

PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 12/23/2014**Time:** 11:45:54**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: 12/23/2014

Biennium: 2015-2017

Time: 11:45:54

Program: Administrative Services		Reporting Level: 00-117-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	273,807	284,950	15,413	300,363	0
Fringe Benefits	92,149	106,805	861	107,666	0
Total	365,956	391,755	16,274	408,029	0
Salaries and Wages					
General Fund	365,956	391,755	16,274	408,029	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	365,956	391,755	16,274	408,029	0
Operating Expenses					
Travel	2,174	3,987	513	4,500	0
Supplies - IT Software	164	400	50	450	0
Supply/Material-Professional	3,361	2,413	(513)	1,900	0
Office Supplies	95	500	(400)	100	0
Postage	0	100	0	100	0
IT Equip Under \$5,000	847	850	(50)	800	0
Other Equip Under \$5,000	0	298	552	850	0
Office Equip & Furn Supplies	892	0	0	0	0
Insurance	192	400	(300)	100	0
IT - Data Processing	0	0	0	0	3,600
IT - Communications	1,599	1,750	(350)	1,400	0
Professional Development	9,815	5,702	(5,702)	0	0
Operating Fees and Services	348	800	200	1,000	0
Fees - Professional Services	0	9,000	13,000	22,000	0
Total	19,487	26,200	7,000	33,200	3,600
Operating Expenses					
General Fund	19,487	26,200	7,000	33,200	3,600
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	19,487	26,200	7,000	33,200	3,600
Total Expenditures	385,443	417,955	23,274	441,229	3,600

Funding Sources

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor
 Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

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Program: Administrative Services		Reporting Level: 00-117-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
General Fund					
Total	385,443	417,955	23,274	441,229	3,600
Federal Funds					
002 Federal Fund Budget	0	0	0	0	0
Total	0	0	0	0	0
Special Funds					
003 Special Fund Budget	0	0	0	0	0
Total	0	0	0	0	0
Total Funding Sources	385,443	417,955	23,274	441,229	3,600
FTE Employees	1.80	1.80	0.00	1.80	0.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
 Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

Time: 11:45:54

Program: Administrative Services			Reporting Level: 00-117-100-00-00-00-00000000			
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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
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Base Budget Changes

Ongoing Budget Changes

A-A 2 Base Budget Changes		0.00	7,000	0	0	7,000
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Base Payroll Change		0.00	16,274	0	0	16,274
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Total Ongoing Budget Changes		0.00	23,274	0	0	23,274
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Total Base Budget Changes		0.00	23,274	0	0	23,274
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Optional Budget Changes

Ongoing Optional Changes

A-C 9 ITD Desktop Support	9	0.00	3,600	0	0	3,600
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Total Ongoing Optional Changes		0.00	3,600	0	0	3,600
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Total Optional Budget Changes		0.00	3,600	0	0	3,600
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PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 12/23/2014**Time:** 11:45:54**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 300 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: 12/23/2014

Biennium: 2015-2017

Time: 11:45:54

Program: Division of Local Government Audits		Reporting Level: 00-117-210-00-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	760,108	1,011,218	67,582	1,078,800	0
Temporary Salaries	116,573	158,400	0	158,400	0
Fringe Benefits	293,805	442,299	4,183	446,482	0
Total	1,170,486	1,611,917	71,765	1,683,682	0
Salaries and Wages					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	1,170,486	1,611,917	71,765	1,683,682	0
Total	1,170,486	1,611,917	71,765	1,683,682	0
Accrued Leave Line					
Salaries - Permanent	0	22,216	(22,216)	0	0
Fringe Benefits	0	10,454	(10,454)	0	0
Total	0	32,670	(32,670)	0	0
Accrued Leave Line					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	32,670	(32,670)	0	0
Total	0	32,670	(32,670)	0	0
Operating Expenses					
Travel	37,022	74,510	490	75,000	0
Supplies - IT Software	4,071	2,632	168	2,800	0
Supply/Material-Professional	381	100	(100)	0	0
Bldg, Ground, Maintenance	40	12	(12)	0	0
Office Supplies	2,644	2,200	0	2,200	0
Postage	4,047	5,000	0	5,000	0
Printing	1,678	3,000	0	3,000	0
IT Equip Under \$5,000	0	8,886	414	9,300	0
Other Equip Under \$5,000	1,314	20	7,980	8,000	0
Office Equip & Furn Supplies	9,130	8,000	(8,000)	0	0
Insurance	766	2,000	0	2,000	0
Rentals/Leases - Bldg/Land	38,342	46,093	(6,093)	40,000	0
Repairs	769	2,000	0	2,000	0
IT - Data Processing	10,010	13,744	1,856	15,600	15,900
IT - Communications	6,511	6,484	(1,284)	5,200	0

