



## Ohio Revised Code Section 126.46 State audit committee.

Effective: October 3, 2023

Legislation: House Bill 33

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(A)(1) There is hereby created the state audit committee, consisting of the following five members: one public member appointed by the governor; two public members appointed by the speaker of the house of representatives, one of which may be a person who is recommended by the minority leader of the house of representatives; and two public members appointed by the president of the senate, one of which may be a person who is recommended by the minority leader of the senate. Not more than two of the four members appointed by the speaker of the house of representatives and the president of the senate shall belong to or be affiliated with the same political party. The member appointed by the governor shall have the program and management expertise required to perform the duties of the committee's chairperson.

Each member of the committee shall be external to the management structure of state government and shall serve a three-year term. Each term shall commence on the first day of July and end on the thirtieth day of June. Any member may continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of ninety days has elapsed, whichever occurs first. Members may be reappointed to serve one additional term.

On September 29, 2011, the terms of the members shall be altered as follows:

- (a) The terms of the members appointed by the president shall expire on June 30, 2012.
- (b) The term of the member appointed by the speaker scheduled to expire on November 17, 2012, shall expire on June 30, 2013.
- (c) The term of the other member appointed by the speaker shall expire on June 30, 2014.
- (d) The term of the member appointed by the governor shall expire on June 30, 2014.

The committee shall include at least one member who is a financial expert; at least one member who



is an active, inactive, or retired certified public accountant; at least one member who is familiar with governmental financial accounting; at least one member who is familiar with information technology systems and services; and at least one member who is a representative of the public.

Any vacancy on the committee shall be filled in the same manner as provided in this division, and, when applicable, the person appointed to fill a vacancy shall serve the remainder of the predecessor's term.

(2) Members of the committee shall receive reimbursement for actual and necessary expenses incurred in the discharge of their duties.

(3) The member of the committee appointed by the governor shall serve as the committee's chairperson.

(4) Members of the committee shall be subject to the disclosure statement requirements of section 102.02 of the Revised Code.

(B) The state audit committee shall do all of the following:

(1) Evaluate whether the internal audits directed by the office of internal audit in the office of budget and management conform to the institute of internal auditors' international professional practices framework for internal auditing and to the institute of internal auditors' code of ethics;

(2) Review and comment on the process used by the office of budget and management to prepare the state's annual comprehensive financial report required under division (A)(9) of section 126.21 of the Revised Code;

(3) Review and comment on unaudited financial statements submitted to the auditor of state and communicate with external auditors as required by government auditing standards;

(4) Perform the additional functions imposed upon it by section 126.47 of the Revised Code.

(C) As used in this section, "financial expert" means a person who has all of the following:



- (1) An understanding of generally accepted accounting principles and financial statements;
- (2) The ability to assess the general application of those principles in connection with accounting for estimates, accruals, and reserves;
- (3) Experience preparing, auditing, analyzing, or evaluating financial statements presenting accounting issues that generally are of comparable breadth and level of complexity to those likely to be presented by a state agency's financial statements, or experience actively supervising one or more persons engaged in those activities;
- (4) An understanding of internal controls and procedures for financial reporting; and
- (5) An understanding of audit committee functions.