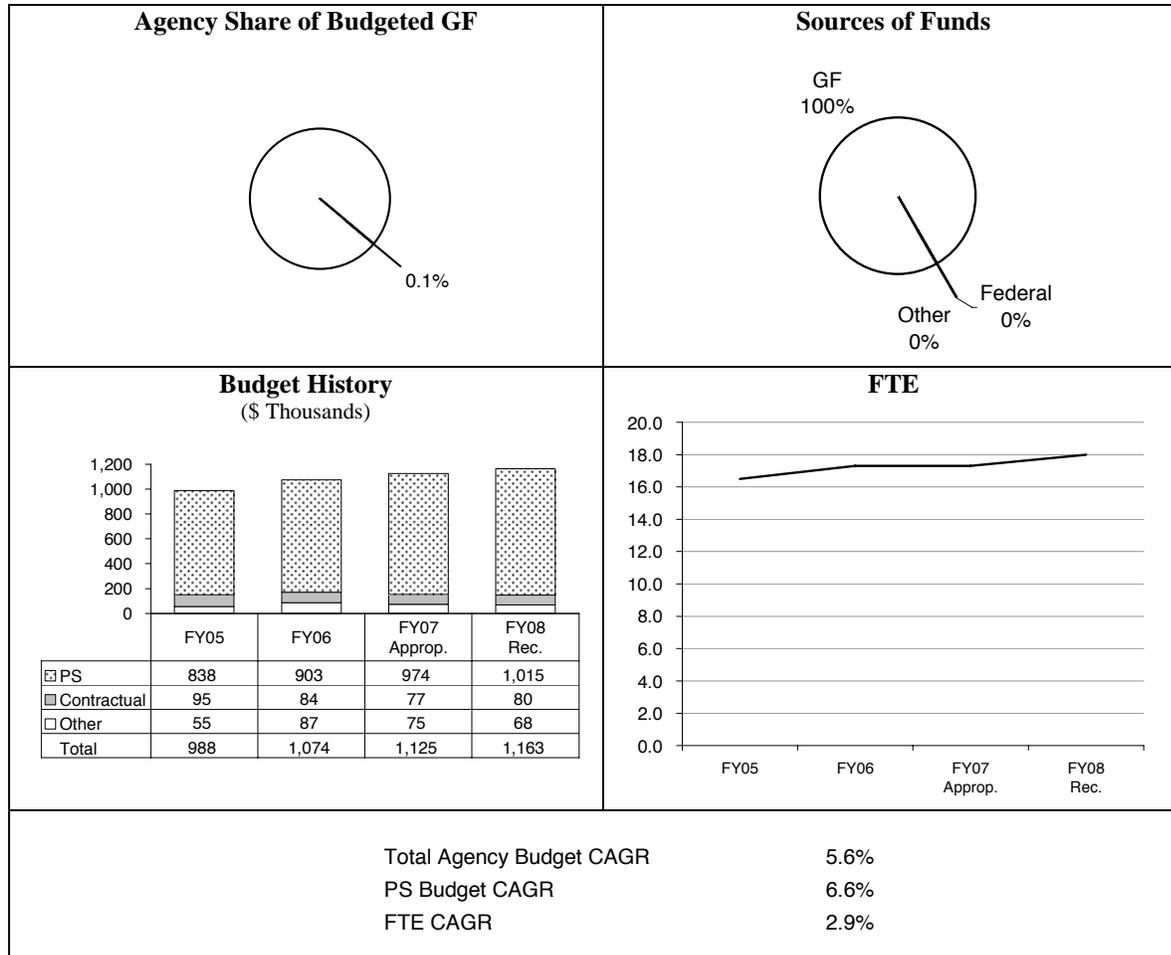


# FY 2008 Budget Briefing

# State Auditor



## Key Responsibilities

The constitutional office of State Auditor is responsible for pre-auditing all claims against the state and issuing warrants (checks) for payment. The State Auditor is also responsible for recording and monitoring the state's financial management. The office deposits Social Security payments and federal income taxes with the Internal Revenue Service. The State Auditor is also responsible for auditing and correcting the wage data and social security records for all government employees in the state, including the employees of the 740 units of local government. The Office of State Auditor is also the repository for W-2s for state employees.

## Key Personnel

- Richard L. Sattgast, State Auditor

## Office of State Auditor

For FY08, the State Auditor requests \$1,119,501 from the general fund and 18.2 FTEs. This is an increase of \$37,293 (3.3%) from FY07. The Governor recommends \$1,162,584 from the general fund and 18.0 FTEs. This is an increase of \$37,293 (3.3%) from FY07 and an increase of \$43,083 (3.8%) from the agency's request.

