

PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 01/13/2011**Time:** 11:13:42**Program:** Administrative Services**Reporting level:** 00-117-100-00-00-00-00000000**Program Performance Measures**

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

Program Statistical Data

Administration serves two offices in Bismarck and one in Fargo.

Explanation of Program Costs

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

Program Goals and Objectives

Administration coordinates and monitors the activities of the Office of the State Auditor.

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor

Bill#: SB2004

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:13:42

Program: Administrative Services		Reporting Level: 00-117-100-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	232,562	254,688	6,207	260,895	0
Fringe Benefits	71,469	83,562	1,062	84,624	0
Total	304,031	338,250	7,269	345,519	0
Salaries and Wages					
General Fund	304,031	338,250	7,269	345,519	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	304,031	338,250	7,269	345,519	0
Operating Expenses					
Travel	3,068	4,500	0	4,500	0
Supplies - IT Software	0	400	0	400	0
Supply/Material-Professional	3,650	2,380	(480)	1,900	0
Miscellaneous Supplies	0	520	(520)	0	0
Office Supplies	0	500	0	500	0
Postage	31	100	0	100	0
IT Equip Under \$5,000	0	1,150	(1,150)	0	0
Office Equip & Furn Supplies	1,340	850	0	850	0
Insurance	237	302	98	400	0
Rentals/Leases-Equip & Other	0	600	(600)	0	0
Repairs	0	300	(300)	0	0
IT - Communications	1,634	2,000	0	2,000	0
Professional Development	10,950	13,800	(11,300)	2,500	0
Operating Fees and Services	15	800	0	800	0
Fees - Professional Services	11,421	12,100	(12,100)	0	0
Total	32,346	40,302	(26,352)	13,950	0
Operating Expenses					
General Fund	32,346	40,302	(26,352)	13,950	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	32,346	40,302	(26,352)	13,950	0
Total Expenditures	336,377	378,552	(19,083)	359,469	0

Funding Sources

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor
 Biennium: 2011-2013

Bill#: SB2004

Date: 01/13/2011

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Program: Administrative Services **Reporting Level:** 00-117-100-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
General Fund					
Total	336,377	378,552	(19,083)	359,469	0
Total Funding Sources	336,377	378,552	(19,083)	359,469	0
FTE Employees	1.80	1.80	0.00	1.80	0.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
 Biennium: 2011-2013

Bill#: SB2004

Date: 01/13/2011

Time: 11:13:42

Program: Administrative Services Reporting Level: 00-117-100-00-00-00-00000000

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 3 Base budget changes		0.00	(26,352)	0	0	(26,352)
Base Payroll Change		0.00	7,269	0	0	7,269
Total Ongoing Budget Changes		0.00	(19,083)	0	0	(19,083)
Total Base Budget Changes		0.00	(19,083)	0	0	(19,083)

PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 01/13/2011**Time:** 11:13:42**Program:** Division of Local Government Audits**Reporting level:** 00-117-210-00-00-00-00000000**Program Performance Measures**

This division conducts audits of counties, cities, school districts and other political subdivisions.

Program Statistical Data

The division performs approximately 43 audits annually, reviews approximately 448 audit reports of CPA firms annually, and reviews over 600 small government annual reports.

Explanation of Program Costs

Major costs of this program are salaries, office rental and travel for 9 employees.

Program Goals and Objectives

Audit local governments and review annual reports of local governments too small to have audits.

