



STATE AUDITOR

EXECUTIVE OFFICES & CRIMINAL JUSTICE APPROPRIATIONS SUBCOMMITTEE
STAFF: ZACKERY KING

BUDGET BRIEF

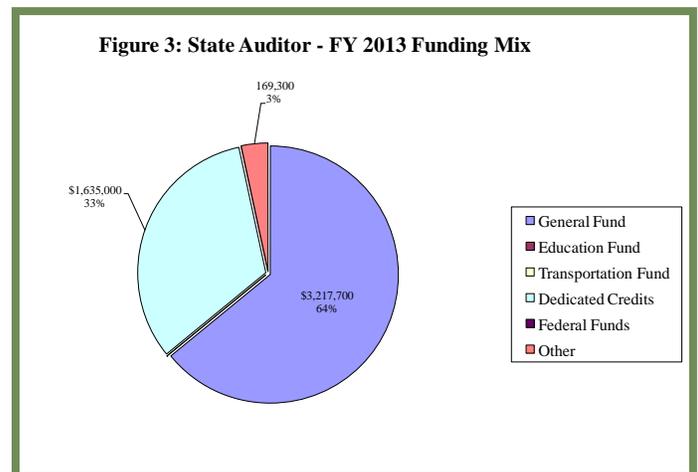
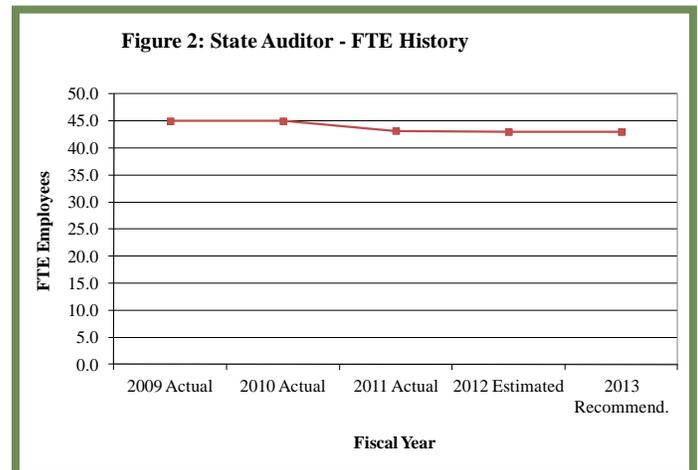
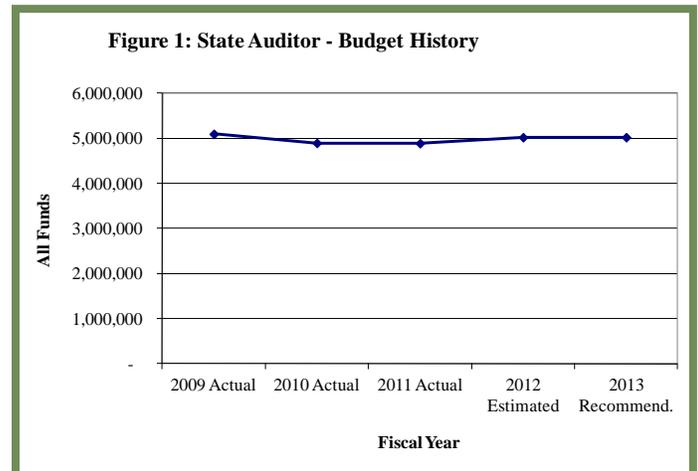
SUMMARY

The State Auditor is the elected, independent auditor of the state. The Auditor's mission is to help ensure to Utah's citizenry, Legislature, government officials, and other financial information users the financial integrity and accountability of Utah's state and local governments. The Auditor's purpose is accomplished by providing independent audits and investigations, and by monitoring and advising Utah's state and local governments. This has helped Utah to be recognized as having financially strong and well-run state and local governments.

The State Auditor directs and has ultimate responsibility for both the Auditing and Local Government Divisions within the office. The Auditor reviews and signs all audit reports; evaluates significant audit, accounting, and legislative fiscal issues; and performs various other duties related to the office.

The State Auditor line item is comprised of three programs: Administration, Auditing, and Local Government.

