FY22 Budget Performance Review

State Auditor and Inspector - 30000

Lead Administrator: Cindy Byrd, State Auditor & Inspector

Lead Financial Officer: Lisa Hodges, Deputy State Auditor, CFO

Agency Mission

To independently serve taxpayers and public officials by conducting audits that provide meaningful, reliable results and promote efficiency, stewardship, and transparency in government.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

16 - Administrative Services

Internal agency operation including accounting, budget, HCM, policy, and general administration.

26 - Local Gov't Services

Local Government Services includes the County Audit Division which serves county elected officials and residents through an independent audit of receipt and disbursement of county funds. This division also audits Emergency Medical Service districts, District Attorney offices, and conducts county treasurer reviews to ensure available revenues reconcile with stated account balances. County Management Services advises county officers on matters regarding procedural and technical issues related to accounting and budget procedures. Investigative Audit Services assists the Governor, Attorney General, District Attorneys, governing bodies, and citizens (by petition) by conducting investigative audits of public entities in which fraudulent activities, waste or abuse of public assets is suspected or alleged to have occurred.

36 - State Agency Services

State Agency Services consists of the following programs: Financial Audit Services to audit the State of Oklahoma's

CAFR (instrumental to support the state's bond ratings and the Single Audit), and to conduct the Single Audit to meet mandates

for the receipt of federal funds; Performance Audit Services to improve state agency operations and aid those responsible for

initiating corrective action; and Information Services to provide IT auditors and support for the statewide auditors.

EGID audit services provides oversight for the state employee's insurance group.

46 - Special Services

Special Services consists of the following programs: Quality Assurance and Audit Review, Continuing Professional Education,

Horse Racing and Gaming Audit Services, Board of Equalization Support, Oklahoma Natural Resources Revenue Division, and Pension Commission Support.

76 - Ancillary Services

This program consists of pass-through funds to OSU-County Training Program. However, this funding is scheduled to end 6-30-2020.

| | FY'21 Budgeted Department Funding By Source | | | | | | | | | | |
|---------|---|----------------|---------|--------------|--------------------|--------------------|---|--|--|--|--|
| Dept. # | Department Name | Appropriations | Federal | Revolving | Local ¹ | Other ² | Total | | | | |
| 1600001 | Administration | 220,148 | | 29,745 | | | \$249,893 | | | | |
| 1600002 | Support Services | 504,199 | | 210,055 | | | \$714,254 | | | | |
| 2600201 | County Management Services | - | | 117,103 | | | \$117,103 | | | | |
| 2600202 | County Audit Division | 861,633 | | 4,569,949 | | | \$5,431,582 | | | | |
| 2600203 | Special Investigative Unit | 256,578 | | 684,755 | | | \$941,333 | | | | |
| 2600205 | DA-EMS Audit Division | 127,654 | | 280,929 | | | \$408,583 | | | | |
| 3600301 | State Agency Audit Division | 903,292 | | 1,915,727 | | | \$2,819,019 | | | | |
| 3600302 | Performance Audit Division | 460,311 | | 604,277 | | | \$1,064,588 | | | | |
| 3600303 | Information Services Division | 399,892 | | 835,013 | | | \$1,234,905 | | | | |
| 3600304 | EGID Audit Division | - | | 151,807 | | | \$151,807 | | | | |
| 4600401 | Quality Assurance | 128,535 | | 27,075 | | | \$155,610 | | | | |
| 4600402 | Oklahoma Natural Resources Revenue | 61,905 | | 387,557 | | | \$449,462 | | | | |
| 4600403 | Horse Racing/Gaming | 58,180 | | 363,025 | | | \$421,205 | | | | |
| 4600404 | Continuing Professional Education | 103,689 | | 60,390 | | | \$164,079 | | | | |
| 4600405 | Board of Equalization/Public Trust | - | | 154,111 | | | \$154,111 | | | | |
| 4600406 | Pension Trust | - | | 115,000 | | | \$115,000 | | | | |
| 7600701 | OSU - County Personnel Training | 214,299 | | | | | \$214,299 | | | | |
| | | | | | | | \$0 | | | | |
| | | | | | | | \$0 | | | | |
| | | | | | | | \$0 | | | | |
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| | | | | | | | \$0 | | | | |
| | | | | | | | \$0 | | | | |
| | | | | | | | \$0 | | | | |
| | | | | | | | \$0 | | | | |
| Total | | \$4,300,315 | \$0 | \$10,506,518 | \$0 | \$0 | \$14,806,833 | | | | |

^{1.} Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

| FY'20 Carryover by Funding Source | | | | | | | | |
|-----------------------------------|--|-----|-----------|-----|-----|-------------|--|--|
| | Appropriations Federal Revolving Local Other Total | | | | | | | |
| Carryover | \$1,489,036 | \$0 | \$793,288 | \$0 | \$0 | \$2,282,324 | | |

| | \$0 | | | | | | \$0 |
|--|-----|--|------------|--------------------|------------------|---------------|-----|
| 1. Please describe source of Local funding not included in other categories: | | | Fund balan | ces at 6-30-20 red | uced by post FYE | expenditures. | |
| 2. Please describe source(s) and % of total of "Other" funding if applicable | • | | | | | | |

What changes did the agency make between FY'20 and FY'21?