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor

Bill#: SB2004

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:13:42

Program: Division of Local Government Audits	Reporting Level: 00-117-210-00-00-00-00000000
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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	668,229	788,977	16,343	805,320	0
Temporary Salaries	57,207	45,435	69,766	115,201	0
Overtime	3,197	0	0	0	0
Fringe Benefits	244,230	302,512	27,726	330,238	0
Total	972,863	1,136,924	113,835	1,250,759	0

Salaries and Wages

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	972,863	1,136,924	113,835	1,250,759	0
Total	972,863	1,136,924	113,835	1,250,759	0

Operating Expenses

Travel	48,239	74,510	0	74,510	0
Supplies - IT Software	0	3,000	(500)	2,500	0
Supply/Material-Professional	20	0	0	0	0
Bldg, Ground, Maintenance	303	0	0	0	0
Miscellaneous Supplies	244	0	0	0	0
Office Supplies	3,948	11,200	0	11,200	0
Postage	4,597	5,000	0	5,000	0
Printing	1,351	3,000	0	3,000	0
IT Equip Under \$5,000	2,999	7,345	(1,130)	6,215	0
Other Equip Under \$5,000	274	655	(655)	0	0
Office Equip & Furn Supplies	354	490	(490)	0	0
Insurance	1,227	2,000	0	2,000	0
Rentals/Leases-Equip & Other	334	0	0	0	0
Rentals/Leases - Bldg/Land	28,555	50,000	(8,000)	42,000	0
Repairs	288	2,000	0	2,000	0
IT - Data Processing	10,012	13,500	11,180	24,680	0
IT - Communications	8,701	9,500	(1,500)	8,000	0
Professional Development	1,390	4,000	0	4,000	0
Operating Fees and Services	4,095	14,000	(6,000)	8,000	0
Fees - Professional Services	0	1,000	0	1,000	0
Total	116,931	201,200	(7,095)	194,105	0

Operating Expenses

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor
 Biennium: 2011-2013

Bill#: SB2004

Date: 01/13/2011

Time: 11:13:42

Program: Division of Local Government Audits **Reporting Level:** 00-117-210-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Special Funds	116,931	201,200	(7,095)	194,105	0
Total	116,931	201,200	(7,095)	194,105	0
Total Expenditures	1,089,794	1,338,124	106,740	1,444,864	0
Funding Sources					
Special Funds					
246 State Auditors Operating Fund 246	1,089,794	1,338,124	106,740	1,444,864	0
Total	1,089,794	1,338,124	106,740	1,444,864	0
Total Funding Sources	1,089,794	1,338,124	106,740	1,444,864	0
FTE Employees	12.00	9.00	0.00	9.00	0.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
 Biennium: 2011-2013

Bill#: SB2004

Date: 01/13/2011

Time: 11:13:42

Program: Division of Local Government Audits				Reporting Level: 00-117-210-00-00-00-00-00000000			
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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 3 Base budget changes		0.00	0	0	(7,095)	(7,095)
Base Payroll Change		0.00	0	0	113,835	113,835
Total Ongoing Budget Changes		0.00	0	0	106,740	106,740
Total Base Budget Changes		0.00	0	0	106,740	106,740

PROGRAM NARRATIVE**Date:** 01/13/2011

117 Office of the State Auditor

Time: 11:13:42**Program:** Division of State Audits**Reporting level:** 00-117-220-00-00-00-00000000**Program Performance Measures**

1. Number of noteworthy findings by type, e.g., internal control; compliance with legislative intent; operational improvements; performance audit findings and information system audit findings.
2. Complete the Statewide and University System audits and Single Audit on a timely basis.
3. Obtain a favorable Quality Control Review report.
4. Number of high priority information systems audits completed.
5. Reduce the rate of turnover of employees.

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 and building rental.

Program Goals and Objectives

1. Develop sound findings and recommendations to improve state government operations and accountability.
2. Maintain compliance with the highest industry standards.
3. Focus information systems audit resources as effectively as possible.
4. Maintain our qualified and experienced auditors.

