

# Compendium of Budget Information for the 2014 General Session

## Executive Offices and Criminal Justice Appropriations Subcommittee

**Agency: Office of the State Auditor**

**Line Item: State Auditor**

### **Background**

In past fiscal years, the State Auditor line item consisted of three programs: Administration, Auditing, and State and Local Government. These programs were budgeted for separately within this line item but all three programs rolled up as an aggregate number in appropriations acts.

During the 2013 General Session, the State Auditor requested these programs be consolidated into one program titled State Auditor. Where these programs are housed in the same line item, this action did not go before the Executive Offices and Criminal Justice Appropriations Subcommittee, but was voted on by the Legislature as a whole in S.B. 2, "New Fiscal Year Supplemental Appropriations Act," 2013 General Session, Item 8.

### **Intent Language**

*Under section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the State Auditor in Item 9 of Chapter 11, Laws of Utah 2012, not lapse at the close of Fiscal Year 2013.*

### **Funding Detail**

For more detail about a particular source of finance or organizational unit, click a linked entry in the left column of the table(s) below.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
General Fund	\$3,351,000	\$3,440,100	\$0	\$3,440,100	\$82,600	\$3,522,700
General Fund, One-time	\$0	\$0	\$6,000	\$6,000	\$5,900	\$11,900
Dedicated Credits Revenue	\$1,665,900	\$1,711,700	\$2,800	\$1,714,500	\$41,700	\$1,756,200
Beginning Nonlapsing	\$411,900	\$213,900	\$213,900	\$427,800	(\$8,100)	\$419,700
Closing Nonlapsing	(\$427,800)	\$0	(\$419,700)	(\$419,700)	\$419,700	\$0

Total	\$5,001,000	\$5,365,700	(\$197,000)	\$5,168,700	\$541,800	\$5,710,500
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Programs	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
State Auditor	\$356,500	\$5,365,700	(\$197,000)	\$5,168,700	\$541,800	\$5,710,500
Auditing	\$4,240,000	\$0	\$0	\$0	\$0	\$0
State and Local Government	\$404,500	\$0	\$0	\$0	\$0	\$0
Total	\$5,001,000	\$5,365,700	(\$197,000)	\$5,168,700	\$541,800	\$5,710,500

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$4,677,000	\$5,082,900	(\$382,100)	\$4,700,800	\$556,100	\$5,256,900
In-state Travel	\$9,500	\$6,100	\$8,900	\$15,000	\$0	\$15,000
Out-of-state Travel	\$13,500	\$18,900	\$100	\$19,000	\$0	\$19,000
Current Expense	\$239,000	\$180,100	\$123,900	\$304,000	(\$13,000)	\$291,000
DP Current Expense	\$56,800	\$77,700	\$42,200	\$119,900	(\$1,300)	\$118,600
DP Capital Outlay	\$5,200	\$0	\$10,000	\$10,000	\$0	\$10,000
Total	\$5,001,000	\$5,365,700	(\$197,000)	\$5,168,700	\$541,800	\$5,710,500

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	43	42	(4)	38	7	45
Actual FTE	39	0	0	0	0	0
Vehicles	2	3	(2)	1	1	2

**Program: State Auditor**

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## **Background**

The State Auditor Program breaks down into five main functions: Administration, Financial Audit, Performance Audit, Special Projects, and Local Government. These functions were formerly three programs within the State Auditor line item. With the passage of S.B. 2, "New Fiscal Year Supplemental Appropriations Act," 2013 General Session, Item 8, they are now rolled up into one program titled *State Auditor*. They are explained in detail below.

### **Administration**

The Administration unit consists of funding for the personnel services and other costs of the State Auditor, an administrative assistant, and other office administrative staff.

### **Financial Audit**

Financial Audit is responsible for auditing all State departments, agencies and colleges and universities. Both State funds and federal grants are audited. These audits are conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Single Audit Act to determine the reliability of financial statements, the effectiveness and adequacy of internal controls, and the degree of compliance with legal and contractual requirements.

### **Performance Audit**

Performance Audit performs audits that evaluate the efficiency of operations and the effectiveness of programs, and can range from an audit of a specific case or individual to an audit of an entire agency. Performance audits can also measure operational compliance to given criteria such as state/federal law, administrative rule, or policy and the adequacy of such standards.

