
AGENCY OVERVIEW**117 Office of the State Auditor****Date:** 11/30/2020**Time:** 13:29:05

Statutory Authority

North Dakota Century Code Chapter 54-10.

Agency Description

The State Auditor is a constitutional state official who is elected by the citizens of North Dakota. The Office of the State Auditor is divided into five divisions. The division of State Audits, the largest division, is responsible for auditing state government, including higher education, and conducts financial, compliance, performance, and information system audits. The division of Local Government Audits performs audits of counties, cities, school districts, and numerous 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. The division of North Dakota University Systems Performance Audits reviews the adequacy of selected activities of the ND Board of Higher Education. The administration team provides essential support for all our divisions.

Agency Mission Statement

The State Auditor's office produces informative audits to improve government.

Agency Performance Measures

Conduct audits. Detailed performance measures are reported at the program level.

Major Accomplishments

1. Received the highest possible rating from the National State Auditors Association in the peer-review process.
2. Audited over \$12.70 billion in 2019.
3. Awarded second place for Most Improved Publication from the National Association of Government Communicators.
4. Awarded Top 10 Workplace for Young Professionals by the Bismarck-Mandan Young Professionals Network.

Future Critical Issues

- Ongoing recruiting of staff to fill open positions from turnover and retirements on team.
- Retain qualified, highly skilled professional staff in competitive market.
- Training opportunities to continue to develop a highly effective team.
- Improve the effectiveness and quality of higher education audits.

REQUEST SUMMARY

117 Office of the State Auditor

Biennium: 2021-2023

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Description	Expenditures 2017-2019 Biennium	Legislative Base 2019-2021	Budget Request Change	Requested Budget 2021-2023 Biennium	Optional Budget Request
By Major Program					
Administrative Services	1,666,116	1,870,982	567,455	2,438,437	0
Division of Local Government Audits	1,615,274	2,535,564	0	2,535,564	1,116,687
Division of State Audits	6,717,515	7,602,279	(644,542)	6,957,737	0
Mineral Royalty Auditing	1,148,047	1,337,614	31,874	1,369,488	0
NDUS Performance Audit	875,978	933,599	(933,599)	0	0
Total Major Program	12,022,930	14,280,038	(978,812)	13,301,226	1,116,687
By Line Item					
Salaries and Wages	10,883,408	12,668,218	(1,071,535)	11,596,683	1,054,155
Operating Expenses	1,123,523	1,161,820	92,723	1,254,543	62,532
Capital Assets	15,999	0	0	0	0
Information Tech Consultants	0	450,000	0	450,000	0
Total Line Items	12,022,930	14,280,038	(978,812)	13,301,226	1,116,687
By Funding Source					
General Fund	9,258,650	10,106,860	(1,010,686)	9,096,174	0
Federal Funds	1,148,934	1,337,614	31,874	1,369,488	0
Special Funds	1,615,346	2,835,564	0	2,835,564	1,116,687
Total Funding Source	12,022,930	14,280,038	(978,812)	13,301,226	1,116,687
Total FTE	56.00	58.00	0.00	58.00	2.00

REQUEST DETAIL

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Biennium: 2021-2023

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Description	Expenditures 2017-2019 Biennium	Legislative Base 2019-2021	Budget Request Change	Requested Budget 2021-2023 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	7,658,529	8,619,785	(39,925)	8,579,860	235,200
Temporary Salaries	158,351	268,800	(268,800)	0	702,770
Overtime	29,558	15,000	(15,000)	0	0
Fringe Benefits	3,036,970	3,764,633	(45,040)	3,719,593	116,185
Reduction In Salary Budget	0	0	(702,770)	(702,770)	0
Total	10,883,408	12,668,218	(1,071,535)	11,596,683	1,054,155
Salaries and Wages					
General Fund	8,405,820	9,224,848	(980,709)	8,244,139	0
Federal Funds	1,040,987	1,174,186	19,946	1,194,132	0
Special Funds	1,436,601	2,269,184	(110,772)	2,158,412	1,054,155
Total	10,883,408	12,668,218	(1,071,535)	11,596,683	1,054,155
Operating Expenses					
Travel	122,062	160,060	32,190	192,250	16,800
Supplies - IT Software	13,392	7,050	2,130	9,180	1,020
Supply/Material-Professional	12,992	23,500	3,100	26,600	0
Food and Clothing	70	0	0	0	0
Bldg, Ground, Maintenance	1,105	1,650	1,320	2,970	0
Miscellaneous Supplies	959	1,615	(1,615)	0	0
Office Supplies	18,267	31,500	(450)	31,050	3,450
Postage	4,007	9,500	(5,295)	4,205	0
Printing	7,562	8,600	(230)	8,370	0
IT Equip Under \$5,000	19,276	3,850	10,978	14,828	0
Other Equip Under \$5,000	9,006	10,200	(8,200)	2,000	0
Office Equip & Furn Supplies	75,794	12,000	(1,200)	10,800	1,200
Insurance	7,310	12,575	3,625	16,200	0
Rentals/Leases-Equip & Other	6,292	6,000	(6,000)	0	0
Rentals/Leases - Bldg/Land	225,750	265,250	2,002	267,252	0
Repairs	44,426	11,325	2,985	14,310	0
IT - Data Processing	417,033	399,683	57,527	457,210	24,012
IT - Communications	33,463	40,612	(6,009)	34,603	3,600
Professional Development	66,138	108,000	8,675	116,675	12,450
Operating Fees and Services	28,319	15,350	(1,310)	14,040	0
Fees - Professional Services	9,896	33,500	(1,500)	32,000	0
Medical, Dental and Optical	404	0	0	0	0
Total	1,123,523	1,161,820	92,723	1,254,543	62,532