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor

Bill#: SB2004

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:13:42

Program: Division of State Audits		Reporting Level: 00-117-220-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	3,762,976	4,239,443	164,557	4,404,000	0
Salaries - Other	0	0	0	0	351,802
Temporary Salaries	9,779	28,800	0	28,800	0
Fringe Benefits	1,121,272	1,447,251	30,725	1,477,976	0
Reduction In Salary Budget	0	0	(81,918)	(81,918)	29,832
Total	4,894,027	5,715,494	113,364	5,828,858	381,634
Salaries and Wages					
General Fund	4,894,027	5,715,494	113,364	5,828,858	381,634
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	4,894,027	5,715,494	113,364	5,828,858	381,634
Operating Expenses					
Travel	46,964	55,000	0	55,000	0
Supplies - IT Software	2,442	20,000	(11,400)	8,600	50,000
Supply/Material-Professional	2,876	7,000	(4,000)	3,000	0
Food and Clothing	117	0	0	0	0
Bldg, Ground, Maintenance	1,119	1,000	0	1,000	0
Miscellaneous Supplies	115	2,000	(2,000)	0	0
Office Supplies	19,245	10,000	0	10,000	0
Postage	2,790	4,500	(1,000)	3,500	0
Printing	3,648	5,500	500	6,000	0
IT Equip Under \$5,000	32,486	23,000	2,062	25,062	0
Other Equip Under \$5,000	1,426	1,000	1,000	2,000	0
Office Equip & Furn Supplies	18,682	3,000	0	3,000	0
Insurance	5,302	6,000	0	6,000	0
Rentals/Leases-Equip & Other	4,267	0	0	0	0
Rentals/Leases - Bldg/Land	38,001	45,000	13,500	58,500	0
Repairs	7,989	12,000	(2,000)	10,000	0
IT - Data Processing	83,351	105,000	4,210	109,210	5,800
IT - Communications	31,704	33,000	4,000	37,000	0
IT Contractual Svcs and Rprs	755	7,315	(7,315)	0	0
Professional Development	30,025	45,183	(183)	45,000	0
Operating Fees and Services	8,001	6,904	8,096	15,000	0
Fees - Professional Services	6,075	1,781	(1,781)	0	0
Medical, Dental and Optical	1,709	0	0	0	0
Total	349,089	394,183	3,689	397,872	55,800

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Program: Division of State Audits		Reporting Level: 00-117-220-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Operating Expenses					
General Fund	349,089	394,183	3,689	397,872	55,800
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	349,089	394,183	3,689	397,872	55,800
Capital Assets					
IT Equip/Sftware Over \$5000	0	124,000	(124,000)	0	0
Total	0	124,000	(124,000)	0	0
Capital Assets					
General Fund	0	124,000	(124,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	124,000	(124,000)	0	0
Information Tech Consultants					
Fees - Professional Services	99,892	150,000	0	150,000	(150,000)
Total	99,892	150,000	0	150,000	(150,000)
Information Tech Consultants					
General Fund	99,892	150,000	0	150,000	(150,000)
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	99,892	150,000	0	150,000	(150,000)
Total Expenditures	5,343,008	6,383,677	(6,947)	6,376,730	287,434
Funding Sources					
General Fund					
Total	5,343,008	6,383,677	(6,947)	6,376,730	287,434
Total Funding Sources	5,343,008	6,383,677	(6,947)	6,376,730	287,434
FTE Employees	36.00	36.00	0.00	36.00	0.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
Biennium: 2011-2013

Bill#: SB2004

Date: 01/13/2011

Time: 11:13:42

Program: Division of State Audits			Reporting Level: 00-117-220-00-00-00-00-00000000			
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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
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Base Budget Changes

One Time Budget Changes

A-E 2 Remove TeamMate One-time funding		0.00	(150,000)	0	0	(150,000)
Total One Time Budget Changes		0.00	(150,000)	0	0	(150,000)

Ongoing Budget Changes

A-A 3 Base budget changes		0.00	(52,229)	0	0	(52,229)
Base Payroll Change		0.00	195,282	0	0	195,282
Total Ongoing Budget Changes		0.00	143,053	0	0	143,053

Total Base Budget Changes		0.00	(6,947)	0	0	(6,947)
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Optional Budget Changes

Ongoing Optional Changes

A-C 4 Restore salary line funding	4	0.00	81,918	0	0	81,918
A-C 5 Fund ongoing TeamMate costs	5	0.00	55,800	0	0	55,800
A-C 6 Increase salaries	6	0.00	351,802	0	0	351,802
Total Ongoing Optional Changes		0.00	489,520	0	0	489,520