### **Special Projects**

Special Projects are hotline calls, special request audits, reviews, or other engagements. The audits include internal control reviews, legal compliance and financial related audits, and other investigations, often referred to the Office by citizens, of potential waste, fraud and abuse in government organizations.

### **Local Government**

Local Government ensures uniform accounting, budgeting, and financial reporting by Utah's local governments. This is done by providing consultation, budget forms, and uniform accounting guidelines and services for counties, municipalities, school districts, and local districts. Local Government reviews independent audits of all units of local government for compliance with reporting standards and conformity with generally accepted accounting principles and State law. The Division also presents training to local government officials and to CPAs conducting governmental audits.

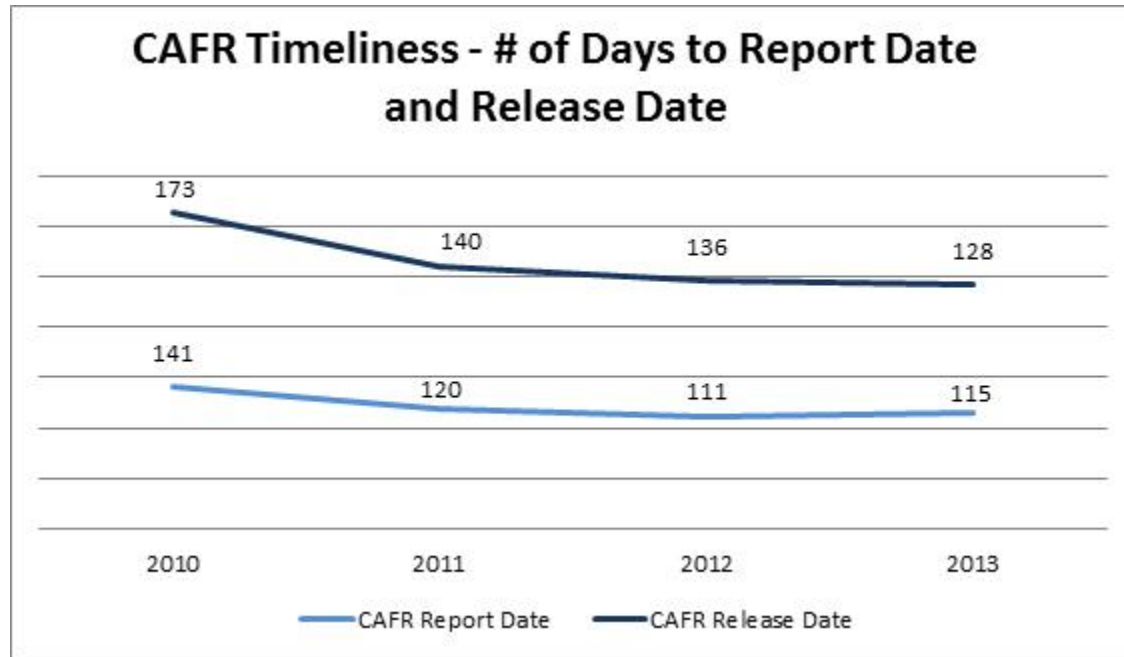
### **Performance**

As a measure of quality control and adherence to auditing standards, the Office undergoes an external peer review every three years. In the most recent peer review, performed in April 2011 by the National State Auditors Association, the Office received a clean opinion. The Office has received clean opinions in each peer review for over 30 years.

To track efficiency and productivity, the State Auditor records multiple performance measures. Results are included below (*Note: Due to the ongoing nature of certain audits at the release of this report, some measures for FY 2013 have not been obtained. As a result, the most up-to-date numbers for the respective measures for which this is the case will be reported, generally FY 2012 results*):

