

GUIDE TO THE RULE-MAKING PROCESS OF THE OHIO AUDITOR OF STATE

About The Auditor of State

Jim Petro, the 29th Auditor of State, is the chief accounting officer for the State of Ohio and all public entities within the state. The Auditor of State is a constitutional officer responsible for auditing all public offices in Ohio including: cities and villages, schools and universities, counties and townships, as well as the many departments, agencies and commissions of state government. Nearly 5,000 audits are performed each year. These duties are in addition to administrative activities such as writing over 11 million warrants (checks) annually for the state payroll, Aid to Families with Dependent Children recipients, and payments to the state's suppliers of goods and services, as well as maintaining the inventory and deed records of state-owned real property. The Auditor's office has the responsibility of making monthly distributions of state revenues to Ohio cities, villages, counties, townships, school districts, libraries, and state-supported institutions of higher education. The distribution formula is set by the Ohio General Assembly. Auditor of State Jim Petro also serves on a number of boards and commissions that issue bonds for the financing of highways and mental health and educational facilities. Auditor of State Jim Petro serves on six retirement boards, including the Public Employees Retirement System, Police Patrol Retirement System, School Employees Retirement System, State Teachers Retirement System and the Public Employees Deferred Compensation Program. Auditor of State Petro is President of the Sinking Fund, which administers the constitutional debt of Ohio.

Mission Statement

The mission of the Office of Auditor of State is to promote and preserve the confidence of Ohioans in their state and local governments; and to serve those governments in developing the resources necessary for sound financial oversight and reporting, by assisting those governments in developing the resources necessary for sound financial decision making, and by providing trusted professional, nonpartisan, independent review of government financial conditions and compliance with all applicable laws.

Agency Rule-Making Authority

The Auditor of State has rule-making authority under Ohio Revised Code Section 117.20. This includes the authority to promulgate (adopt, amend, and rescind) those rules necessary to execute the duties of the office as set forth in Chapter 117 of the Ohio Revised Code. Specifically, the Auditor of State is authorized to promulgate rules establishing standards, procedures, and guidelines for independent public accountants performing audits on public offices, prescribing generally accepted accounting standards and financial reporting procedures for public offices, and establishing requirements for annual financial reports by public offices. All such administrative rules adopted by the Auditor of State are located in Chapter 117 of the Ohio Administrative Code.

Rule-Making Process and Public Participation in that Process

1. Administrative rules are drafted, and reviewed every five years as required by law, by the Auditor of State's legal staff in cooperation with legislative staff and any other members of the staff having particular expertise in the subject matter of the rule. The Auditor of State determines the need for any new rule, amendment to a rule, or rescission of an existing rule. This step involves consultation with appropriate state and local government agencies, statewide organizations of local government officials, accounting professionals, and other interested persons to gather input on the proposed rule-making action.
2. At least 65 days before its adoption, a proposed rule is filed with The Joint Committee on Agency Rule Review (JCARR), the Legislative Service Commission (LSC), and the Secretary of State. Under the provisions of Ohio Revised Code Section 117.20, the Auditor of State is not required to file a summary and fiscal analysis along with a proposed rule filed with JCARR, LSC, and the Secretary of State.
3. At least 35 days before the date set for a public hearing on the rule, the Auditor of State mails notice of the hearing to each public office that will be affected by the rule-making action, and to each statewide organization representing persons who will be affected by the rule-making action. In addition, reasonable public notice of the public hearing is posted electronically in the Register of Ohio (*available at* <http://www.registerofohio.state.oh.us>) at least 30 days before the date set for the public hearing. The public hearing notice includes (a) a statement of the Auditor of State's intention to consider adopting, amending, or rescinding a rule; (b) a synopsis of the proposed rule, amendment, or rescission or a general statement of the subject matter to which the proposed rule relates; (c) a statement of the reason or purpose for adopting, amending, or rescinding the rule; and (d) the date, time, and place of the hearing on the proposed rule.
4. Prior to the public hearing, the proposed rule is available for public inspection at the Office of the Auditor of State. In addition, within five days after receipt of the request, a copy of the proposed rule will be mailed to any individual or organization that requests a copy.
5. At least 35 days after the notice of public hearing is mailed to individuals and organizations affected by the proposed rule-making, the public hearing is conducted on the date, and at the time and place, specified in the public hearing notice. The Auditor of State's office welcomes the participation of all interested parties and will consider all comments from the public on any proposed rule. Participants may choose to present their testimony at the hearing either orally or in writing. Any member of the public who is unable to attend the public hearing is welcome to send comments in writing, by fax, or by e-mail to the Auditor of State's Office.
6. If, after considering all public comments, the Auditor of State's office decides not to make any changes to the proposed rule, an effective date is designated for the rule, and the rule is filed in its final form with JCARR, LSC, and the Secretary of State. The rule can take effect no earlier than 10 days from the date of the rule's final filing with the three agencies listed above.

Auditor of State Contact Information

The Auditor of State encourages public participation of all interested or affected parties in the rule-making process, and remains committed to promulgating rules that promote efficiency and professional service. If you have questions or would like additional information about the Auditor of State's rule-making procedures, please feel free to call, write, or e-mail this office as follows:

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