Total Optional Budget Changes		0.00	489,520	0	0	489,520
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Optional Savings Changes

A-G 1 3% Savings	1	0.00	(202,086)	0	0	(202,086)
Total Optional Savings Changes		0.00	(202,086)	0	0	(202,086)

PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 01/13/2011**Time:** 11:13:42**Program:** Mineral Royalty Auditing**Reporting level:** 00-117-230-00-00-00-00000000**Program Performance Measures**

This division conducts audits of federal royalty payments from oil, gas, and coal leases located within the State of North Dakota.

Program Statistical Data

Audits are performed in accordance with an annual work plan approved by the Federal office of Minerals Management Service.

Explanation of Program Costs

Costs of this program consist of salary, travel and rent for 4 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.

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor

Bill#: SB2004

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:13:42

Program: Mineral Royalty Auditing		Reporting Level: 00-117-230-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	493,180	618,370	(51,430)	566,940	0
Temporary Salaries	3,450	0	0	0	0
Fringe Benefits	147,964	206,008	(28,977)	177,031	0
Total	644,594	824,378	(80,407)	743,971	0
Salaries and Wages					
General Fund	0	0	0	0	0
Federal Funds	644,594	824,378	(80,407)	743,971	0
Special Funds	0	0	0	0	0
Total	644,594	824,378	(80,407)	743,971	0
Operating Expenses					
Travel	20,002	79,341	(39,341)	40,000	0
Supplies - IT Software	917	1,000	1,000	2,000	0
Supply/Material-Professional	0	1,400	5,600	7,000	0
Office Supplies	2,005	4,000	3,200	7,200	0
Postage	941	2,400	0	2,400	0
Printing	0	4,000	(4,000)	0	0
IT Equip Under \$5,000	5,676	1,909	3,015	4,924	0
Other Equip Under \$5,000	740	167	(167)	0	0
Office Equip & Furn Supplies	659	3,583	7,758	11,341	0
Insurance	603	1,600	(600)	1,000	0
Rentals/Leases - Bldg/Land	22,108	26,000	500	26,500	0
Repairs	930	2,000	0	2,000	0
IT - Data Processing	6,603	8,500	5,500	14,000	0
IT - Communications	2,280	2,200	80	2,280	0
Professional Development	3,877	4,800	0	4,800	0
Operating Fees and Services	851	7,400	0	7,400	0
Fees - Professional Services	1,000	0	0	0	0
Total	69,192	150,300	(17,455)	132,845	0
Operating Expenses					
General Fund	0	0	0	0	0
Federal Funds	69,192	150,300	(17,455)	132,845	0
Special Funds	0	0	0	0	0
Total	69,192	150,300	(17,455)	132,845	0

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor
 Biennium: 2011-2013

Bill#: SB2004

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Program: Mineral Royalty Auditing		Reporting Level: 00-117-230-00-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Total Expenditures	713,786	974,678	(97,862)	876,816	0
Funding Sources					
Federal Funds					
G022 Royalty Audit Program	713,786	974,678	(97,862)	876,816	0
Total	713,786	974,678	(97,862)	876,816	0
Total Funding Sources	713,786	974,678	(97,862)	876,816	0
FTE Employees	5.00	5.00	(1.00)	4.00	0.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
 Biennium: 2011-2013

Bill#: SB2004

Date: 01/13/2011

Time: 11:13:42

Program: Mineral Royalty Auditing Reporting Level: 00-117-230-00-00-00-00-00000000

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 3 Base budget changes		0.00	0	(17,455)	0	(17,455)
Base Payroll Change		(1.00)	0	(80,407)	0	(80,407)
Total Ongoing Budget Changes		(1.00)	0	(97,862)	0	(97,862)
Total Base Budget Changes		(1.00)	0	(97,862)	0	(97,862)