
PROGRAM NARRATIVE

117 OFFICE OF THE STATE AUDITOR

Date: 12/13/2006

Time: 11:36:16

Program: ADMINISTRATION	Reporting Level: 00-117-100-00-00-00-00000000
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PROGRAM PERFORMANCE MEASURES

Provide effective leadership, including strategic planning, training, and oversight and administrative services for the agency.

PROGRAM STATISTICAL DATA

Administration serves three offices in Bismarck and one in Fargo.

EXPLANATION OF PROGRAM COSTS

Costs incurred are primarily for salaries and other related costs for the State Auditor and the Office Manager.

PROGRAM GOALS AND OBJECTIVES

To coordinate and monitor the activities of the Office of the State Auditor.

REQUEST DETAIL BY PROGRAM
117 OFFICE OF THE STATE AUDITOR
Biennium: 2007-2009

Bill#: SB 2004

Date: 12/13/2006

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Program: ADMINISTRATION		Reporting Level: 00-117-100-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
SALARIES AND WAGES					
SALARIES - PERMANENT	194,948	223,092	-7,796	215,296	0
FRINGE BENEFITS	56,945	65,806	-2,234	63,572	0
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
TOTAL	251,893	288,898	-10,030	278,868	0
SALARIES AND WAGES					
GENERAL FUND	251,893	288,898	-10,030	278,868	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	251,893	288,898	-10,030	278,868	0
OPERATING EXPENSES					
FRINGE BENEFITS	0	0	0	0	0
TRAVEL	2,537	4,352	0	4,352	0
SUPPLIES - IT SOFTWARE	0	350	0	350	0
SUPPLY/MATERIAL-PROFESSIONAL	2,689	1,925	0	1,925	0
MISCELLANEOUS SUPPLIES	0	1,000	0	1,000	0
OFFICE SUPPLIES	55	500	0	500	0
POSTAGE	0	100	0	100	0
IT EQUIP UNDER \$5,000	1,194	1,000	0	1,000	0
INSURANCE	454	270	0	270	0
RENTALS/LEASES-EQUIP & OTHER	0	600	0	600	0
REPAIRS	0	300	0	300	0
IT-COMMUNICATIONS	1,560	1,600	0	1,600	0
PROFESSIONAL DEVELOPMENT	9,440	13,800	0	13,800	0
OPERATING FEES AND SERVICES	3,539	725	0	725	0
FEES - PROFESSIONAL SERVICES	9,307	0	11,000	11,000	0
TOTAL	30,775	26,522	11,000	37,522	0
OPERATING EXPENSES					
GENERAL FUND	30,775	26,522	11,000	37,522	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	30,775	26,522	11,000	37,522	0

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117 OFFICE OF THE STATE AUDITOR
Biennium: 2007-2009

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Program: ADMINISTRATION		Reporting Level: 00-117-100-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
PROGRAM FUNDING SOURCES					
GENERAL FUND	282,668	315,420	970	316,390	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
PROGRAM FUNDING TOTAL	282,668	315,420	970	316,390	0
FTE EMPLOYEES	2.00	2.00	-.20	1.80	.00
FUNDING DETAIL					
GENERAL FUND	282,668	315,420	970	316,390	0

CHANGE PACKAGE DETAIL

117 OFFICE OF THE STATE AUDITOR

Biennium: 2007-2009

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PROGRAM: ADMINISTRATION	REPORTING LEVEL: 00-117-100-00-00-00-00-00000000				
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

AGENCY BUDGET CHANGES

Cost To Continue	- .20	-10,030	0	0	-10,030
1 NSAA quality control review May 2008	.00	11,000	0	0	11,000
Agency Total	-.20	970	0	0	970

PROGRAM NARRATIVE

117 OFFICE OF THE STATE AUDITOR

Date: 12/13/2006

Time: 11:36:16

Program: DIVISION OF LOCAL GOVERNMENT AUDITS	Reporting Level: 00-117-210-00-00-00-00000000
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PROGRAM PERFORMANCE MEASURES

Audit local governments.

PROGRAM STATISTICAL DATA

The division performs approximately 90 audits annually, reviews approximately 280 audit reports of CPA firms annually, and reviews over 700 small government annual reports.

EXPLANATION OF PROGRAM COSTS

Major costs for this program are salaries, travel and building rental for 11 FTE employees.

PROGRAM GOALS AND OBJECTIVES

Audit local governments. Investigate claims filed with the Bonding fund.