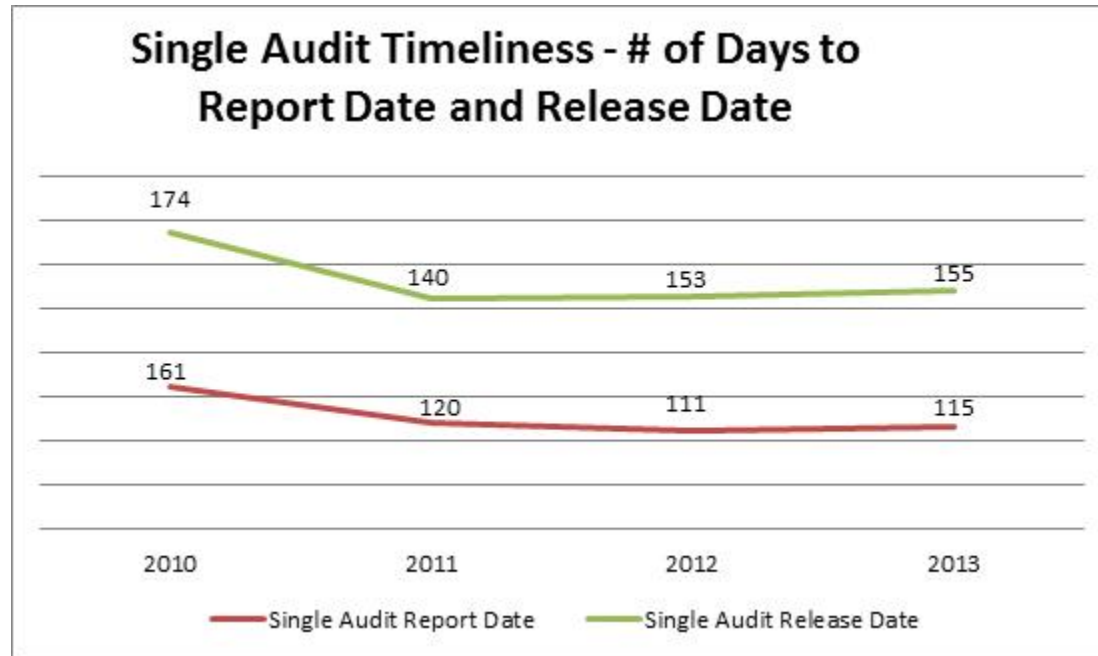
**Comprehensive Annual Financial Report (CAFR) Timeliness.**

Financial reports are most useful when issued in a timely manner. It is the goal of the Office of the State Auditor to maintain high quality in audit performance while also working with the State Division of Finance to issue the State of Utah's Comprehensive Annual Financial Report (CAFR) as quickly as possible. Utah currently is among the fastest states in the nation to issue a CAFR. This table represents the timeliness of completing Utah's CAFR audit procedures (Report Date) and also the issuance of the CAFR (Release Date).



