

FY 2024 Budget Performance Review

State Auditor & Inspector Agency 300

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 operations include accounting, budget, human capital management, 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, Circuit Engineering 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/Forensic Audits assists the Governor, Attorney General, District Attorney's, 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 audits the State of Oklahoma's Annual Comprehensive Financial Report (ACFR), which is instrumental to support the state's bond ratings and the Single Audit, and conducts the Single Audit to meet mandates for the receipt of federal funds.

Performance Audit Services audits aid state agencies to improve operations and aid those responsible for initiating corrective action.

Information Services conduct IT audits and provide support for statewide audits.

EGID audit services provides oversight for the state employees' 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.

FY'23 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1600001	Administration	\$224,957		\$29,593			\$254,550
1600002	Support Services	\$536,604		\$385,925			\$922,529
2600201	County Management Services	\$125,947		\$2,000			\$127,947
2600202	County Audit Division	\$804,331		\$4,944,318			\$5,748,649
2600203	Special Investigative Unit	\$277,977		\$865,608			\$1,143,585
2600205	DA-EMS Audit Division	\$138,358		\$478,097			\$616,455
3600301	State Agency Audit Division	\$793,206		\$2,373,301			\$3,166,507
3600302	Performance Audit Division	\$685,767		\$657,405			\$1,343,172
3600303	Information Services Division	\$389,450		\$1,107,762			\$1,497,212
3600304	EGID Audit Division	\$0		\$164,408			\$164,408
4600401	Quality Assurance	\$141,077		\$20,980			\$162,057
4600402	Oklahoma Natural Resources Revenue	\$66,719		\$430,519			\$497,238
4600403	Horse Racing/Gaming	\$62,746		\$453,145			\$515,891
4600404	Continuing Professional Education	\$116,592		\$62,200			\$178,792
4600405	Board of Equalization/Public Trust	\$116,584		\$19,135			\$135,719
4600406	Pension Trust	\$0		\$125,000			\$125,000
Total		\$4,480,315	\$0	\$12,119,396	\$0	\$0	\$16,599,711

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'22 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
199		\$186,139					\$186,139
191		\$2,493,381					\$2,493,381
200				\$610,908			\$610,908

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:

What changes did the agency make between FY'22 and FY'23?

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

No. All services are mandated by statute or the constitution however, reduced appropriations could delay delivery of audit services to counties and state entities.

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

No services will be provided at a higher cost to the user.

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 22, the staff turnover rate is 17%. 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'24 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1600001	Administration	\$231,957	\$0	\$29,593	\$0	\$261,550	2.75%
1600002	Support Services	\$571,604	\$0	\$385,925	\$0	\$957,529	3.79%
2600201	County Management Services	\$132,947	\$0	\$2,000	\$0	\$134,947	5.47%
2600202	County Audit Division	\$1,196,331	\$0	\$4,944,318	\$0	\$6,140,649	6.82%

2600203	Special Investigative Unit	\$340,977	\$0	\$865,608	\$0	\$1,206,585	5.51%
2600205	DA-EMS Audit Division	\$186,358	\$0	\$478,097	\$0	\$664,455	7.79%
3600301	State Agency Audit Division	\$1,010,206	\$0	\$2,373,301	\$0	\$3,383,507	6.85%
3600302	Performance Audit Division	\$776,767	\$0	\$657,405	\$0	\$1,434,172	6.78%
3600303	Information Services Division	\$438,450	\$0	\$1,107,762	\$0	\$1,546,212	3.27%
3600304	EGID Audit Division	\$14,000	\$0	\$164,408	\$0	\$178,408	8.52%
4600401	Quality Assurance	\$148,077	\$0	\$20,980	\$0	\$169,057	4.32%
4600402	Oklahoma Natural Resources Revenue	\$98,219	\$0	\$430,519	\$0	\$528,738	6.33%
4600403	Horse Racing/Gaming	\$87,246	\$0	\$453,145	\$0	\$540,391	4.75%
4600404	Continuing Professional Education	\$123,592	\$0	\$62,200	\$0	\$185,792	3.92%
4600405	Board of Equalization/Public Trust	\$123,584	\$0	\$19,135	\$0	\$142,719	5.16%
4600406	Pension Trust	\$0	\$0	\$125,000	\$0	\$125,000	0.00%
Total		\$5,480,315	\$0	\$12,119,396	\$0	\$17,599,711	6.02%