REQUEST DETAIL BY PROGRAM
117 OFFICE OF THE STATE AUDITOR
Biennium: 2007-2009

Bill#: SB 2004

Date: 12/13/2006

Time: 11:36:16

Program: DIVISION OF LOCAL GOVERNMENT AUDITS		Reporting Level: 00-117-210-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
SALARIES AND WAGES					
SALARIES - PERMANENT	726,326	897,456	72,744	970,200	0
SALARIES - OTHER	0	0	0	0	0
TEMPORARY SALARIES	14,983	21,600	7,200	28,800	0
FRINGE BENEFITS	234,346	309,294	22,148	331,442	0
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
TOTAL	975,655	1,228,350	102,092	1,330,442	0
SALARIES AND WAGES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	975,655	1,228,350	102,092	1,330,442	0
TOTAL	975,655	1,228,350	102,092	1,330,442	0
OPERATING EXPENSES					
FRINGE BENEFITS	0	0	0	0	0
TRAVEL	70,101	76,341	18,659	95,000	0
SUPPLIES - IT SOFTWARE	1,896	3,000	-1,600	1,400	0
SUPPLY/MATERIAL-PROFESSIONAL	517	1,000	0	1,000	0
MISCELLANEOUS SUPPLIES	377	3,000	0	3,000	0
OFFICE SUPPLIES	3,941	6,500	0	6,500	0
POSTAGE	4,143	6,000	0	6,000	0
PRINTING	1,116	3,000	0	3,000	0
IT EQUIP UNDER \$5,000	10,480	15,355	-9,355	6,000	0
OFFICE EQUIP & FURN SUPPLIES	458	0	0	0	0
INSURANCE	2,618	2,000	0	2,000	0
RENTALS/LEASES-EQUIP & OTHER	0	500	-500	0	0
RENTALS/LEASES - BLDG/LAND	30,122	50,124	2,376	52,500	0
REPAIRS	1,919	1,000	0	1,000	0
IT - DATA PROCESSING	2,615	8,865	7,285	16,150	0
IT-COMMUNICATIONS	7,094	7,935	3,765	11,700	0
PROFESSIONAL DEVELOPMENT	7,115	4,000	0	4,000	0
OPERATING FEES AND SERVICES	10,482	14,000	0	14,000	0
FEES - PROFESSIONAL SERVICES	0	1,000	0	1,000	0
TOTAL	154,994	203,620	20,630	224,250	0

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Program: DIVISION OF LOCAL GOVERNMENT AUDITS		Reporting Level: 00-117-210-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
OPERATING EXPENSES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	154,994	203,620	20,630	224,250	0
TOTAL	154,994	203,620	20,630	224,250	0
EQUIPMENT					
EQUIPMENT OVER \$5000	0	10,000	0	10,000	0
TOTAL	0	10,000	0	10,000	0
EQUIPMENT					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	0	10,000	0	10,000	0
CAPITAL ASSETS					
EQUIPMENT OVER \$5000	0	10,000	0	10,000	0
TOTAL	0	10,000	0	10,000	0
CAPITAL ASSETS					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	10,000	0	10,000	0
TOTAL	0	10,000	0	10,000	0
PROGRAM FUNDING SOURCES					
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	1,130,649	1,441,970	122,722	1,564,692	0
GENERAL FUND	0	0	0	0	0
PROGRAM FUNDING TOTAL	1,130,649	1,441,970	122,722	1,564,692	0
FTE EMPLOYEES					
	11.00	12.00	.00	12.00	.00

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Program: DIVISION OF LOCAL GOVERNMENT AUDITS		Reporting Level: 00-117-210-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

FUNDING DETAIL

GENERAL FUND

0	0	0	0	0
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FEDERAL FUNDS

G022 ROYALTY AUDIT PROGRAM

0	0	0	0	0
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TOTAL

0	0	0	0	0
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SPECIAL FUNDS

246 STATE AUDITORS OPERATING FUND 246

1,130,649	1,441,970	122,722	1,564,692	0
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TOTAL

1,130,649	1,441,970	122,722	1,564,692	0
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CHANGE PACKAGE DETAIL

117 OFFICE OF THE STATE AUDITOR
 Biennium: 2007-2009

Bill#: SB 2004

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PROGRAM: DIVISION OF LOCAL GOVERNMENT AUDITS	REPORTING LEVEL: 00-117-210-00-00-00-00-00000000				
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

AGENCY BUDGET CHANGES

Cost To Continue	.00	0	0	92,092	92,092
3 Operating expenditure increases and decreases	.00	0	0	20,630	20,630
8 Replace existing copier	.00	0	0	10,000	10,000
Agency Total	.00	0	0	122,722	122,722

PROGRAM NARRATIVE

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Program: DIVISION OF STATE AUDITS	Reporting Level: 00-117-220-00-00-00-00000000
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PROGRAM PERFORMANCE MEASURES

Number of noteworthy findings by type, e.g., internal control, compliance with legislative intent, operational improvements, performance audit findings, and information system audit findings.

