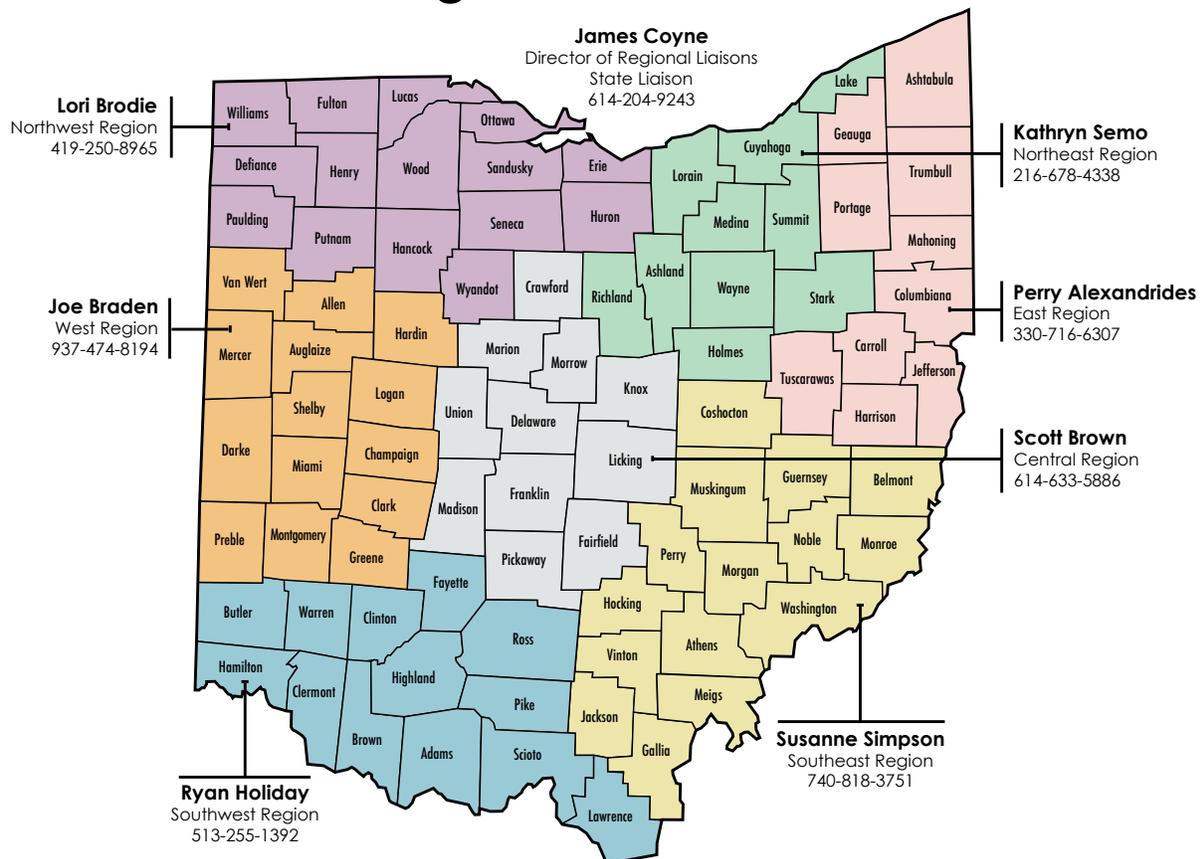
To help the public and the media understand complex audit information, the division continues to expand its use of multimedia to enhance the presentation of information through:

- Video, audio
- Twitter, Facebook, Instagram, YouTube
- Infographics, interactive maps, photography

## Field Operations

The Field Operations team is the link among the Auditor’s office, local officials, and the public. These regional liaisons work closely with other AOS staff to provide assistance and information for the benefit of taxpayers.

### Regional Liaisons



# ADMINISTRATIVE SERVICES

# Human Resources

The Human Resources Department directs policy on human-resource management issues and related administrative support for all Auditor of State offices. The department strives to develop programs that attract, develop, retain, and engage a skilled and diverse workforce.

HR creates an equal-employment opportunity workplace and provides guidance and assistance in areas such as employee relations, promotions and transfers, new hires and resignations, health-care benefits, and labor relations. The department also develops, enforces, and maintains employee policies and procedures for the Auditor's office.

The department consists of three sections:

## Payroll

The payroll section is responsible for preparing Auditor of State payroll for submission to the Department of Administrative Services, reviewing employee payroll information, and verifying accuracy of information entered into the computer system. The department also assists with and responds to inquiries from employees regarding payroll issues. The payroll staff serves as a liaison between employees and the Department of Administrative Services for benefits-related inquiries.

## Recruitment

This section is responsible for finding and hiring the most qualified candidates in a timely and cost-effective manner. The recruitment team builds and maintains strategic partnerships with Ohio colleges and universities to educate potential candidates about the benefits of joining the office.

## Human Capital Management

This section, HR's largest, is responsible for processing all personnel actions and movements, such as hiring, transfers, terminations, and promotions. It also ensures the office processes all Workers' Compensation claims and complies with Equal Employment Opportunity and Family.