Operating Expenses

REQUEST DETAIL

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Description	Expenditures 2017-2019 Biennium	Legislative Base 2019-2021	Budget Request Change	Requested Budget 2021-2023 Biennium	Optional Budget Request
General Fund	836,831	732,012	(29,977)	702,035	0
Federal Funds	107,947	163,428	11,928	175,356	0
Special Funds	178,745	266,380	110,772	377,152	62,532
Total	1,123,523	1,161,820	92,723	1,254,543	62,532
Capital Assets					
Equipment Over \$5000	15,999	0	0	0	0
Total	15,999	0	0	0	0
Capital Assets					
General Fund	15,999	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	15,999	0	0	0	0
Information Tech Consultants					
Fees - Professional Services	0	450,000	0	450,000	0
Total	0	450,000	0	450,000	0
Information Tech Consultants					
General Fund	0	150,000	0	150,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	300,000	0	300,000	0
Total	0	450,000	0	450,000	0
Funding Sources					
General Fund	9,258,650	10,106,860	(1,010,686)	9,096,174	0
Federal Funds	1,148,934	1,337,614	31,874	1,369,488	0
Special Funds	1,615,346	2,835,564	0	2,835,564	1,116,687
Total Funding Sources	12,022,930	14,280,038	(978,812)	13,301,226	1,116,687

CHANGE PACKAGE SUMMARY

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 Biennium: 2021-2023

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
Ongoing Budget Changes						
A-A 100 Base Budget Changes		0.00	(29,977)	11,928	110,772	92,723
Base Payroll Change		0.00	(980,709)	19,946	(110,772)	(1,071,535)
Total Ongoing Budget Changes		0.00	(1,010,686)	31,874	0	(978,812)
Total Base Budget Changes		0.00	(1,010,686)	31,874	0	(978,812)
<u>Optional Budget Changes</u>						
Ongoing Optional Changes						
A-C 200 Local Government Auditors	2	0.00	0	0	744,458	744,458
A-C 210 Local Government Auditors	3	2.00	0	0	372,229	372,229
Total Ongoing Optional Changes		2.00	0	0	1,116,687	1,116,687
Total Optional Budget Changes		2.00	0	0	1,116,687	1,116,687

BUDGET CHANGES NARRATIVE

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Change Group: A	Change Type: A	Change No: 100	Priority: 1
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Base Budget Changes

Base budget changes to meet 10% reduction. The majority of this is to reduce the NDUS performance audit operating costs to zero.

Change Group: A	Change Type: C	Change No: 200	Priority: 2
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Local Government Auditors

This change package transitions four existing FTE's from NDUS Performance Audit Division (general funded positions) to the Division of Local Government (special funded positions). This supports our general fund reduction while re-prioritizing resources to our local government audit function where they are needed. Additional support for this move can be provided upon request.

Change Group: A	Change Type: C	Change No: 210	Priority: 3
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Local Government Auditors

Two additional FTE's for local government audit division. These positions are special funded and provide services to the nearly 1900 local government entities in North Dakota. Additional support can be provided upon request.

Change Group: R	Change Type: A	Change No: 100	Priority:
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Office 365

Provides funding for Office 365 ongoing expenses.

Change Group: R	Change Type: A	Change No: 102	Priority:
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Rent Model Change

Provides funding for office rent resulting from a change in the rent model.

Change Group: R	Change Type: A	Change No: 200	Priority:
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Local Government Auditors

Transitions 4.0 existing FTE from NDUS Performance Audit Division to the Division of Local Government.