1.) Are there any services no longer provided because of budget cuts?

No. Reduced appropriations will delay delivery of audit services to counties and state entities that are mandated by statute or the constitution.

2.) What services are provided at a higher cost to the user?

This office provides various audit services and, in most instances, is permitted by statute to recover its costs. It is likely that these

services will be provided at a higher cost to meet our budgetary needs in a fiscally responsible manner.

3.) What services are still provided but with a slower response rate?

Despite the use of technological advancements, human capital is required to provide audit services. Limited resources and below market salaries contribute to a high turnover rate. For Fy 20, the professional staff turnover rate is 13.33% and for the whole office 12.84%. Loss of institutional knowledge, skills, and experience means constantly training new hires and slower response rate.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

The agency recognizes achievement, certifications obtained, and additional duties assumed with bumps in salary. Personnel are unclassified

and salaries remain significantly below both market and those offered by other agencies that actively recruit our personnel.

| | FY'22 Requested Funding By Department and Source | | | | | | | | |
|---------|--|----------------|---------|--------------|--------------------|--------------|----------|--|--|
| Dept. # | Department Name | Appropriations | Federal | Revolving | Other ¹ | Total | % Change | | |
| 1600001 | Administration | \$220,148 | \$0 | \$29,745 | \$0 | \$249,893 | 0.00% | | |
| 1600002 | Support Services | \$504,199 | \$0 | \$210,055 | \$0 | \$714,254 | 0.00% | | |
| 2600201 | County Management Services | \$0 | \$0 | \$117,103 | \$0 | \$117,103 | 0.00% | | |
| 2600202 | County Audit Division | \$861,633 | \$0 | \$4,569,949 | \$0 | \$5,431,582 | 0.00% | | |
| 2600203 | Special Investigative Unit | \$256,578 | \$0 | \$684,755 | \$0 | \$941,333 | 0.00% | | |
| 2600205 | DA-EMS Audit Division | \$127,654 | \$0 | \$280,929 | \$0 | \$408,583 | 0.00% | | |
| 3600301 | State Agency Audit Division | \$903,292 | \$0 | \$1,915,727 | \$0 | \$2,819,019 | 0.00% | | |
| 3600302 | Performance Audit Division | \$460,311 | \$0 | \$604,277 | \$0 | \$1,064,588 | 0.00% | | |
| 3600303 | Information Services Division | \$399,892 | \$0 | \$835,013 | \$0 | \$1,234,905 | 0.00% | | |
| 3600304 | EGID Audit Division | \$0 | \$0 | \$151,807 | \$0 | \$151,807 | 0.00% | | |
| 4600401 | Quality Assurance | \$128,535 | \$0 | \$27,075 | \$0 | \$155,610 | 0.00% | | |
| 4600402 | Oklahoma Natural Resources Revenue | \$61,905 | \$0 | \$387,557 | \$0 | \$449,462 | 0.00% | | |
| 4600403 | Horse Racing/Gaming | \$58,180 | \$0 | \$363,025 | \$0 | \$421,205 | 0.00% | | |
| 4600404 | Continuing Professional Education | \$103,689 | \$0 | \$60,390 | \$0 | \$164,079 | 0.00% | | |
| 4600405 | Board of Equalization/Public Trust | \$0 | \$0 | \$154,111 | \$0 | \$154,111 | 0.00% | | |
| 4600406 | Pension Trust | \$0 | \$0 | \$115,000 | \$0 | \$115,000 | 0.00% | | |
| 7600701 | OSU - County Personnel Training | \$214,299 | \$0 | \$0 | \$0 | \$214,299 | 0.00% | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | | |
| | | | 70 | 40 | 40 | Ψ σ | | | |
| Total | | \$4,300,315 | \$0 | \$10,506,518 | \$0 | \$14,806,833 | 0.00% | | |

| 1. Please describe source(s) and % of total of "Other" funding for each department: |
|---|
| |
| |

| | | FY'22 Top Five | Operational Approp | riation Funding I | Requests | |
|----------------------------|---|---------------------|-----------------------|-------------------|-----------------------------------|--|
| Request by Priority | Request Description | | | | | Appropriation Request Amount (\$) |
| Request 1: | We have no operating request for FY2022 | | | | | #REF! |
| Request 2: | #REF! | | | | | #REF! |
| Request 3: | #REF! | | | | | #REF! |
| Request 4: | #REF! | | | | | #REF! |
| Request 5: | #REF! | | | | | #REF! |
| | | | | | Top Five Request Subtotal: | #REF! |
| Total Increa | ase above FY-21 Budget (including all requests) | | | | | #REF! |
| Difference be | etween Top Five requests and total requests: | | | | | #REF! |
| | Does the agency ha | ave any costs assoc | iated with the Pathfi | nder retirement | system and federal employees? | |
| Defined bene | efit cost not | FY 2021 | FY 2022 | FY 2023 | | |
| reimbursable | e by Federal ONRR | 5,381 | 5,381 | 5,381 | | |

