

#### The Ohio Auditor of State

#### **Our 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.

#### The Ohio Auditor of State

#### The Office

- As one of five independently elected statewide offices under Ohio's Constitution, the Auditor of State's office strives for clean, accountable and efficient governments for the people of Ohio.
- With a statewide staff of more than 800 auditors and other professionals, the Auditor of State's office has a wide range of responsibilities.

Efficient • Effective • Transparent

1

#### The Ohio Auditor of State Responsibilities

- Audit all public offices in Ohio (more than 5,900 entities) including cities, counties, villages, townships, schools, state universities and public libraries, as well as all state agencies, boards and commissions.
- Conduct performance audits of state and local public offices,
- Identify and investigate fraud in public agencies,
- Provide financial services to local governments,
- Promote transparency in government.

Efficient • Effective • Transparent

"One of the great mistakes is to judge policies and programs by their intentions rather than their results."

-Milton Friedman

#### Differences between Financial and Performance Audits

#### **Performance Audits**

- Identify areas of inefficiency ordinances. or ineffectiveness.
- Provide recommendations appropriately and lawfully. for improvement of performance.

#### Financial Audits

- Have a proactive, forward focus.
   Determine if the entity has followed laws, rules, and followed laws, rules, and
  - · Verify public funds are spent
  - Review methods, accuracy and legality of accounts and financial reports.

Efficient • Effective • Transparent

#### What is a Performance Audit?

- An evaluation of how well a government function, agency, program, or activity is working.
- The purpose of these audits is to provide governing bodies and entity management with data-driven, independent analysis.
- This information can be used to create, manage, oversee, and modify agencies or programs.
- Our performance audits typically answer the following types of auestions:
- Is the program or agency accomplishing what it is supposed to accomplish?
   Could the program or agency operate more efficiently?
   What might happen if the agency or program were changed?

Efficient • Effective • Transparent

### **Performance Audit Principles:** The principles guiding performance auditing are often called the "Three E's": ECONOMY **EFFICIENCY EFFECTIVENESS** Getting the most out of available resources Achieving the objectives or goals of the program Keeping the costs low

#### Who We Are: Our Team

- The Ohio Performance Team (OPT) is made up of professionals from diverse backgrounds.
- · Our team has a blend of government/public sector and industry/private sector backgrounds
- OPT has in-depth experience in research, operations, data analysis, and management.



Efficient • Effective • Transparent

#### Types of Entities for Whom We **Provide Performance Audits**

- State Agencies, Boards, and Commissions
- School Districts
- Higher Education
- Local Governments or Agencies

Efficient • Effective • Transparent

#### Questions we can help with...

- I'm doing more with less. How can I maintain service levels?
- · How ready is my organization is to make a change?
- Am I serving my constituents as well as I would like?
- How can I remedy negative constituent feedback?
- How can my government become a model for others to emulate?
- How can I get an objective analysis to validate performance to my constituents?

#### Efficient • Effective • Transparent

#### A Sample of Recent Audits

# 2022. Stow-Murroe Falls City School District Ohio's Co-Located Institutions of Higher Education Ohio's Co-Located Institutions of Higher Education Ohio's College Gredit Plus ODNIR Orphan Well Program Mintotal Local School District Madian Local School District Blanchester Local School District Blanchester Local School District ODHE Facilities Inventory Northwestern Local School District Springfield Local School District 2021

City of Lorain Audit Report
Crawford County Landfill Audit Report
The Ohio Department of Health – COVID-19 Data
Ohio Department of Education
Ohio Department of Transportation
2020

2020
City of Upper Arlington
Hubbard Township Police Department
Ohio Educational Service Centers – Operational Study





Efficient • Effective • Transparent

# 4

#### The Impact of Our Work (1995-2022)

- Completed over 400 performance audits with recommendations for savings in excess of \$1.2 billion.
- For every dollar invested in a performance audit, we identified taxpayer savings of approximately:
- \$27 in higher education,
- \$7 in local governments,
- \$35 in school districts.

Efficient • Effective • Transparent

#### **Key Points about Performance Audits:**

- · Performance audits are collaborative.
- Common performance audit areas include program results/operations, staffing, compensation, contract management, and facility, fleet, and asset use.
- Performance audits adhere to government auditing standards.
- Cost for an audit varies based on depth and breadth of work
- The Auditor of State's office works for taxpayers and keeps audit costs low.

