



To: Sunset Review Committee
From: Office of Budget and Management
Date: June 25, 2024
Re: State Audit Committee Testimony

Mr. Chairman, members of the Sunset Review Committee, thank you for the opportunity to provide testimony on behalf of the State Audit Committee. My name is Kelly Salomone, and I am the Chief Audit Executive for the Office of Internal Audit within the Office of Budget and Management (OBM).

The State Audit Committee was created in 2008 by House Bill 166 of the 127th General Assembly, which consolidated state internal audit functions into OBM Internal Audit and established the State Audit Committee as an independent advisory board. An independent board, or audit committee, is a recommended best practice to provide oversight in alignment with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

The State Audit Committee meets quarterly and consists of five uncompensated members, external to the State's management structure, who collectively have financial, governmental accounting, and information technology expertise. The members include a public member appointed by the Governor, who serves as chair, two public members appointed by the President of the Senate, and two public members appointed by the Speaker of the House of Representatives.

The OBM Office of Internal Audit directs internal audits of 28 state agencies or divisions of state agencies to improve operations in the areas of risk management, internal controls, and governance. The main statutory duties of the State Audit Committee are to review and comment on the statewide internal audit plan and review, comment, and accept final audit reports of OBM Internal Audit. Additionally, the State Audit Committee reviews and comments on the process used by OBM to prepare the State of Ohio Annual Comprehensive Financial Report and the

unaudited financial statements submitted to the Auditor of State. During quarterly meetings, the Committee also interacts with management from OBM and other state agencies as deemed necessary to discuss audit plans and reports and to discuss high risk issues and corrective actions.

The State Audit Committee provides independent opinion and direction to improve agency management and the efficient use of state resources.

Thank you again for the opportunity to testify on behalf of the State Audit Committee. I am happy to respond to any questions you may have.