

Office of the
Legislative Fiscal Analyst

FY 2002 Budget Recommendations

Joint Appropriations Subcommittee for
Executive Offices and Criminal Justice

State Auditor

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1.0 State Auditor

Summary

The State Auditor ensures fiscal compliance in State Government. To meet this mandate the Auditor conducts financial audits of State agencies. The Auditor also provides consulting services to several local entities.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	2,662,700		2,662,700
Dedicated Credits Revenue	611,900		611,900
Total	\$3,274,600	\$0	\$3,274,600
Programs			
Administration	264,700		264,700
Auditing	2,639,100		2,639,100
State and Local Government	370,800		370,800
Total	\$3,274,600	\$0	\$3,274,600
FTE/Other			
Total FTE	47		47
Vehicles	2	0	2

2.0 Issues: State Auditor

2.1 Nonlapsing Intent Language

It is the intent of the Legislature that funding for the State Auditor be nonlapsing.

3.1 Administration

Recommendation The Analyst recommends \$264,700 for the Administration Section.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	251,300	260,500	264,700	4,200
General Fund, One-time		(1,600)		1,600
Beginning Nonlapsing	10,600	9,600		(9,600)
Total	<u>\$261,900</u>	<u>\$268,500</u>	<u>\$264,700</u>	<u>(\$3,800)</u>
Expenditures				
Personal Services	249,400	255,200	252,200	(3,000)
In-State Travel	800	700	700	
Out of State Travel	5,700	5,100	5,100	
Current Expense	6,000	7,500	6,700	(800)
Total	<u>\$261,900</u>	<u>\$268,500</u>	<u>\$264,700</u>	<u>(\$3,800)</u>
FTE/Other				
Total FTE	4	4	4	

Purpose The mission of the State Auditor is to assure financial accountability in State Government and to assist State agencies and local entities in maintaining proper internal controls and fiscal compliance with the laws of Utah.

3.2 Auditing

Recommendation

The Analyst recommends \$2,639,100 for the Auditing Section.

	2000 Actual	2001 Estimated	2002 Analyst	Est/Analyst Difference
Financing				
General Fund	2,014,400	2,112,300	2,033,200	(79,100)
General Fund, One-time		(16,500)		16,500
Dedicated Credits Revenue	619,800	605,900	605,900	
Beginning Nonlapsing	351,400	235,700		(235,700)
Closing Nonlapsing	(262,600)			
Total	<u>\$2,723,000</u>	<u>\$2,937,400</u>	<u>\$2,639,100</u>	<u>(\$298,300)</u>
Expenditures				
Personal Services	2,316,000	2,509,400	2,456,200	(53,200)
In-State Travel	15,100	13,500	8,900	(4,600)
Out of State Travel	15,100	13,500	7,200	(6,300)
Current Expense	282,000	289,000	119,800	(169,200)
DP Current Expense	47,300	47,000	47,000	
DP Capital Outlay	47,500	65,000		(65,000)
Total	<u>\$2,723,000</u>	<u>\$2,937,400</u>	<u>\$2,639,100</u>	<u>(\$298,300)</u>
FTE/Other				
Total FTE	39	39	39	
Vehicles		2	2	

Purpose

The Auditing Division section is responsible for the Single Audit required by the federal government and for statutorily required audits of state agencies. To complete the requirements of the single audit the State Auditor contracts with private CPA firms in addition to their regular staff.

The Single Audit involves an assessment of all federal funds expended on an entity wide basis. The Auditing section determines whether or not the funds were spent in accordance with federal laws and regulations. Weaknesses in spending practices are included in the Findings and Recommendations of the Single Audit. Costs of the Audit whenever possible are assessed back to the agencies and received as dedicated credit revenues by the State Auditor.

Performance Measures

Over the past year the Auditing Section completed 42 audits or investigations of agencies that do not receive direct audit coverage by statutorily required audits. Nineteen more audits or investigations are in process at year end. These audits and investigations resulted in an additional 31 reports with 138 findings and recommendations issued to state agencies, colleges and universities.

The Section completed 18 hot line investigations during the prior fiscal year and has 16 more in process at year-end.

The Auditing Division completed all statutorily required financial and federally mandated compliance audits in a timely manner. These audits resulted in 30 reports with 86 findings and recommendations issued to State agencies, colleges, and universities.

3.3 Local Government

Recommendation The Analyst recommends \$370,800 for the Local Government Section.

	2000 Actual	2001 Estimated	2002 Analyst	Est/Analyst Difference
Financing				
General Fund	351,900	364,800	364,800	
General Fund, One-time		(2,300)		2,300
Dedicated Credits Revenue	4,700	5,800	6,000	200
Beginning Nonlapsing	18,200	17,300		(17,300)
Total	\$374,800	\$385,600	\$370,800	(\$14,800)
Expenditures				
Personal Services	346,400	353,100	346,900	(6,200)
In-State Travel	5,000	4,500	4,500	
Out of State Travel	3,800	3,400	3,400	
Current Expense	19,600	24,600	16,000	(8,600)
Total	\$374,800	\$385,600	\$370,800	(\$14,800)
FTE/Other				
Total FTE	4	4	4	

Purpose The Local Government Division provides consulting services, budget forms, and uniform accounting services to local governments. The division reviews the budgets of local entities to ensure compliance with legal requirements of accounting and budget preparation. In addition to their financial accounting responsibilities, the division annually sponsors a regional training seminar for local officials.

Performance Measures The Local Government Division provided training to CPA's and local government accountants to help improve local government accounting, reporting, and auditing. They also continued reviews of working papers of CPA firms performing local governmental audits, observing that audits are improving significantly in many cases.

The Local Government section has started scanning all budgets and financial reports received from local governments into electronic form. This provides citizens, research groups, and financial advisors greater accessibility to these documents.

4.0 Additional Information: State Auditor**4.1 Funding History**

	1998	1999	2000	2001	2002
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	2,429,000	2,526,900	2,617,600	2,737,600	2,662,700
General Fund, One-time				(20,400)	
Dedicated Credits Revenue	589,600	640,300	624,500	611,700	611,900
Beginning Nonlapsing	416,900	215,000	380,200	262,600	
Closing Nonlapsing	(215,000)	(380,200)	(262,600)		
Total	\$3,220,500	\$3,002,000	\$3,359,700	\$3,591,500	\$3,274,600
Programs					
Administration	607,400	247,000	261,900	268,500	264,700
Auditing	2,282,800	2,415,800	2,723,000	2,937,400	2,639,100
State and Local Government	330,300	339,200	374,800	385,600	370,800
Total	\$3,220,500	\$3,002,000	\$3,359,700	\$3,591,500	\$3,274,600
Expenditures					
Personal Services	2,396,700	2,562,500	2,911,800	3,117,700	3,055,300
In-State Travel	32,200	23,300	20,900	18,700	14,100
Out of State Travel	18,100	17,200	24,600	22,000	15,700
Current Expense	667,600	281,400	307,600	321,100	142,500
DP Current Expense	69,400	117,600	47,300	47,000	47,000
DP Capital Outlay	36,500		47,500	65,000	
Total	\$3,220,500	\$3,002,000	\$3,359,700	\$3,591,500	\$3,274,600
FTE/Other					
Total FTE	46	46	47	47	47
Vehicles				2	2