  Local Governments are charged a subsidized rate of \$41/hr.

  Audit scope is tailored to meet client needs.

#### Overview of the Performance Audit Process:

- · Planning the Audit
- Collaboratively developing the audit scope
- Conducting Fieldwork
- Completing research and analyses, verifying information with client, and sharing the results
- Writing the Audit Report
- Obtaining comments and a written response from the client
- Audit Release/Report Publication

Efficient	٠	Effective	٠	Transparen

## Common performance audit sections

- · Financial Management
- Human Resources
- Departmental Operations
- Fleet
- Facilities

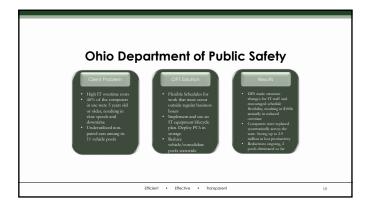
Efficient • Effective • Transparent

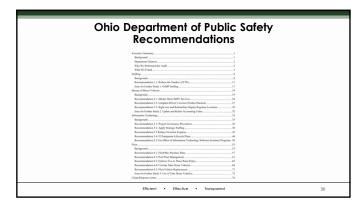
The City of Upper Arlington

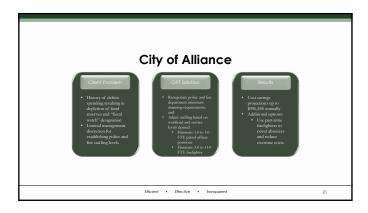
Citient Problem

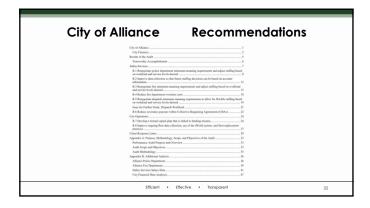
- Purchaning - the city locked of formal purchasing process expressioning the cert of the selected of firm a selected of the sel

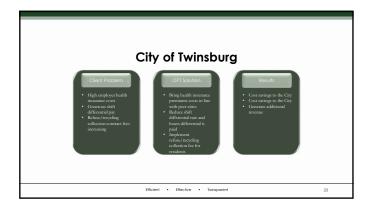
City of Upper Arlington	1
Governance	1
Finances	2
Operations	5
Results of Audit	
Procurement	
R.1.1: The City should implement a revised purchase process and track process metrics usin a software-based solution.	
Fleet Management	.10
Recommendation 2.1: The City of Upper Arlington should collect vehicle utilization data	.15
Recommendation 2.2: The City should adopt optimized lifecycle expectations for pickup trucks and police sedans.	. 16
Recommendation 2.3: The City should reevaluate the practice of leasing light vehicles	. 20
Recommendation 2.4: The City should replace City-owned passenger vehicles with persona mileage reimbursement.	
Information Technology Management	.27
Recommendation 3.1: The City should develop a strategic plan to align IT operations and direction with the Upper Arlington Technology Master Plan	.30
Recommendation 3.2: The City should replace servers to address data security, storage, and recovery needs	
Client Response Letter	.36

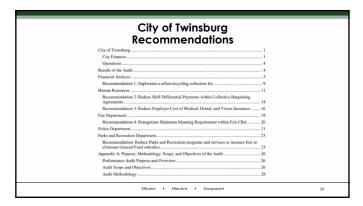


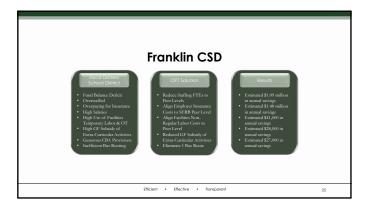


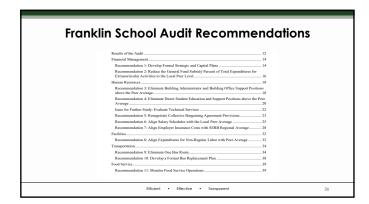














Stow-Mo	nroe Falls School Audit Recom	mendations
310 44-1410	ilioe i alis school Abali kecoli	inendanons
	Results of the Audit	14
	Tier I Recommendations	17
	Human Resources	17
	Recommendation 1: Eliminate Direct Student Education and Re-align Support Positions above the Peer Average	17
	Recommendation 2: Renegotiate Collective Bargaining Agreement Provisions	19
	Recommendation 3: Align Salary Schedules	22
	Recommendation 4: Align Employer Insurance Costs with SERB Regional Average	24
	Facilities	27
	Recommendation 5: Reduce Facilities Staffing	27
	Transportation	30
	Recommendation 6: Eliminate Bus Routes	30
	Tier II and Tier III Recommendations	34
	Tier II Recommendations	34
	Eliminate the General Fund Subsidy for Extracurricular Activities	34
	Eliminate Tuition Reimbursement	35
	Implement a Salary Step Freeze	35
	Tier III Recommendations.	36
	Building Administrators	36
	Building Office Support Staff	36
	Classroom Teachers	37
	Client Response Letter	38
	Efficient • Effective • Transparent	28