| How would the agency be affected by receiving the same appropriation for FY '22 as was received in FY '21? (Flat/ 0% change) | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
| Service will be provided at approximately same level. | | | | | | | | | |
| | | | | | | | | | |
| How would the agency handle a 2% appropriation reduction in FY '22? | | | | | | | | | |
| | | | | | | | | | |
| A reduction in operating budgets will lead to reduced services to citizens of the state. | | | | | | | | | |

| Is the agency seeking any fee increases for FY '22? | | |
|---|------------------------------|-------------------------------------|
| | Fee Increase Request (\$) | Statutory change required? (Yes/No) |
| Increase 1 | | |
| Increase 2 | | |
| Increase 3 | | |

| What are the agency's top 2-3 capital or technology (one-time) requests, if applicable? | | | | | | | | |
|---|--|--|--|--|--|--|--|--|
| Description of request in order of priority Appropriated Amount (\$) Submitted to LRCPC? (Yes/N | | | | | | | | |
| Priority 1 | | | | | | | | |
| Priority 2 | | | | | | | | |
| Priority 3 | | | | | | | | |

| | Federal Funds | | | | | | | | | | |
|--------|---|----------------|----------------|---------|---------|---------|---------|--|--|--|--|
| CFDA | Federal Program Name | Agency Dept. # | FY 21 budgeted | FY 20 | FY 19 | FY 18 | FY 17 | | | | |
| 15.427 | ONRR - Oklahoma Natural Resources Revenue | 4600402 | 449,463 | 442,971 | 409,668 | 394,541 | 418,453 | | | | |
| | | | | | | | | | | | |

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

This is a contract with the federal government to conduct mineral royalty audits on federal lands in Oklahoma.

2.) Are any of those funds inadequate to pay for the federal mandate?

NA

3.) What would the consequences be of ending all of the federal funded programs for your agency?

If we lost this contract, those employees would need to be relocated from their division to another.

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

This is a contracted amount.

5.) Has the agency requested any additional federal earmarks or increases?

NA

| | FY'21 Budgeted FTE | | | | | | | | |
|--------------------------|--------------------|-------------|------------|--------------|--------------|-----------------|-----------------|--|--|
| | vision Name | Supervisors | Classified | Unclassified | \$0 - \$35 K | \$35 K - \$70 K | \$70 K - \$\$\$ | | |
| 16 Administration | | 3 | | 7 | | 4 | 3 | | |
| 26 Local Gov't Services | | 27 | | 71.1 | | 61.1 | 10 | | |
| 36 State Agency Services | | 17 | | 52 | | 40 | 12 | | |
| 46 Special Services | | 5 | | 13 | | 9 | 4 | | |
| 76 Ancillary Services | | | | | | | | | |
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| Total | | 52 | 0 | 143.1 | 0 | 114.1 | 29 | | |

| | | FTE History | | | | |
|----------------|---------------|---------------|-------|-------|-------|-------|
| Division # | Division Name | 2021 Budgeted | 2020 | 2019 | 2017 | 2012 |
| 16 Administra | ation | 7.0 | 5.6 | 6.0 | 7.0 | 8.0 |
| 26 Local Gov' | 't Services | 71.1 | 55.2 | 53.2 | 57.0 | 54.0 |
| 36 State Agen | ncy Services | 52.0 | 42.3 | 42.4 | 40.0 | 43.0 |
| 46 Special Ser | | 13.0 | 10.4 | 10.8 | 11.0 | 14.0 |
| 76 Ancillary S | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
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| Total | | 143.1 | 113.5 | 112.4 | 115.0 | 119.0 |

| Performance Measure Review | | | | | | |
|--|--------|--|--------|--------|--------|--|
| | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | |
| rogram Name: State Auditor's Office | | | | | | |
| Turnover rate percent for professional staff. Goal is to reduce turnover rate to 12% in 2026 | 13.33% | 20.20% | 15.00% | 15.18% | 15.27% | |
| Percent of staff auditors that maintain 73.5% of billable hours. | 100% | 100% | NA | NA | NA | |
| Percent of audit working papers and reports that comply with Government Auditing Standards which are used to measure quality. | 100% | 100% | 100% | 100% | 100% | |
| Staff Auditor salaries compared to the regional average of State Audit Organizations staff auditor salaries as a percentage.(Adjusted using the COLA index) (Retain staff= high productivity and quality of reports) | 77.50% | 70.70% No COLA adjustment for FY | NA | NA | NA | |
| | | augustinem 101 1 1 | | | | |

| Revolving Funds (200 Series Funds) | | | | | | | | |
|--|------------------------|----------------------------|--|--|--|--|--|--|
| Please provide fund number, fund name, description, and revenue source | FY'18-20 Avg. Revenues | FY'18-20 Avg. Expenditures | June '20 Balance | | | | | |
| Fund number: Fund name | | | | | | | | |
| Revolving Fund 20000 | \$7,564,650 | \$7,415,189 | \$793,288 | | | | | |
| | | | Fund balances at 6-30-20 reduced by post FYE expenditures. | | | | | |
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