## Internship Initiatives

### *Future Leaders Fellowship*

This is an immersive, 10-week program that provides hands-on work experience to first-generation college students, racial and ethnic minorities (ORC 184.17), students with disabilities, and students from lower socioeconomic households. The fellowship, which provides housing and transportation to the Downtown AOS office, is intended to build confidence in practical skills to benefit the student's long-term career paths and community involvement.

The program, new this year, is designed for undergraduate and graduate students, of any major, attending Ohio and bordering state colleges and universities.

### *Corporate Work Study with Cristo Rey High School*

The Ohio Auditor of State has partnered with Cristo Rey High School over the last four years participating in the Corporate Work Study program. Cristo Rey students are placed in an internship role at the AOS with a goal of gaining on-site work experience, building confidence, and learning how to work in a corporate environment and connect lessons from the classroom to a career. The students work on-site at the AOS five days a month in divisions such as IT, Human Resources, and Communications. Over 10 Cristo Rey students have been placed at the AOS and had successful internships.

# Information Technology

Information Technology (IT) develops and maintains the technology used by the Auditor of State's Office. A significant number of Auditor of State employees regularly work off-site, so it is vital they have convenient and timely access to the office's computer network. The IT Department ensures the office's computer systems function properly and all employees can access the information they need to efficiently perform their duties.

During FY 2023, IT started or completed the following projects:

**Travel application** — Audit staff are highly mobile often working at the auditee's location. This application creates a rules-based reporting mechanism for staff to be reimbursed for their mileage, tolls, and parking.

**CPE tracking** — Audit staff are required to maintain certification through continuing education hours. This new tracking application streamlines auditor reporting of hours and management tracking of activities.

**New laptops** — All employees in the Auditor's Office received new laptops in FY 2023.

**Security tools** — IT implemented new security tools including a new phishing attack simulator.

**Teams phones for audit management staff** — Auditors are often mobile with limited access to their work phones. This project moves their phone number from handsets to Microsoft Teams allowing them to make and receive calls from their clients.

**Emergency Notification System** — This is an officewide system to notify staff in case of weather emergencies, network outages, and facility issues. Staff can receive messages through text, voice, or email.

**Auto attendant** — The office implemented an automated call auto attendant service, which eliminated one FTE.

## *Cybercrime: Vendor Redirect Schemes*

This year, the Auditor of State's Office observed an increase in Ohio governments falling victim to payment "Redirect" schemes and business email compromise schemes. This is a type of spear phishing attack that "redirects" money to a cybercriminal pretending to be a vendor or employee of the government who then redirects funds into fraudulent accounts. The office distributed an advisory to all clients warning of this scheme and offering tips for recognizing one and increasing protection against scams.

## UAN

The Uniform Accounting Network (UAN) is a financial management system designed for Ohio's local governments. Along with the UAN application, the office provides townships, villages, special districts, libraries, and cities with a computer system, training, and support.

The UAN application comprises five modules:

- Accounting
- Payroll
- Budget
- Inventory
- Cemetery

The Auditor of State's Office provides training online, on-demand, and in the Columbus area.

## Finance

The Finance Department is responsible for procurement, budgeting, contracts, leases, controlling-board submissions, purchasing-card administration, inventory, receipts and billing, and annual external financial reporting. The department also assists with public-records requests and processes and records audit division bank confirmation requests.

As a response to the COVID-19 pandemic, all monthly billing went electronic in 2020. This has significantly reduced paper and postage expenses, as well as the hours of work needed to complete monthly billing statements.

## GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Auditor of the State of Ohio for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Auditor of State's Office has received the award for 25 consecutive years.

# Office Organization



**Keith Faber**, Auditor of State

## Office Division

- » Financial Audits
- » Training
- » Local Government Services
- » Ohio Performance Team
- » Special Investigations Unit
- » Legislative Affairs
- » Legal Division
- » Public Affairs

## Administrative Services

- » Human Resources
- » Information Technology
- » Uniform Accounting Network
- » Finance

## Contacts

### Administration

88 E. Broad St., 5th Floor  
Columbus, OH 43215

**Phone:**

614-466-4514  
800-282-0370

**Fax:** 614-466-4490

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### Local Government Services

**Phone:** 800-345-2519  
**Fax:** 614-728-8027

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### Public Affairs & Media Inquiries

**Phone:** 614-644-1111  
[press@ohioauditor.gov](mailto:press@ohioauditor.gov)

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### Uniform Accounting Network (UAN)

**Phone:** 800-833-8261  
**Fax:** 877-272-0088  
[UAN\\_Support@ohioauditor.gov](mailto:UAN_Support@ohioauditor.gov)

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### Fraud Hotline

**Phone:** 866-FRAUD-OH  
(866-372-8364)  
[fraudohio@ohioauditor.gov](mailto:fraudohio@ohioauditor.gov)

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### Public Records Hotline

**Phone:** 888-877-7760



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