
AGENCY OVERVIEW

117 OFFICE OF THE STATE AUDITOR

Date: 12/13/2006

Time: 15:20:56

STATUTORY AUTHORITY

North Dakota Century Code Chapter 54-10.

AGENCY DESCRIPTION

The State Auditor is a constitutionally elected state official. The Office of the State Auditor is divided into four operational divisions. The Division of State Audits, the largest division, is responsible for auditing state government and conducting financial, compliance, performance, and information system audits.

The Division of Local Government Audits performs audits of counties, cities, school districts, and other political subdivisions.

The Division of Royalty Audits conducts audits of federal royalty payments from oil, gas, and coal leases located within the State of North Dakota.

Administration, the fourth division, accounts for activities of the State Auditor and the Office Manager.

AGENCY MISSION

To provide audit services designed to improve governmental operations and to provide accountability for the benefit of the citizens of North Dakota.

AGENCY PERFORMANCE MEASURES

The Agency-wide performance measure is to conduct audits. Detailed performance measures are reported at the program level.

MAJOR ACCOMPLISHMENTS

Significant operational improvements are being made at State agencies as a result of our financial and performance audits.

The first security assessment of the state's network was conducted in 2005 through the use of consultants.

FUTURE CRITICAL ISSUES

Costs to continue are primarily salaries and operating expenses such as travel and rent.

REQUEST SUMMARY117 OFFICE OF THE STATE AUDITOR
Biennium: 2007-2009

Bill#: SB2004

Date: 12/13/2006

Time: 15:20:56

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
ADMINISTRATION	282,668	315,420	970	316,390	0
DIVISION OF LOCAL GOVERNMENT AUDITS	1,130,649	1,451,970	122,722	1,564,692	0
DIVISION OF STATE AUDITS	4,156,032	4,810,585	75,945	4,886,530	306,060
MINERAL ROYALTY AUDITING	819,199	993,171	-120,912	872,259	0
TOTAL MAJOR PROGRAMS	6,388,548	7,571,146	78,725	7,639,871	306,060
BY LINE ITEM					
SALARIES AND WAGES	5,709,828	6,674,851	44,471	6,719,322	299,560
OPERATING EXPENSES	678,720	876,295	-65,746	810,549	6,500
CAPITAL ASSETS	0	10,000	0	10,000	0
INFORMATION TECHNOLOGY CONSULTANTS	0	0	100,000	100,000	0
TOTAL LINE ITEMS	6,388,548	7,571,146	78,725	7,639,871	306,060
BY FUNDING SOURCE					
GENERAL FUND	4,438,700	5,126,005	76,915	5,202,920	306,060
FEDERAL FUNDS	819,199	993,171	-120,912	872,259	0
SPECIAL FUNDS	1,130,649	1,441,970	122,722	1,564,692	0
TOTAL FUNDING SOURCE	6,388,548	7,561,146	78,725	7,639,871	306,060
TOTAL FTE	55.00	55.00	-.20	54.80	2.00

REQUEST DETAIL

Date: 12/13/2006

117 OFFICE OF THE STATE AUDITOR

Bill#: SB2004

Time: 15:20:56

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
SALARIES AND WAGES					
SALARIES - PERMANENT	4,372,440	5,028,185	50,351	5,078,536	133,920
SALARIES - OTHER	0	0	0	0	115,500
TEMPORARY SALARIES	36,735	46,312	40,088	86,400	0
FRINGE BENEFITS	1,300,653	1,600,354	-45,968	1,554,386	50,140
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
TOTAL	5,709,828	6,674,851	44,471	6,719,322	299,560
SALARIES AND WAGES					
GENERAL FUND	4,032,118	4,608,631	64,511	4,673,142	299,560
FEDERAL FUNDS	702,055	837,870	-122,132	715,738	0
SPECIAL FUNDS	975,655	1,228,350	102,092	1,330,442	0
TOTAL	5,709,828	6,674,851	44,471	6,719,322	299,560
OPERATING EXPENSES					
FRINGE BENEFITS	0	0	0	0	0
TRAVEL	144,171	220,609	12,259	232,868	0
SUPPLIES - IT SOFTWARE	44,889	28,750	-5,000	23,750	1,000
SUPPLY/MATERIAL-PROFESSIONAL	8,749	13,625	0	13,625	0
MISCELLANEOUS SUPPLIES	9,617	6,000	0	6,000	0
OFFICE SUPPLIES	12,496	20,000	-1,000	19,000	0
POSTAGE	7,939	12,600	0	12,600	0
PRINTING	5,312	7,300	0	7,300	0
IT EQUIP UNDER \$5,000	54,577	51,575	-2,825	48,750	2,500
OFFICE EQUIP & FURN SUPPLIES	14,738	0	0	0	0
INSURANCE	13,360	9,605	0	9,605	0
RENTALS/LEASES-EQUIP & OTHER	2,528	18,100	-11,380	6,720	0
RENTALS/LEASES - BLDG/LAND	81,369	115,124	2,876	118,000	0
REPAIRS	10,141	11,700	-1,000	10,700	0
IT - DATA PROCESSING	76,973	104,265	31,825	136,090	1,500
IT-COMMUNICATIONS	39,441	39,535	10,045	49,580	1,500
IT CONTRACTUAL SERVICES AND RE	1,100	0	0	0	0
PROFESSIONAL DEVELOPMENT	37,374	59,646	-12,546	47,100	0
OPERATING FEES AND SERVICES	103,319	56,861	0	56,861	0
FEES - PROFESSIONAL SERVICES	10,627	101,000	-89,000	12,000	0
TOTAL	678,720	876,295	-65,746	810,549	6,500