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor

Bill#: SB2004

Date: 12/23/2014

Biennium: 2015-2017

Time: 11:45:54

Program: Division of Local Government Audits		Reporting Level: 00-117-210-00-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Professional Development	1,075	4,000	0	4,000	0
Operating Fees and Services	4,852	8,000	0	8,000	0
Fees - Professional Services	2,723	2,000	0	2,000	0
Total	125,375	188,681	(4,581)	184,100	15,900
Operating Expenses					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	125,375	188,681	(4,581)	184,100	15,900
Total	125,375	188,681	(4,581)	184,100	15,900
Total Expenditures	1,295,861	1,833,268	34,514	1,867,782	15,900
Funding Sources					
Special Funds					
246 State Auditors Operating Fund 246	1,295,861	1,833,268	34,514	1,867,782	15,900
Total	1,295,861	1,833,268	34,514	1,867,782	15,900
Total Funding Sources	1,295,861	1,833,268	34,514	1,867,782	15,900
FTE Employees	9.00	9.00	0.00	9.00	0.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
 Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

Time: 11:45:54

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
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Base Budget Changes

Ongoing Budget Changes

A-A 2 Base Budget Changes		0.00	0	0	(4,581)	(4,581)
Base Payroll Change		0.00	0	0	39,095	39,095
Total Ongoing Budget Changes		0.00	0	0	34,514	34,514
Total Base Budget Changes		0.00	0	0	34,514	34,514

Optional Budget Changes

Ongoing Optional Changes

A-C 9 ITD Desktop Support	9	0.00	0	0	15,900	15,900
Total Ongoing Optional Changes		0.00	0	0	15,900	15,900
Total Optional Budget Changes		0.00	0	0	15,900	15,900

PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 12/23/2014**Time:** 11:45:54**Program:** Division of State Audits**Reporting level:** 00-117-220-00-00-00-00000000**Program Performance Measures**

1. Complete the Statewide and University System audits and Single Audit on a timely basis.
2. Obtain a favorable Quality Control Review report.
3. Number of high priority information systems audits completed.
4. 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: 12/23/2014

Biennium: 2015-2017

Time: 11:45:54

Program: Division of State Audits		Reporting Level: 00-117-220-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	4,639,434	5,077,046	256,690	5,333,736	201,600
Salaries - Other	0	0	0	0	234,720
Temporary Salaries	17,027	98,800	1	98,801	0
Overtime	18,317	0	0	0	0
Fringe Benefits	1,492,257	1,878,730	97,908	1,976,638	88,136
Reduction In Salary Budget	0	0	(173,712)	(173,712)	173,712
Total	6,167,035	7,054,576	180,887	7,235,463	698,168
Salaries and Wages					
General Fund	6,167,035	7,054,576	180,887	7,235,463	698,168
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	6,167,035	7,054,576	180,887	7,235,463	698,168
Accrued Leave Line					
Salaries - Permanent	0	100,032	(100,032)	0	0
Fringe Benefits	0	47,074	(47,074)	0	0
Total	0	147,106	(147,106)	0	0
Accrued Leave Line					
General Fund	0	147,106	(147,106)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	147,106	(147,106)	0	0
Operating Expenses					
Travel	52,442	59,950	5,050	65,000	0
Supplies - IT Software	36,260	11,012	88	11,100	0
Supply/Material-Professional	5,586	3,000	0	3,000	0
Food and Clothing	79	145	(145)	0	0
Bldg, Ground, Maintenance	323	142	(142)	0	0
Miscellaneous Supplies	152	478	(478)	0	0
Office Supplies	10,501	10,000	0	10,000	0
Postage	1,499	3,500	0	3,500	0
Printing	9,140	8,000	0	8,000	0
IT Equip Under \$5,000	49,432	20,280	11,720	32,000	1,450
Other Equip Under \$5,000	4,725	2,000	0	2,000	0
Office Equip & Furn Supplies	22,123	8,000	0	8,000	0

