

Office of the
Legislative Fiscal Analyst

FY 2003 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 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	2,857,100	(3,900)	2,853,200
Dedicated Credits Revenue	690,000		690,000
Total	\$3,547,100	(\$3,900)	\$3,543,200
Programs			
Administration	272,800	(200)	272,600
Auditing	2,887,800	(3,000)	2,884,800
State and Local Government	386,500	(700)	385,800
Total	\$3,547,100	(\$3,900)	\$3,543,200
FTE/Other			
Total FTE	47		47
Vehicles	2		2

2.0 Issues: State Auditor

2.1 FY 2003 Budget

The Analyst FY 2003 budget recommendation includes the Revised Estimate from FY 2002 as approved by the Executive Appropriations Committee and the following items:

- Adjustment for FY 2002 one-time programs;
- Payroll cost of an extra day in FY 2003
- Transfers of Market Comparability Adjustments; and
- Net changes for Internal Service Fund rates.

FY 2003 changes reflect the incremental costs of across the board reductions and annualization of partial budget cuts approved for FY 2002.

2.2 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 \$272,600 for the Administration Section.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	258,900	273,500	272,600	(900)
General Fund, One-time		(1,200)		1,200
Beginning Nonlapsing	10,700	2,700		(2,700)
Total	<u>\$269,600</u>	<u>\$275,000</u>	<u>\$272,600</u>	<u>(\$2,400)</u>
Expenditures				
Personal Services	260,400	266,400	264,700	(1,700)
In-State Travel	600	500	500	
Out of State Travel	4,100	3,800	3,700	(100)
Current Expense	4,500	4,300	3,700	(600)
Total	<u>\$269,600</u>	<u>\$275,000</u>	<u>\$272,600</u>	<u>(\$2,400)</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 \$2,884,800 for the Auditing Section.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	2,095,800	2,167,100	2,200,800	33,700
General Fund, One-time		(16,300)		16,300
Dedicated Credits Revenue	689,800	605,900	684,000	78,100
Transfers		42,000		(42,000)
Beginning Nonlapsing	238,700	71,800		(71,800)
Closing Nonlapsing	(79,600)			
Total	<u>\$2,944,700</u>	<u>\$2,870,500</u>	<u>\$2,884,800</u>	<u>\$14,300</u>
Expenditures				
Personal Services	2,522,100	2,640,000	2,668,100	28,100
In-State Travel	27,100	17,400	6,200	(11,200)
Out of State Travel	14,400	6,600	5,800	(800)
Current Expense	295,600	169,300	158,700	(10,600)
DP Current Expense	79,500	37,200	46,000	8,800
DP Capital Outlay	6,000			
Total	<u>\$2,944,700</u>	<u>\$2,870,500</u>	<u>\$2,884,800</u>	<u>\$14,300</u>
FTE/Other				
Total FTE	39	39	39	
Vehicles	2	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.

3.3 Local Government

Recommendation The Analyst recommends \$385,800 for the Local Government Section.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	362,500	382,300	379,800	(2,500)
General Fund, One-time		(2,700)		2,700
Dedicated Credits Revenue	15,000	6,000	6,000	
Beginning Nonlapsing	13,200	5,100		(5,100)
Total	<u>\$390,700</u>	<u>\$390,700</u>	<u>\$385,800</u>	<u>(\$4,900)</u>
Expenditures				
Personal Services	360,200	361,600	365,400	3,800
In-State Travel	5,200	4,900	4,000	(900)
Out of State Travel	4,100	3,800	3,000	(800)
Current Expense	21,200	20,400	13,400	(7,000)
Total	<u>\$390,700</u>	<u>\$390,700</u>	<u>\$385,800</u>	<u>(\$4,900)</u>
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.

The Local Government Division provide training to CPAs and local government accountants to help improve local government accounting, reporting, and auditing.

The Local Government section has begun 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

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund	2,526,900	2,617,600	2,717,200	2,822,900	2,853,200
General Fund, One-time				(20,200)	
Dedicated Credits Revenue	640,300	624,500	704,800	611,900	690,000
Transfers				42,000	
Beginning Nonlapsing	215,000	380,200	262,600	79,600	
Closing Nonlapsing	(380,200)	(262,600)	(79,600)		
Total	\$3,002,000	\$3,359,700	\$3,605,000	\$3,536,200	\$3,543,200
Programs					
Administration	247,000	261,900	269,600	275,000	272,600
Auditing	2,415,800	2,723,000	2,944,700	2,870,500	2,884,800
State and Local Government	339,200	374,800	390,700	390,700	385,800
Total	\$3,002,000	\$3,359,700	\$3,605,000	\$3,536,200	\$3,543,200
Expenditures					
Personal Services	2,562,500	2,911,800	3,142,700	3,268,000	3,298,200
In-State Travel	23,300	20,900	32,900	22,800	10,700
Out of State Travel	17,200	24,600	22,600	14,200	12,500
Current Expense	281,400	307,600	321,300	194,000	175,800
DP Current Expense	117,600	47,300	79,500	37,200	46,000
DP Capital Outlay		47,500	6,000		
Total	\$3,002,000	\$3,359,700	\$3,605,000	\$3,536,200	\$3,543,200
FTE/Other					
Total FTE	46	47	47	47	47
Vehicles			2	2	2