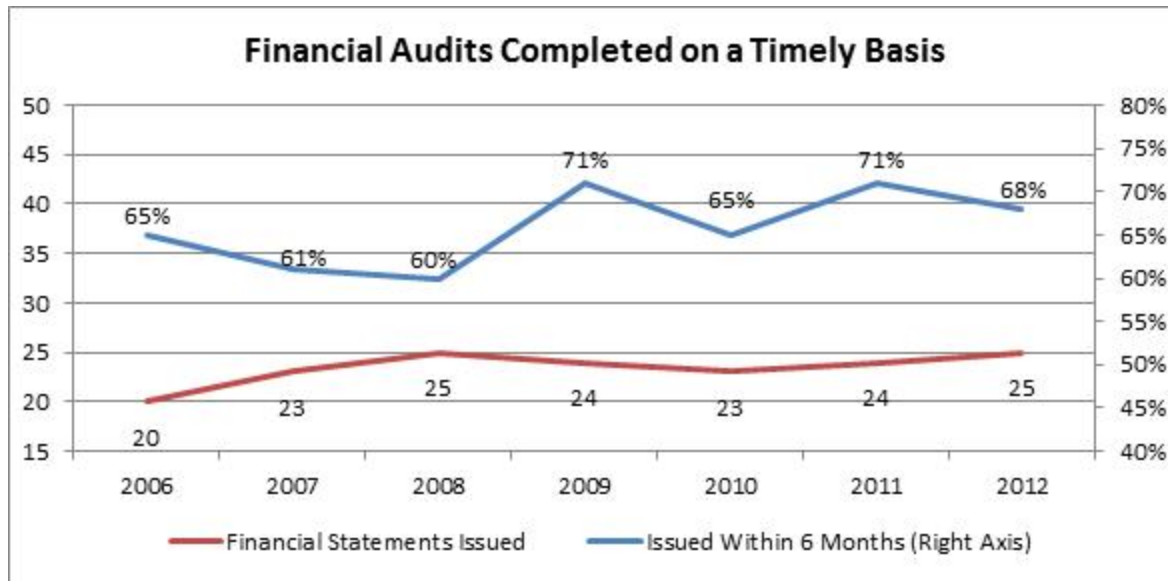
**Single Audit Timeliness.**

The Single Audit Report addresses the State's expenditure of federal funds and reports on the compliance and internal controls over compliance related to the State's administration of federal programs. As noted above, financial reporting is most useful when reports are issued in a timely manner. It is the goal of the Office of the State Auditor to maintain high quality in audit performance while issuing the Single Audit Report as quickly as possible. Utah is currently among the fastest states in the nation to issue a Single Audit Report. This table represents the timeliness of completing Utah's Single Audit procedures (Report Date) and also the issuance of the Single Audit Report (Release Date).



**Timeliness of Financial Statements Audited (FY 2012).**

In addition to the CAFR, Single Audit, and other specialized audit reports, the Office of the State Auditor issues opinions on about 25 financial reports annually. Due to limited resources, not all financial audit reports can be issued within six months. This table presents the percentage of audits that are completed within the six month timeframe. Audits that are typically issued after six months are smaller colleges and ATCs.

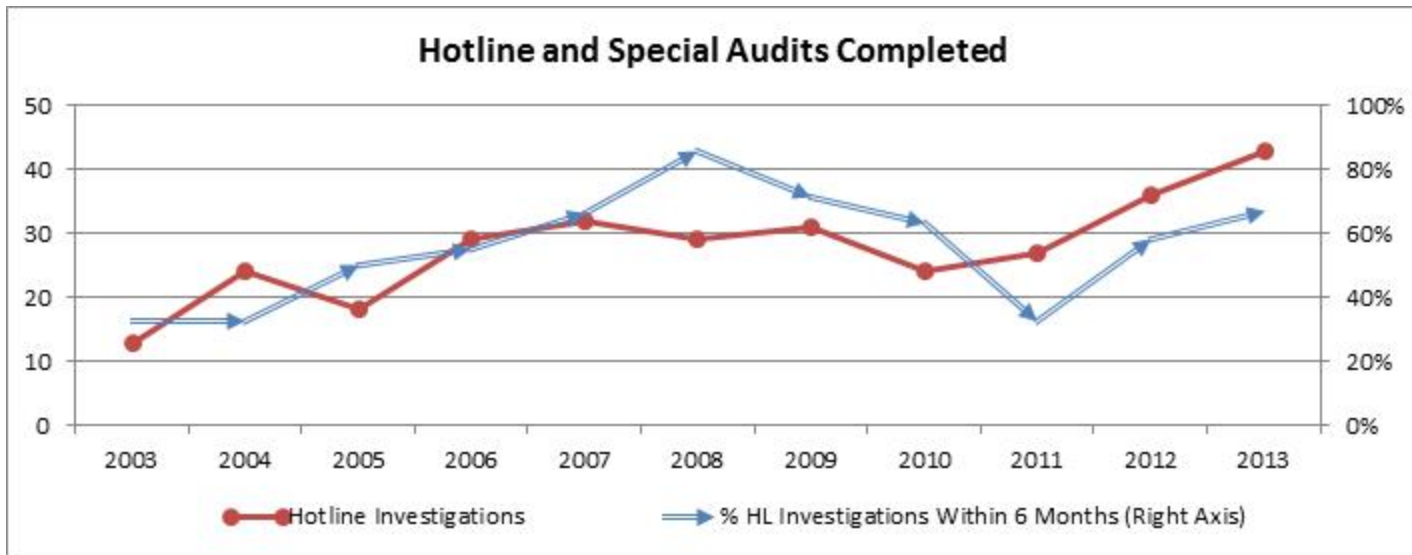


**Hotline and Special Audits Completed:**

The Office of the State Auditor receives hotline calls, tips, and complaints from citizens, employees, and legislators regarding potential waste, fraud and abuse in State and local government organizations. This table represents the number of such calls, tips and complaints that progressed to an actual investigation and the percentage of those investigations that were completed within six months.

