

**FY 2025 Budget Performance Review**

**30000 - State Auditor & Inspector**

Version Original  
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Date submitted 9/29/2023  
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**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 conducts the Single Audit to meet mandates for the receipt of federal funds.  
Performance Audit Services audits 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'24 Budgeted Department Funding By Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
1600001	Administration	\$226,784		\$ 30,505.00			\$ 257,289.00
1600002	Support Services	\$439,218		\$ 669,784.00			\$ 1,109,002.00
2600201	County Management Services	\$131,279		\$ 2,500.00			\$ 133,779.00
2600202	County Audit Division	\$828,572		\$ 5,083,081.00			\$ 5,911,653.00
2600203	Special Investigative Unit	\$288,086		\$ 901,780.00			\$ 1,189,866.00
2600205	DA-EMS Audit Division	\$224,623		\$ 415,363.00			\$ 639,986.00
3600301	State Agency Audit Division	\$744,604		\$ 2,709,785.00			\$ 3,454,389.00
3600302	Performance Audit Division	\$715,638		\$ 690,887.00			\$ 1,406,525.00
3600303	Information Services Division	\$369,425		\$ 1,497,156.00			\$ 1,866,581.00
3600304	EGID Audit Division	\$0		\$ 172,536.00			\$ 172,536.00
4600401	Quality Assurance	\$147,583		\$ 40,266.00			\$ 187,849.00
4600402	Oklahoma Natural Resources Revenue	\$69,387		\$ 417,858.00			\$ 487,245.00
4600403	Horse Racing/Gaming	\$65,414		\$ 476,980.00			\$ 542,394.00
4600404	Continuing Professional Education	\$107,854		\$ 71,324.00			\$ 179,178.00
4600405	Board of Equalization/Public Trust	\$121,848		\$ 21,352.00			\$ 143,200.00
4600406	Pension Trust	\$0		\$ 135,000.00			\$ 135,000.00
<b>Total</b>		<b>\$4,480,315</b>	<b>\$0</b>	<b>\$13,336,157</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,816,472</b>

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'23 Carryover by Funding Source**

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
191		\$80,135					\$80,135
193		\$1,994,544					\$1,994,544
200				\$685,688			\$685,688

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'23 and FY'24?**

**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?**

Our billing rate increased \$2 per hour for all auditors.

**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 23, the staff turnover rate is 20%. 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? No**

**FY'25 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
1600001	Administration	\$233,784	\$0	\$30,505	\$0	\$264,289	2.72%
1600002	Support Services	\$474,218	\$0	\$669,784	\$0	\$1,144,002	3.16%
2600201	County Management Services	\$138,279	\$0	\$2,500	\$0	\$140,779	5.23%
2600202	County Audit Division	\$1,220,572	\$0	\$5,083,081	\$0	\$6,303,653	6.63%
2600203	Special Investigative Unit	\$351,086	\$0	\$901,780	\$0	\$1,252,866	5.29%
2600205	DA-EMS Audit Division	\$272,623	\$0	\$415,363	\$0	\$687,986	7.50%
3600301	State Agency Audit Division	\$961,604	\$0	\$2,709,785	\$0	\$3,671,389	6.28%
3600302	Performance Audit Division	\$806,638	\$0	\$690,887	\$0	\$1,497,525	6.47%
3600303	Information Services Division	\$418,425	\$0	\$1,497,156	\$0	\$1,915,581	2.63%
3600304	EGID Audit Division	\$14,000	\$0	\$172,536	\$0	\$186,536	8.11%
4600401	Quality Assurance	\$154,583	\$0	\$40,266	\$0	\$194,849	3.73%
4600402	Oklahoma Natural Resources Revenue	\$100,887	\$0	\$417,858	\$0	\$518,745	6.46%
4600403	Horse Racing/Gaming	\$89,914	\$0	\$476,980	\$0	\$566,894	4.52%
4600404	Continuing Professional Education	\$114,854	\$0	\$71,324	\$0	\$186,178	3.91%
4600405	Board of Equalization/Public Trust	\$128,848	\$0	\$21,352	\$0	\$150,200	4.89%
4600406	Pension Trust	\$0	\$0	\$135,000	\$0	\$135,000	0.00%
<b>Total</b>		<b>\$5,480,315</b>	<b>\$0</b>	<b>\$13,336,157</b>	<b>\$0</b>	<b>\$18,816,472</b>	<b>5.61%</b>