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor

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Date: 12/23/2014

Biennium: 2015-2017

Time: 11:45:54

Program: Division of State Audits		Reporting Level: 00-117-220-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Insurance	4,024	6,000	(500)	5,500	0
Rentals/Leases-Equip & Other	144	0	6,360	6,360	0
Rentals/Leases - Bldg/Land	63,198	164,835	6,165	171,000	0
Repairs	10,698	10,000	0	10,000	0
IT - Data Processing	108,548	150,866	22,834	173,700	69,600
IT - Communications	33,607	34,168	(4,668)	29,500	1,500
Professional Development	43,280	60,000	10,000	70,000	0
Operating Fees and Services	7,678	7,000	1,000	8,000	0
Fees - Professional Services	9,664	4,476	(476)	4,000	0
Medical, Dental and Optical	1,058	0	0	0	0
Total	474,161	563,852	56,808	620,660	72,550
Operating Expenses					
General Fund	474,161	563,852	56,808	620,660	72,550
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	474,161	563,852	56,808	620,660	72,550
Capital Assets					
Extraordinary Repairs	0	40,000	(40,000)	0	150,000
Total	0	40,000	(40,000)	0	150,000
Capital Assets					
General Fund	0	40,000	(40,000)	0	150,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	40,000	(40,000)	0	150,000
Information Tech Consultants					
Fees - Professional Services	89,674	250,000	0	250,000	200,000
Total	89,674	250,000	0	250,000	200,000
Information Tech Consultants					
General Fund	89,674	250,000	0	250,000	200,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	89,674	250,000	0	250,000	200,000

REQUEST DETAIL BY PROGRAM

117 Office of the State Auditor
 Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

Time: 11:45:54

Program: Division of State Audits **Reporting Level:** 00-117-220-00-00-00-00000000

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Total Expenditures	6,730,870	8,055,534	50,589	8,106,123	1,120,718
Funding Sources					
General Fund					
Total	6,730,870	8,055,534	50,589	8,106,123	1,120,718
Special Funds					
246 State Auditors Operating Fund 246	0	0	0	0	0
Total	0	0	0	0	0
Total Funding Sources	6,730,870	8,055,534	50,589	8,106,123	1,120,718
FTE Employees	36.00	38.00	0.00	38.00	2.00

CHANGE PACKAGE DETAIL117 Office of the State Auditor
Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

Time: 11:45:54

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 1 Remove One-Time funding for Renovating the Vault		0.00	(5,000)	0	0	(5,000)
Total One Time Budget Changes		0.00	(5,000)	0	0	(5,000)

Ongoing Budget Changes

A-A 2 Base Budget Changes		0.00	(111,904)	0	0	(111,904)
A-F 1 Remove One-Time funding for Renovating the Vault		0.00	(40,000)	0	0	(40,000)
Base Payroll Change		0.00	207,493	0	0	207,493
Total Ongoing Budget Changes		0.00	55,589	0	0	55,589

Total Base Budget Changes

0.00	50,589	0	0	50,589
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Optional Budget Changes**One Time Optional Changes**

A-D 7 Funding to renovate the vault	7	0.00	150,000	0	0	150,000
Total One Time Optional Changes		0.00	150,000	0	0	150,000

Ongoing Optional Changes

A-C 3 Restore Funding	3	0.00	173,712	0	0	173,712
A-C 100 Raises for existing staff	4	0.00	234,720	0	0	234,720
A-C 5 Add 2 Performance Auditors	5	2.00	296,686	0	0	296,686
A-C 6 Additional funding for Security Audit of ND Univ	6	0.00	200,000	0	0	200,000
A-C 9 ITD Desktop Support	9	0.00	65,600	0	0	65,600
Total Ongoing Optional Changes		2.00	970,718	0	0	970,718

Total Optional Budget Changes

2.00	1,120,718	0	0	1,120,718
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PROGRAM NARRATIVE

117 Office of the State Auditor

Date: 12/23/2014**Time:** 11:45:54**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 Natural Resources.