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

FY'24 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Funding change to increase staff salaries	\$1,000,000
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$1,000,000
Total Increase above FY-23 Budget (including all requests)		\$ 1,000,000
Difference between Top Five requests and total requests:		\$0

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

	FY2021	FY2022	FY2023	FY2024
Defined benefit cost not reimbursable by Federal ONRR	\$3,919	\$4,085	\$4,085	\$4,150

How would the agency be affected by receiving the same appropriation for FY '24 as was received in FY '23? (Flat/ 0% change)

Services will be provided at approximately same level.

How would the agency handle a 2% appropriation reduction in FY '24?

A reduction in operating budgets will lead to reduced services to citizens of the state. SA&I would have to prioritize audits with deadlines which would significantly delay investigative audits and special request audits.

Is the agency seeking any fee increases for FY '24?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
NA		
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/No)
N/A		
Priority 1		
Priority 2		
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 23 budgeted	FY 22	FY 21	FY 20	FY 19
15.427	ONRR -Oklahoma Natural Resources Revenue	4600402	530,000	506,489	468,274	442,971	409,668

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?
N/A

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 contract amount.

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

FY'23 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
16	Administration	3	5.25	0.25	5	1	2
26	Local Gov't Services	28	43		48	22	1
36	State Agency Services	17	37		39	13	2

46 Special Services	6	7	7	6
Total	54	92.25	0.25	99

FTE History						
Division #	Division Name	2023 Budgeted	2022	2021	2019	2014
16	Administration	8.25	7.74	5.30	6.0	9.0
26	Local Gov't Services	71.00	52.29	57.73	53.2	54.8
26	State Agency Services	54.00	41.69	40.52	42.4	45.0
46	Special Services	13.00	13.88	10.90	10.8	14.0
Total		146.25	115.6	114.5	112.4	122.8

Performance Measure Review					
Program Name	FY 22	FY 21	FY 20	FY 19	FY 18
Turnover rate percent for professional staff. Goal is to reduce turnover rate to 12% in 2026	16%	17%	13.33%	20.20%	15.00%
Percent of staff auditors that maintain 73.5% of billable hours.	100%	100%	100%	100%	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)	79.90%	79.40%	77.50%	70.70%	NA
Number of experienced audit staff with at least two years' experience.	76	77	72	68	69
Percentage of professional staff with a degree and/or professional certification.	93%	89%	90%	89%	89%

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'20-22 Avg. Revenues	FY'20-22 Avg. Expenditures	June '22 Balance
Revolving Fund 20000	\$8,429,525	\$8,418,195	\$610,908

FY 2023 Current Employee Telework Summary						
List each agency location, then report the number of employees associated with that location in the teleworking categories indicated. Use "No specified location" to account for remote employees not associated with a site. Use actual current employees, not budgeted or actual FTE.			Full-time and Part-time Employees (#)			
Agency Location / Address	City	County	Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
StateCapitol, Room 123	OKC	OK	6	11		17
3020 N. Stiles	OKC	OK	9	29		38
217 N. Harvey, Room 209	OKC	OK	6			6
907 S. Detroit, Suite 1020	Tulsa	Tulsa	7	2	2	11
1000 E. 10th Street, Suite 221	Ada	Pontotoc	13	1	1	15
1401 Lera Dr., Suite 9	Weatherford	Custer	2	7		9
3901 W. Beech	Duncan	Stephens	10	1		11
2102 N. Lincoln (Jim Thorpe Bldg.)	OKC	OK		2		2
DOT - 200 NE 21st St.	OKC	OK		2		2
No Specified Location					2	2
2401 N. Lincoln, Suite 300 (Will Rogers Bldg)	OKC	OK		2		2
1 Remington Place (Remington Park)	OKC	OK		2		2
Total Agency Employees						117