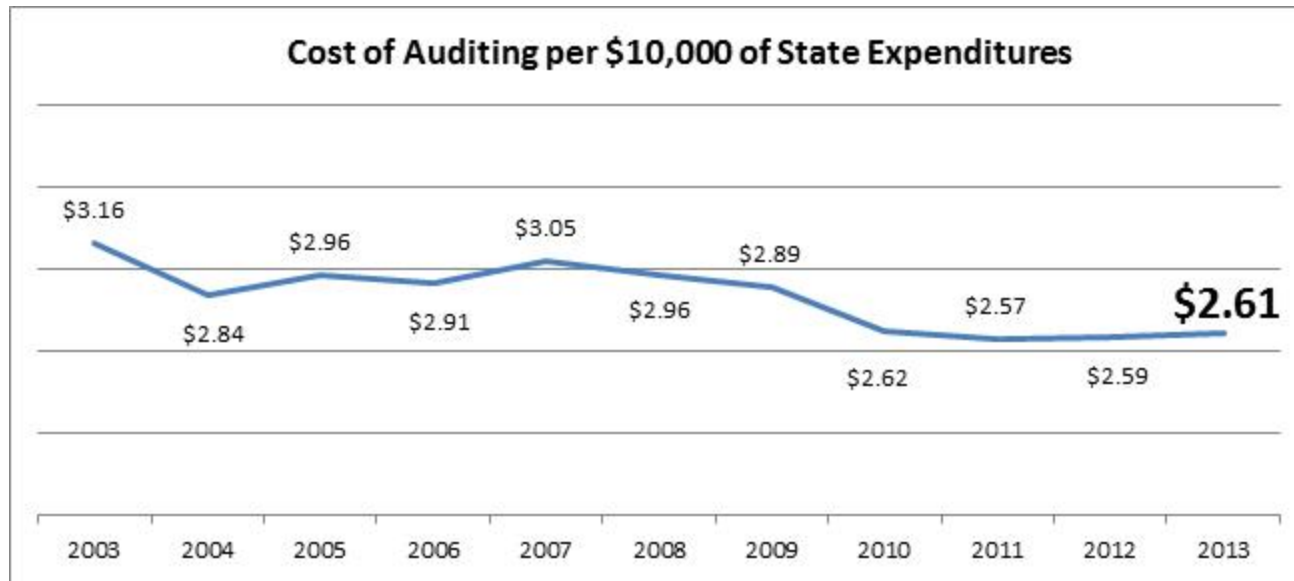
FY 2013 Results:

- Hotline Investigations - 43
- Percent of Hotline Investigations Completed Within 6 Months - 67%



**Cost of Auditing.**

This table shows the historical cost of the State Auditor fuction compared to total State expenditures (including the primary government, component units and trusts).



**Funding Detail**

During the 2013 General Session, all funding from the State Auditor, Auditing, and State and Local Planning programs was combined into the State Auditor Program. The FY 2014 Approp column reflects this change.

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Closing Nonlapsing	\$0	\$0	(\$419,700)	(\$419,700)	\$419,700	\$0
<b>Total</b>	<b>\$356,500</b>	<b>\$5,365,700</b>	<b>(\$197,000)</b>	<b>\$5,168,700</b>	<b>\$541,800</b>	<b>\$5,710,500</b>



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<b>Total</b>	<b>\$356,500</b>	<b>\$5,365,700</b>	<b>(\$197,000)</b>	<b>\$5,168,700</b>	<b>\$541,800</b>	<b>\$5,710,500</b>

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	3	3	74	77	(32)	45
Actual FTE	2	0	0	0	0	0
Vehicles	2	0	4	4	(2)	2

COBI contains unaudited data as presented to the Legislature by state agencies at the time of publication. For audited financial data see the State of Utah's Comprehensive Annual Financial Reports.