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: 12/23/2014

Biennium: 2015-2017

Time: 11:45:54

Program: Mineral Royalty Auditing		Reporting Level: 00-117-230-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	639,268	826,741	(12,661)	814,080	108,000
Fringe Benefits	206,567	314,648	(32,571)	282,077	45,501
Total	845,835	1,141,389	(45,232)	1,096,157	153,501
Salaries and Wages					
General Fund	0	0	0	0	0
Federal Funds	845,835	1,141,389	(45,232)	1,096,157	153,501
Special Funds	0	0	0	0	0
Total	845,835	1,141,389	(45,232)	1,096,157	153,501
Accrued Leave Line					
Salaries - Permanent	0	14,539	(14,539)	0	0
Fringe Benefits	0	6,842	(6,842)	0	0
Total	0	21,381	(21,381)	0	0
Accrued Leave Line					
General Fund	0	0	0	0	0
Federal Funds	0	21,381	(21,381)	0	0
Special Funds	0	0	0	0	0
Total	0	21,381	(21,381)	0	0
Operating Expenses					
Travel	18,702	40,000	16,250	56,250	0
Supplies - IT Software	2,236	2,000	(900)	1,100	0
Supply/Material-Professional	430	7,000	0	7,000	0
Food and Clothing	19	7	(7)	0	0
Office Supplies	576	7,200	0	7,200	0
Postage	681	2,400	0	2,400	0
Printing	65	30	(30)	0	0
IT Equip Under \$5,000	7,607	5,000	0	5,000	0
Other Equip Under \$5,000	0	17,427	(15,427)	2,000	0
Office Equip & Furn Supplies	0	4,786	(4,786)	0	0
Insurance	510	500	0	500	0
Rentals/Leases - Bldg/Land	22,635	26,500	9,500	36,000	0
Repairs	584	2,000	0	2,000	0
IT - Data Processing	12,115	14,000	1,200	15,200	14,500
IT - Communications	2,280	2,280	20	2,300	0
Professional Development	8,295	7,500	7,500	15,000	0

REQUEST DETAIL BY PROGRAM117 Office of the State Auditor
Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

Time: 11:45:54

Program: Mineral Royalty Auditing

Reporting Level: 00-117-230-00-00-00-00000000

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Operating Fees and Services	2,421	5,000	(3,000)	2,000	0
Total	79,156	143,630	10,320	153,950	14,500
Operating Expenses					
General Fund	0	0	0	0	0
Federal Funds	79,156	143,630	10,320	153,950	14,500
Special Funds	0	0	0	0	0
Total	79,156	143,630	10,320	153,950	14,500
Total Expenditures	924,991	1,306,400	(56,293)	1,250,107	168,001
Funding Sources					
Federal Funds					
G022 Royalty Audit Program	924,991	1,306,400	(56,293)	1,250,107	168,001
Total	924,991	1,306,400	(56,293)	1,250,107	168,001
Total Funding Sources	924,991	1,306,400	(56,293)	1,250,107	168,001
FTE Employees	4.00	5.00	0.00	5.00	1.00

CHANGE PACKAGE DETAIL

117 Office of the State Auditor
 Biennium: 2015-2017

Bill#: SB2004

Date: 12/23/2014

Time: 11:45:54

Program: Mineral Royalty Auditing			Reporting Level: 00-117-230-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes

Ongoing Budget Changes

A-A 2 Base Budget Changes		0.00	0	10,320	0	10,320
Base Payroll Change		0.00	0	(66,613)	0	(66,613)
Total Ongoing Budget Changes		0.00	0	(56,293)	0	(56,293)
Total Base Budget Changes		0.00	0	(56,293)	0	(56,293)

Optional Budget Changes

Ongoing Optional Changes

A-C 8 Add 1 Minerals Royalty Auditor	8	1.00	0	153,501	0	153,501
A-C 9 ITD Desktop Support	9	0.00	0	14,500	0	14,500
Total Ongoing Optional Changes		1.00	0	168,001	0	168,001
Total Optional Budget Changes		1.00	0	168,001	0	168,001