Complete audits in a timely manner.

Receive an unmodified Quality Control Review report.

Number of high priority information systems audits completed.

Limit turnover by section.

PROGRAM STATISTICAL DATA

This division conducts approximately 70 financial audits every two years, including the statewide single audit.

Also, annual audits are conducted on the state's comprehensive annual financial report, and the ND University System's annual financial report.

EXPLANATION OF PROGRAM COSTS

Major costs for this program are salaries, travel, ITD charges, IT equipment, and building rental for 36 FTE employees.

PROGRAM GOALS AND OBJECTIVES

Develop sound findings and REQUESTs to help improve state government operations and accountability.

Maintain compliance with the highest industry standards.

Focus our information systems audit resources as effectively as possible.

Maintain our highly qualified, experienced work force.

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Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
SALARIES AND WAGES					
SALARIES - PERMANENT	2,906,641	3,265,243	101,237	3,366,480	133,920
SALARIES - OTHER	0	0	0	0	115,500
TEMPORARY SALARIES	21,752	24,712	4,088	28,800	0
FRINGE BENEFITS	851,832	1,029,778	-30,784	998,994	50,140
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
TOTAL	3,780,225	4,319,733	74,541	4,394,274	299,560
SALARIES AND WAGES					
GENERAL FUND	3,780,225	4,319,733	74,541	4,394,274	299,560
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	3,780,225	4,319,733	74,541	4,394,274	299,560
OPERATING EXPENSES					
FRINGE BENEFITS	0	0	0	0	0
TRAVEL	35,028	51,400	-6,400	45,000	0
SUPPLIES - IT SOFTWARE	42,993	23,400	-3,400	20,000	1,000
SUPPLY/MATERIAL-PROFESSIONAL	4,543	9,500	0	9,500	0
MISCELLANEOUS SUPPLIES	9,130	2,000	0	2,000	0
OFFICE SUPPLIES	7,029	9,000	-1,000	8,000	0
POSTAGE	2,815	4,100	0	4,100	0
PRINTING	3,890	4,300	0	4,300	0
IT EQUIP UNDER \$5,000	38,211	27,320	9,430	36,750	2,500
OFFICE EQUIP & FURN SUPPLIES	1,846	0	0	0	0
INSURANCE	8,838	5,850	0	5,850	0
RENTALS/LEASES-EQUIP & OTHER	2,528	17,000	-10,880	6,120	0
RENTALS/LEASES - BLDG/LAND	28,177	40,000	500	40,500	0
REPAIRS	6,326	8,000	-1,000	7,000	0
IT - DATA PROCESSING	72,587	89,200	20,700	109,900	1,500
IT-COMMUNICATIONS	29,057	28,000	6,000	34,000	1,500
PROFESSIONAL DEVELOPMENT	19,079	37,046	-12,546	24,500	0
OPERATING FEES AND SERVICES	62,410	34,736	0	34,736	0
FEES - PROFESSIONAL SERVICES	1,320	100,000	-100,000	0	0
TOTAL	375,807	490,852	-98,596	392,256	6,500

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Program: DIVISION OF STATE AUDITS		Reporting Level: 00-117-220-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
OPERATING EXPENSES					
GENERAL FUND	375,807	490,852	-98,596	392,256	6,500
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	375,807	490,852	-98,596	392,256	6,500
SPECIAL LINES					
INFORMATION TECHNOLOGY CONSULTANTS	0	0	100,000	100,000	0
TOTAL	0	0	100,000	100,000	0
SPECIAL LINES					
GENERAL FUND	0	0	100,000	100,000	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	0	0	100,000	100,000	0
PROGRAM FUNDING SOURCES					
SPECIAL FUNDS	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
GENERAL FUND	4,156,032	4,810,585	75,945	4,886,530	306,060
PROGRAM FUNDING TOTAL	4,156,032	4,810,585	75,945	4,886,530	306,060
FTE EMPLOYEES	36.00	36.00	.00	36.00	2.00
FUNDING DETAIL					
GENERAL FUND	4,156,032	4,810,585	75,945	4,886,530	306,060
FEDERAL FUNDS					
G022 ROYALTY AUDIT PROGRAM	0	0	0	0	0
TOTAL	0	0	0	0	0
SPECIAL FUNDS					
246 STATE AUDITORS OPERATING FUND 246	0	0	0	0	0
TOTAL	0	0	0	0	0