#### **Results of Our Work**

- Identified opportunity to replace and redeploy computer inventory within ODPS reducing lost productivity by \$2.9M.
   Recommended consistent contact tracing and investigation coordination for local health districts through ODH resulting in \$17M savings.
- Pinpointed opportunity to eliminate or reduce underutilized copiers at OSU with \$321,815 in savings realized to date.
- Suggested consistent, comprehensive costing methodology be applied to all ODA laboratory tests generating \$448,234 in revenue.
- Recognized opportunity to adjust OMAHS staffing models to reduce overtime spending by \$1M.
- Determined EPA could realize \$1.7M in savings by terminating plans and releasing capital budget for new warehouse on ODA campus.
   Detected potential to right-size BWC regional office space saving nearly \$1.3M.

Efficient	•	Effective	٠	Transparent

#### **Results of Our Work**

- Proposed the elimination of 1.0 FTE and all part-time patrol officer positions based on calls for service, resulting in an annual savings of \$127,000.
- Identified opportunity to bring collective bargaining agreement provisions in line with peer minimums, saving \$18,400 annually.
- Recognized opportunity to pay overtime according to Fair Labor Standards Act provision for Police, resulting in an average annual savings of \$19,100.
- Detected opportunity to right-size up to four spare vehicles, resulting in an annual savings of \$1,200 and a one-time salvage value of \$6,900.

Efficient	٠	Effective	٠	Transparent	

1		1	٦
J	L	ι	J

#### What Our Clients Have to Say

"The report provided valuable insight on data collection to improve enterprise fleet services particularly by supporting our goals to onboard additional agencies to the managed fleet program and implement telematics. This will result in a more efficient state fleet, saving topopyer dollars."

- Anna Garver, Ohio Department of Administrative Services

"I am grateful to the performance audit team for helping to identify ways our laboratories can better serve our customers and ensure transparency through a more uniform and comprehensive cost methodology. The oudifor's team was professional, considerate, and helped our team to think critically to improve our methods. Since the audit we have been able to implement the recommendations of the audit team and identify the true cost of each of the over 300 unique abcorduly services.

"It was an absolute pleasure working with your team. Getting objective observations that can be used to serve the community as a whole is one of the most difficult challenges being an elected official. Hele strongly that has been accomplished here. I hope your department and Auditor Faber finds the approach taken here at Findlay useful as you do audits on other fully departments around the State."

- Jim Staschiak II, Findlay City Auditor

Efficient • Effective • Transparent

#### What Our Clients Have to Say

"Franklin City Schools recently participated in a performance audit from the State of Ohio Auditor's Ohio Performance Team. This collaboration between the district and State was designed to fake a proactive look of the district's finances. The audit team was great to work with. The Franklin Board of district's finances. The audit team was great to work with. The Franklin Board of district's financial the other and when making any changes to the district's financial status. The district is grafeful for the Auditor's Office partnership and support and for the final report which is a blueprint to be the Scal health."

- Michael Sander, Franklin City Schools

"Our entire audit experience was outstanding. An audit can often be quite stressful, but this audit fearn was so supportive, thorough, and professional. The time with the OPT fearn was very valuable and helped gain key insights into a consideration of the professional of the profession

#### Requesting a Performance Audit

- Any governmental entity can request a performance audit
- Government representatives can work with their regional liaison to schedule a discussion about a performance audit or contact Dorinda Byers, dabyers@ohioauditor.gov

Efficient • Effective • Transparent

11

Questions?		
For more information, please contact us:		
Nicole Smith nlsmith@ohioauditor.gov		
Dorinda Byers dabyers@ohioauditor.gov		
https://ohioauditor.gov/performance.html-		
() 🖸 💟 🖿 🛅 👬		
Efficient • Effective • Transparent	34	