

**FY 2026 Budget Performance Review
30000 - State Auditor & Inspector**

Version Original
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Date submitted 10/1/2024
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Agency Mission

To make government accountable.

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

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'25 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1600001	Administration	\$232,393		\$142,102			\$374,495
1600002	Support Services	\$515,080		\$714,698			\$1,229,778
2600201	County Management Services	\$131,601		\$7,300			\$138,901
2600202	County Audit Division	\$987,507		\$5,628,645			\$6,616,152
2600203	Special Investigative Unit	\$289,293		\$1,018,241			\$1,307,534
2600205	DA-EMS Audit Division	\$221,372		\$408,659			\$630,031
3600301	State Agency Audit Division	\$763,057		\$2,652,339			\$3,415,396
3600302	Performance Audit Division	\$610,105		\$747,053			\$1,357,158
3600303	Information Services Division	\$370,157		\$1,236,013			\$1,606,170
3600304	EGID Audit Division	\$0		\$176,922			\$176,922
4600401	Quality Assurance	\$147,693		\$32,934			\$180,627
4600402	Oklahoma Natural Resources Revenue	\$69,887		\$456,693			\$526,580
4600403	Horse Racing/Gaming	\$65,666		\$484,346			\$550,012
4600404	Continuing Professional Education	\$112,287		\$76,258			\$188,545
4600405	Board of Equalization/Public Trust	\$214,217		\$22,240			\$236,457
4600406	Pension Trust	\$0		\$140,000			\$140,000
Total		\$4,730,315	\$0	\$13,944,443	\$0	\$0	\$18,674,758

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:

Balances of Appropriated Funds from Prior Fiscal Years

3-digit Class Fund #	Class Fund Name	GA Bill # and Section #	Fiscal Year of Original Appropriation	Original Appropriation Amount (\$)	Total Expended Amount as of 8/31/2024 (\$)	Balance as of 8/31/2024 (\$)
193		SB 1040, Section 49	FY23	\$4,480,315	\$4,447,604	\$32,711
194		HB 1004X, Section 46	FY24	\$4,480,315	\$2,974,877	\$1,505,438
						\$0
						\$0
Total remaining prior year appropriation balance:						\$1,538,149

Report appropriations that have existing balances from all prior fiscal years at the 3-digit class fund number (i.e. 193, 194). Do not report carryover class funds separately.

Include appropriations located in disbursing funds. Report PREP, but not ARPA/SRF, appropriations.

What changes did the agency make between FY'24 and FY'25?

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 \$1 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 our turnover rate. 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

Appropriation Increase Review					
Appropriation Increase Purpose	Appropriation Increases (Additional to Agency Base Appropriation)			Expenditures	
	FY 2023	FY 2024	Total Amount Received FY 2023-2024	Total Expenditure of Increase as of 6/30/2024	If funds have not been spent, please explain why.
Increase salaries	\$180,000	\$0	\$180,000	\$147,289	Staff turnover and difficulty in competing with the market
			\$0		
			\$0		
			\$0		
			\$0		
Total:	\$180,000	\$0	\$180,000	\$147,289	

List appropriation increases that the agency has received in the prior two years. List amounts received in each year. Include PREP, but not ARPA/SRF, appropriations.

FY'26 Requested Funding By Department and Source							
Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1600001	Administration	\$232,393	\$0	\$142,102	\$0	\$374,495	0.00%
1600002	Support Services	\$515,080	\$0	\$714,698	\$0	\$1,229,778	0.00%
2600201	County Management Services	\$131,601	\$0	\$7,300	\$0	\$138,901	0.00%
2600202	County Audit Division	\$987,507	\$0	\$5,628,645	\$0	\$6,616,152	0.00%
2600203	Special Investigative Unit	\$289,293	\$0	\$1,701,241	\$0	\$1,990,534	52.24%
2600205	DA-EMS Audit Division	\$221,372	\$0	\$408,659	\$0	\$630,031	0.00%
3600301	State Agency Audit Division	\$763,057	\$0	\$2,652,339	\$0	\$3,415,396	0.00%
3600302	Performance Audit Division	\$610,105	\$0	\$747,053	\$0	\$1,357,158	0.00%
3600303	Information Services Division	\$370,157	\$0	\$1,236,013	\$0	\$1,606,170	0.00%
3600304	EGID Audit Division	\$0	\$0	\$176,922	\$0	\$176,922	0.00%
4600401	Quality Assurance	\$147,693	\$0	\$32,934	\$0	\$180,627	0.00%
4600402	Oklahoma Natural Resources Revenue	\$69,887	\$0	\$456,693	\$0	\$526,580	0.00%
4600403	Horse Racing/Gaming	\$65,666	\$0	\$484,346	\$0	\$550,012	0.00%
4600404	Continuing Professional Education	\$112,287	\$0	\$76,258	\$0	\$188,545	0.00%
4600405	Board of Equalization/Public Trust	\$214,217	\$0	\$22,240	\$0	\$236,457	0.00%
4600406	Pension Trust	\$0	\$0	\$140,000	\$0	\$140,000	0.00%
Total		\$4,730,315	\$0	\$14,627,443	\$0	\$19,357,758	3.66%