REQUEST DETAIL117 OFFICE OF THE STATE AUDITOR
Biennium: 2007-2009

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Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
OPERATING EXPENSES					
GENERAL FUND	406,582	517,374	-87,596	429,778	6,500
FEDERAL FUNDS	117,144	155,301	1,220	156,521	0
SPECIAL FUNDS	154,994	203,620	20,630	224,250	0
TOTAL	678,720	876,295	-65,746	810,549	6,500
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
SPECIAL LINES					
INFORMATION TECHNOLOGY CONSULTANTS	0	0	100,000	100,000	0
TOTAL	0	0	0	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
FUNDING SOURCES					
GENERAL FUND	4,438,700	5,126,005	76,915	5,202,920	306,060
FEDERAL FUNDS	819,199	993,171	-120,912	872,259	0
SPECIAL FUNDS	1,130,649	1,441,970	122,722	1,564,692	0
TOTAL FUNDING SOURCES	6,388,548	7,561,146	78,725	7,639,871	306,060

CHANGE PACKAGE SUMMARY

117 OFFICE OF THE STATE AUDITOR

Biennium: 2007-2009

Bill#: SB2004

Date: 12/13/2006

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Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	-20	64,511	-122,132	92,092	34,471
1 NSAA quality control review May 2008	.00	11,000	0	0	11,000
3 Operating expenditure increases and decreases	.00	1,404	1,220	20,630	23,254
7 Move consultant \$\$\$ from operating line to special	.00	0	0	0	0
8 Replace existing copier	.00	0	0	10,000	10,000
Agency Total	-.20	76,915	-120,912	122,722	78,725
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

BUDGET CHANGES NARRATIVE
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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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NSAA quality control review May 2008 - Increase operating expenditures for NSAA quality control review in May 2008.

Estimating May 2008 NSAA peer review to cost approximately \$11,000

Change Group: A	Change Type: A	Change No: 3	Priority: 3
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Operating expenditure increases and decreases - Major increases are for increased travel and increased costs paid to ITD for data processing and phone services.

Miscellaneous increases and decreases in estimated expenditures.
Largest increases in travel and fees paid to ITD.

Change Group: A	Change Type: A	Change No: 7	Priority: 6
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Move consultant \$\$\$ from operating line to special - Because consultant dollars will be spent during first year of the biennium, we are moving them out of the operating line item and into a special line item. This will let us avoid exceeding the 75% limitation on operating expenditures (N.D.C.C section 57-27-10).

Because consultant dollars will be spent during first year of the biennium, we are moving them out of the operating line item and into a special line item. This will let us avoid exceeding the 75% limitation on operating expenditures (N.D.C.C section 57-27-10).

Change Group: A	Change Type: A	Change No: 8	Priority: 5
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Replace existing copier - The current copier will need to be replaced in the 2007-2009 biennium.

The existing copier will need to be replaced during the current or upcoming biennium.

Change Group: O	Change Type: A	Change No: 5	Priority: 1
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Additional salary dollars for equity adjustments - Additional salary dollars for promotions and equity adjustments to reduce turnover.

Additional salary dollars for promotions and equity adjustments based on years of experience and responsibilities.

Change Group: O	Change Type: A	Change No: 6	Priority: 2
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Two Information Systems Auditors - Need 2 additional FTEs and related salary dollars for Information System Auditors to carry out the duties of N.D.C.C. Section 54-10-28, relating to information technology compliance reviews.

Need 2 additional FTEs and related salary dollars for Information System Auditors to carry out the duties of N.D.C.C. Section 54-10-28, relating to information technology compliance reviews.