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

**FY'25 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1: Request 2: Request 3: Request 4: Request 5:	Funding change to increase staff salaries	\$1,000,000
<b>Top Five Request Subtotal:</b>		<b>\$1,000,000</b>
<b>Total Increase above FY-24 Budget (including all requests)</b>		<b>\$ 1,000,000</b>
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	\$1,605	\$4,150

**How would the agency be affected by receiving the same appropriation for FY '25 as was received in FY '24? (Flat/ 0% change)**

Services will be provided at the same level.

**How would the agency handle a 2% appropriation reduction in FY '25?**

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

**Is the agency seeking any fee increases for FY '25?**

	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 LRCP? (Yes/No)
Priority 1 Priority 2 Priority 3	NA	

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 24 budgeted	FY 23	FY 22	FY 21	FY 20
15.427	ONRR -Oklahoma Natural Resources Revenue	4600402	550,000	486,534	506,489	468,274	442,971

**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 contract amount.
- 5.) Has the agency requested any additional federal earmarks or increases?**  
NA

**FY 2024 Budgeted FTE**

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
16	Administration	4	5		5	2	2
26	Local Gov't Services	30	40.25	0.5	44.75	22	3
36	State Agency Services	18	35.5		36	13.5	4
46	Special Services	6	7		6	6	1
<b>Total</b>		<b>58</b>	<b>87.75</b>	<b>0.5</b>	<b>91.75</b>	<b>43.5</b>	<b>10</b>

**FTE History by Fiscal Year**

Division #	Division Name	FY 2024 Budgeted	FY 2024 YTD	FY 2023	FY 2022	FY 2021	FY 2016
16	Administration	9.0	7.0	6.00	7.74	5.3	7.0
26	Local Gov't Services	70.25	60.00	62.25	52.29	57.7	58.0
36	State Agency Services	53.5	36.5	37.25	41.69	40.5	43.0
46	Special Services	13.0	11.0	10.00	13.88	10.9	13.0
<b>Total</b>		<b>145.75</b>	<b>114.50</b>	<b>115.5</b>	<b>115.6</b>	<b>114.5</b>	<b>121.0</b>

**Performance Measure Review**

Program Name	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Turnover rate percent for professional staff. Goal is to reduce turnover rate to 12% in 2026	22.80%	16%	17%	13.33%	20.20%
Percent of staff auditors that maintain 73.5% of billable hours.	100%	100%	100%	100%	100%

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) <b>(Retain staff = high productivity and quality of reports)</b>	79.50%	79.90%	79.40%	77.50%	70.70%
Number of experienced audit staff with at least two years' experience.	67	76	77	72	68
Percentage of professional staff with a degree and/or professional certification.	90%	93%	89%	90%	89%

Revolving Funds (200 Series Funds)			
<i>Please provide fund number, fund name, description, and revenue source</i>	FY'21-23 Avg. Revenues	FY'21-23 Avg. Expenditures	June '23 Balance
<b>Fund number:</b> Fund name			
Revolving Fund 20000	\$8,102,758	\$8,191,003	\$685,688

FY 2024 Current Employee Telework Summary						
<i>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 (headcount), not budgeted or actual FTE.</i>			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
State Capitol, Room 123	OKC	OK	5	11		16
3020 N. Stiles	OKC	OK	7	26		33
217 N. Harvey, Room 209	OKC	OK	7			7
907 S. Detroit, Suite 1020	Tulsa	Tulsa	10	1	1	12
1000 E. 10th Street, Suite 221	Ada	Pontotoc	15			15
1401 Lera Dr., Suite 9	Weatherford	Custer	8			8
3901 W. Beech	Duncan	Stephens	11			11
DOT - 200 NE 21st St.	OKC	OK		3		3
No Specified Location					2	2
2102 N. Lincoln (Jim Thorpe Bldg )	OKC	OK		2		2
1 Remington Place (Remington Park)	OKC	OK		2		2
						0
<b>Total Agency Employees</b>						<b>111</b>