Items	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY08</u>	<u>FY08</u>	<u>From FY07</u>
Personal Services	902,959	973,567	975,533	1,014,812	41,245	4.2%
Travel	29,357	26,062	26,162	26,162	100	0.4%
Contractual Services	83,789	77,087	76,175	79,979	2,892	3.8%
Supplies & Materials	31,911	36,021	32,821	32,821	(3,200)	(8.9%)
Capital Outlay	25,525	12,554	8,810	8,810	(3,744)	(29.8%)
<b>Total</b>	<b>1,073,541</b>	<b>1,125,291</b>	<b>1,119,501</b>	<b>1,162,584</b>	<b>37,293</b>	<b>3.3%</b>
Funding Types						
General	1,073,542	1,125,291	1,119,501	1,162,584	37,293	3.3%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
<b>Total</b>	<b>1,073,542</b>	<b>1,125,291</b>	<b>1,119,501</b>	<b>1,162,584</b>	<b>37,293</b>	<b>3.3%</b>
<b>FTE</b>	<b>17.3</b>	<b>17.3</b>	<b>18.2</b>	<b>18.0</b>	<b>0.7</b>	<b>4.0%</b>

The Governor's recommendation throughout this analysis also includes funding for Performance and Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
2.5% PACE Movement	12,460	-	-	12,460
3% Across-the-Board	26,150	-	-	26,150
Health Insurance	3,792	-	-	3,792
<b>Total</b>	<b>42,402</b>	<b>-</b>	<b>-</b>	<b>42,402</b>

## Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	General Fund	All Funds	FTE	General Fund	All Funds	FTE
A. Salary Policy	-	-	0.0	42,402	42,402	0.0
B. Personal Services Realignment	1,966	1,966	0.9	(1,157)	(1,157)	0.7
C. Operating Expense Realignment	(7,756)	(7,756)	0.0	(7,756)	(7,756)	0.0
C. M&R Recalculation	-	-	0.0	3,804	3,804	0.0
<b>Total</b>	(5,790)	(5,790)	0.9	37,293	37,293	0.7

- A. The Governor's Salary Policy would allocate \$42,402 in general funds to the State Auditor's Office.
- B. The agency requests an increase of \$1,966 in general funds for the realignment of the personal service budget. Some part-time employees will become full-time and a full-time position will become two part-time position. The net change requested was an increase of \$1,966 and .9 FTE. The Governor recommends a decrease of \$1,157 and an increase of .7 FTE.
- C. The agency also requests a decrease of \$7,756 in general funds for operating expenses. The Governor concurs.
- D. The Governor recommends an increase of \$3,804 in general funds to account for a recalculation in the method of recovering maintenance and repair funding for the Capitol Complex.

### Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Receipts from Garnishments	\$7,905	\$7,470	(\$435)	\$8,100	\$8,100		\$8,250

## Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Vouchers Returned for Correction	6,100	5,892	(208)	6,100	5,900	(200)	6,000
Vouchers Audited	294,500	309,479	14,979	294,500	310,000	15,500	311,000
% of Vouchers Returned for Correction	2.1%	1.9%	-0.2%	2.0%	1.9%	-0.1%	1.9%
Warrants Written:							0
Regular and Social Services	700,000	483,935	(216,065)	500,000	482,000	(18,000)	480,000
Colleges, Regents, SDSD, SDSVH	147,500	142,575	(4,925)	147,500	140,000	(7,500)	138,000
Labor - Aberdeen	4,150	4,690	540	4,800	4,730	(70)	4,750
Lottery	3,200	3,682	482	3,100	4,100	1,000	4,600
ACH Vendor Payments	17,370	10,593	(6,777)	16,000	11,000	(5,000)	12,000
ACH Transfer Documents Approved	1,200	1,568	368	1,200	1,800	600	2,100
Levies/Garnishments Processed	47/565	43/524	(4)/(41)	47/565	45/540	(2)/(25)	45/550
Child Care Court Order Payments	270	248	(22)	270	255	(15)	260
Wage Assignments	85	89	4	85	95	10	100
Stop Payments Issued	773	502	(271)	773	600	(173)	650
Consultant Contracts Filed	3,425	3,515	90	3,425	3,515	90	3,515
Replacement Warrants Filed	760	770	10	780	780	0	790
Forged Warrants	26	10	(16)	26	10	(16)	10
Local Bank Accounts	206	186	(20)	206	186	(20)	186
Active Govt. Subdivisions	733	685	(48)	735	687	(48)	690
State Govt. Social Security Cont.	70,200,000	\$75,202,172	5,002,172	\$74,000,000	\$78,000,000	4,000,000	\$81,000,000
Income Tax Withheld/Transmitted to IRS	42,000,000	\$51,306,711	9,306,711	\$48,000,000	\$54,000,000	6,000,000	\$57,000,000
Income Tax Withheld From Retirees	21,000,000	\$21,633,015	633,015	\$20,000,000	\$23,000,000	3,000,000	\$25,000,000

## Other Departmental Issues

### A. Interim Appropriation Actions

No interim appropriation actions were taken, however, the agency moved \$7,955 in operating expense funding to the personal services budget. They also reverted \$6,309 in operating expense funding.

### B. Audit Findings

There were no audit findings reported for the Office of the State Auditor.