CHANGE PACKAGE DETAIL

117 OFFICE OF THE STATE AUDITOR
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PROGRAM: DIVISION OF STATE AUDITS	REPORTING LEVEL: 00-117-220-00-00-00-00-00000000				
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

AGENCY BUDGET CHANGES

Cost To Continue	.00	74,541	0	0	74,541
3 Operating expenditure increases and decreases	.00	1,404	0	0	1,404
7 Move consultant \$\$\$ from operating line to special	.00	0	0	0	0
Agency Total	.00	75,945	0	0	75,945

OPTIONAL REQUEST

5 Additional salary dollars for equity adjustments	.00	115,500	0	0	115,500
6 Two Information Systems Auditors	2.00	190,560	0	0	190,560
Optional Total	2.00	306,060	0	0	306,060

PROGRAM NARRATIVE

117 OFFICE OF THE STATE AUDITOR

Date: 12/13/2006

Time: 11:36:16

Program: MINERAL ROYALTY AUDITING	Reporting Level: 00-117-230-00-00-00-00000000
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PROGRAM PERFORMANCE MEASURES

Audits are performed in accordance with Government Auditing Standards.

PROGRAM STATISTICAL DATA

Audits are performed in accordance with an annual work plan approved by the Federal government.

EXPLANATION OF PROGRAM COSTS

Costs of this program consist of salary, travel and rent for 5 FTE auditors.

PROGRAM GOALS AND OBJECTIVES

This program audits companies who have mineral leases on federal land located within the State of North Dakota. The program ensures that appropriate royalties are paid on oil, gas, and coal produced on federal leases.

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Program: MINERAL ROYALTY AUDITING		Reporting Level: 00-117-230-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
SALARIES AND WAGES					
SALARIES - PERMANENT	544,525	642,394	-115,834	526,560	0
TEMPORARY SALARIES	0	0	28,800	28,800	0
FRINGE BENEFITS	157,530	195,476	-35,098	160,378	0
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
TOTAL	702,055	837,870	-122,132	715,738	0
SALARIES AND WAGES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	702,055	837,870	-122,132	715,738	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	702,055	837,870	-122,132	715,738	0
OPERATING EXPENSES					
FRINGE BENEFITS	0	0	0	0	0
TRAVEL	36,505	88,516	0	88,516	0
SUPPLIES - IT SOFTWARE	0	2,000	0	2,000	0
SUPPLY/MATERIAL-PROFESSIONAL	1,000	1,200	0	1,200	0
MISCELLANEOUS SUPPLIES	110	0	0	0	0
OFFICE SUPPLIES	1,471	4,000	0	4,000	0
POSTAGE	981	2,400	0	2,400	0
PRINTING	306	0	0	0	0
IT EQUIP UNDER \$5,000	4,692	7,900	-2,900	5,000	0
OFFICE EQUIP & FURN SUPPLIES	12,434	0	0	0	0
INSURANCE	1,450	1,485	0	1,485	0
RENTALS/LEASES - BLDG/LAND	23,070	25,000	0	25,000	0
REPAIRS	1,896	2,400	0	2,400	0
IT - DATA PROCESSING	1,771	6,200	3,840	10,040	0
IT-COMMUNICATIONS	1,730	2,000	280	2,280	0
IT CONTRACTUAL SERVICES AND RE	1,100	0	0	0	0
PROFESSIONAL DEVELOPMENT	1,740	4,800	0	4,800	0
OPERATING FEES AND SERVICES	26,888	7,400	0	7,400	0
TOTAL	117,144	155,301	1,220	156,521	0

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Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

OPERATING EXPENSES

GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	117,144	155,301	1,220	156,521	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	117,144	155,301	1,220	156,521	0

PROGRAM FUNDING SOURCES

FEDERAL FUNDS	819,199	993,171	-120,912	872,259	0
SPECIAL FUNDS	0	0	0	0	0
GENERAL FUND	0	0	0	0	0
PROGRAM FUNDING TOTAL	819,199	993,171	-120,912	872,259	0

FTE EMPLOYEES

6.00	5.00	.00	5.00	.00
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FUNDING DETAIL

FEDERAL FUNDS

G022 ROYALTY AUDIT PROGRAM	819,199	993,171	-120,912	872,259	0
TOTAL	819,199	993,171	-120,912	872,259	0

CHANGE PACKAGE DETAIL

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PROGRAM: MINERAL ROYALTY AUDITING	REPORTING LEVEL: 00-117-230-00-00-00-00-00000000				
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

AGENCY BUDGET CHANGES

Cost To Continue	.00	0	-122,132	0	-122,132
3 Operating expenditure increases and decreases	.00	0	1,220	0	1,220
Agency Total	.00	0	-120,912	0	-120,912