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

FY'26 Top Five Operational Appropriated Funding Increase Requests				
Request by Priority	Request Description	Is this a Supplemental Request? (Yes/No)	Timeframe (One-Time or Recurring)	Appropriation Request Increase Amount (\$)
Request 1:	Special Investigative Unit Audit Revolving Fund	No	One-Time	\$683,000
Request 2:				
Request 3:				
Request 4:				
Request 5:				
Top Five Request Subtotal:				\$683,000
Total Increase above FY-25 Budget (including all requests)				\$683,000
Difference between Top Five requests and total requests:				\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?		
Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC or OCAMP? (Yes/No)
Priority 1 N/A		
Priority 2		
Priority 3		

List any requests for new construction from the Legacy Capital Fund		
Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 N/A		
Priority 2		
Priority 3		

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?				
Defined benefit cost not reimbursable by Federal ONRR	FY2021	FY2022	FY2023	FY2024
	\$3,919	\$4,085	\$1,605	\$4,150
How would the agency be affected by receiving the same appropriation for FY '26 as was received in FY '25? (Flat/ 0% change)				

Service will be provided at approximately same level.

How would the agency handle a 2% appropriation reduction in FY '26?

A reduction in operating budgets will lead to reduced services to 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 '26?

Description of requested increase in order of priority	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 N/A		
Increase 2		
Increase 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 25 budget (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 22 actuals (\$)	FY 24 budgeted FTE (#)
15.427	ONRR - Oklahoma Natural Resources Revenue	4600402	570,000	535,644	486,534	506,489	4.5

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 2025 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
16	Administration	4	7		3	6	2
26	Local Gov't Services	30	45.75		48.75	26	1
36	State Agency Services	17.5	31		31	13.5	4
46	Special Services	6	8		8	5	1
Total		57.5	91.75	0	90.75	50.5	8

FTE History by Fiscal Year

Division #	Division Name	FY 2025 Budgeted	FY 2025 YTD	FY 2024	FY 2023	FY 2022	FY 2016
16	Administration	11.0	9.0	8.0	6.0	7.7	7.0
26	Local Gov't Services	75.75	60.00	59.00	62.25	52.29	58.00
36	State Agency Services	48.50	34.00	35.00	37.25	41.69	43.00
46	Special Services	14.0	13.0	13.0	10.0	13.9	13.0
Total		149.25	116.0	115.0	115.5	115.6	121.0

Performance Measure Review

Program Name	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Turnover rate percent for professional audit staff. Goal is to reduce turnover rate to 12% in 2026	12.00%	22.80%	16.00%	17.00%	13.33%
Percent of staff auditors that maintain 73.5% of billable hours - Goal is 100%	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)	73.00%	79.50%	79.90%	79.40%	77.50%

(Retain staff = high productivity and quality of reports)					
Percent of audit staff with at least two years' experience - Goal is 90%	80.00%	72.83%	80.00%	82.80%	77.42%
Percentage of professional audit staff with a degree and/or professional certification - Goal is 90%	81.63%	90.00%	93.00%	89.00%	90.00%

Revolving Funds (200 Series Funds)			
Fund: Fund Number, Fund Name	FY'22-24 Avg. Revenues	FY'22-24 Avg. Expenditures	June '24 Balance
Revolving fund 20000	\$8,264,978	\$8,199,131	\$991,139

FY 2025 Current Employee Telework Summary						
Agency Location / Address			Full-time and Part-time Employees (#)			
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	7	10	1	18
3020 N. Stiles	OKC	OK	3	31	1	35
5005 N. Lincoln Blvd. room 201	OKC	OK	6			6
907 S. Detroit, Suite 1020	Tulsa	Tulsa	10		2	12
1000 E. 10th Street, Suite 221	Ada	Pontotoc	18		1	19
1401 Lera Dr., Suite 9	Weatherford	Custer	8			8
3901 W. Beech	Duncan	Stephens	11			11
DOT - 200 NE 21st St.	OKC	OK		2		2
No Specified Location					2	2
2401 N Lincoln, suite 300	OKC	OK		2		2
1 Remington Place (Remington Park)	OKC	OK		2		2
						0
Total Agency Employees						117