1. The Administration program consists of funding for the personnel services and other costs of the State Auditor, an administrative assistant, and other office administrative staff. General costs not attributable to other specific programs are also charged to the Administration program.
2. The Auditing Program is primarily responsible for performing annual financial and compliance audits of state agencies, departments, colleges, universities, and quasi-state agencies. The program is responsible for auditing the state's Comprehensive Annual Financial Report (CAFR). The Auditing Program also performs the federally mandated "single audit," a statewide compliance audit of federal funds.
3. The Local Government Program has the responsibility to ensure uniform accounting, budgeting, and financial reporting of the state's local governments.



ISSUES AND RECOMMENDATIONS***Budget Adoption***

For the State Auditor, the Fiscal Analyst recommends an FY 2013 budget of \$5,022,000 as shown in the budget detail table on page 3.

Intent Language

The Analyst recommends the following intent language to make the State Auditor's FY 2012 unexpended appropriations nonlapsing at the end of FY 2012:

Under section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the State Auditor in Item 7 of Chapter 2, Laws of Utah 2011, Volume I, not lapse at the close of Fiscal Year 2012.

Fees

The Fiscal Analyst recommends no change to the following fee charged by the State Auditor's office for FY 2013:

Description	Old Fee	New Fee	Change	Quantity	Rev Chg
CPA Training for Local Government Audits	75.00	75.00	0.00	280	0.00

ACCOUNTABILITY DETAIL

The following measures indicate the performance of the State Auditor's Office:

1. Percentage of required audits completed: 100% for at least the past five years.
2. Percentage of time the audit report is distributed for the statewide financial audit within six months of fiscal year end, and for the compliance audit within nine months of fiscal year end: 100% for at least the past five years.
3. Receiving an Unqualified Opinion on external peer review performed every three years: 100% since 1979.
4. Trend in percentage of Hotline calls/investigations completed within six months of complaint: 86% in 2008; 71% in 2009; 63% in 2010; and 33% in 2011 due to reprioritization after budget cuts.
5. Number of special purpose/departmental audits completed: 2 in FY 2010; 2 in FY 2011 - Prior decade average, 31 per year
6. Percentage of time all local governments' audited Financial Statements and Budgets are reviewed and necessary findings are issued: collected 100%, reviewed 0%
7. Percentage of CPA firm work papers reviewed in the last three-year cycle: 0%

The budgets and financial statements of counties, municipalities, and school districts can be found on the State Auditor's website at <http://sao.utah.gov/lgReports.html>.

For a more in depth view of the State Auditor please refer to the Compendium of Budget Information (COBI) at: http://www.le.utah.gov/lfa/reports/cobi2012/agcy_090.htm

BUDGET DETAIL TABLE

State Auditor						
	FY 2011	FY 2012		FY 2012		FY 2013*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
General Fund	3,473,600	3,217,700	0	3,217,700	0	3,217,700
Dedicated Credits Revenue	1,646,300	1,513,900	0	1,513,900	121,100	1,635,000
Beginning Nonlapsing	228,800	222,400	237,300	459,700	(290,400)	169,300
Closing Nonlapsing	(459,700)	(100,700)	(68,600)	(169,300)	169,300	0
Total	\$4,889,000	\$4,853,300	\$168,700	\$5,022,000	\$0	\$5,022,000
Programs						
Administration	343,600	344,200	(3,300)	340,900	0	340,900
Auditing	4,127,000	4,329,700	(78,000)	4,251,700	0	4,251,700
State and Local Government	418,400	179,400	250,000	429,400	0	429,400
Total	\$4,889,000	\$4,853,300	\$168,700	\$5,022,000	\$0	\$5,022,000
Categories of Expenditure						
Personnel Services	4,595,900	4,481,800	246,900	4,728,700	0	4,728,700
In-state Travel	6,100	4,800	1,300	6,100	0	6,100
Out-of-state Travel	16,800	24,400	(7,600)	16,800	0	16,800
Current Expense	183,600	223,500	(39,700)	183,800	0	183,800
DP Current Expense	86,600	118,800	(32,200)	86,600	0	86,600
Total	\$4,889,000	\$4,853,300	\$168,700	\$5,022,000	\$0	\$5,022,000
Other Data						
Budgeted FTE	43.2	44.4	(1.4)	43.0	0.0	43.0
Actual FTE	41.0	0.0	0.0	0.0	0.0	0.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

SUMMARY OF RECOMMENDATIONS

The Analyst recommends the Legislature:

1. Adopt the FY 2013 recommended budget of \$5,022,000 as shown in the budget detail table.
2. Approve the intent language on page 2.
3. Approve the fee schedule on page 2.