

**State Auditor
Budget 117
House Bill No. 1004**

	FTE Positions	General Fund	Other Funds	Total
2013-15 legislative appropriation	53.80	\$8,473,489 ¹	\$3,036,918	\$11,510,407
2011-13 legislative appropriation	<u>50.80</u>	<u>7,143,808</u>	<u>2,427,522</u>	<u>9,571,330</u>
2013-15 appropriation increase (decrease) to 2011-13 appropriation	3.00	\$1,329,681	\$609,396	\$1,939,077

¹This amount includes \$45,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$8,428,489.

Item Description

FTE positions - The Legislative Assembly did not change the executive recommendation to add 1 FTE minerals royalty auditor position but did not approve the 1 FTE information systems auditor position included in the executive recommendation. In addition, the Legislative Assembly added 2 FTE financial auditor positions.

One-time funding - In Section 2 of House Bill No. 1004, the Legislative Assembly identified \$45,000 of one-time funding from the general fund for vault renovation.

Accrued leave payments - In Section 1 of House Bill No. 1004, the Legislative Assembly identified \$201,157, of which \$147,106 is from the general fund, for accrued leave payments.

Temporary salaries - The Legislative Assembly provided \$70,000 from the general fund for temporary salaries related to the Comprehensive Annual Financial Report (CAFR).

Information technology vulnerability testing - The Legislative Assembly increased funding for state information technology vulnerability testing to provide a total of \$250,000.

Increased lease costs - The Legislative Assembly provided \$100,000 from the general fund for increased lease costs for rental space outside of the Capitol.

Status/Result

The State Auditor has filled the minerals royalty auditor position and used one financial auditor position to hire an additional minerals royalty auditor, the funding for which was approved by the Emergency Commission in March 2014. The remaining financial auditor position will be filled based on demand for political subdivision financial audits.

The State Auditor has not yet used this funding. Initial estimates for the removal and renovation of the vault area exceeded the funding authorized. The State Auditor is continuing to meet with engineers to explore options for the space.

The State Auditor has expended \$12,670 from the accrued leave payments line item for retirements and has not determined whether a transfer from the accrued leave payments line item to the salaries and wages line item will be necessary.

The State Auditor has not yet used this funding. Single audit-related work is required every other year. The additional funding was provided because once during each biennium, CAFR-related work and single audit-related work occur at the same time. The State Auditor will determine by the end of calendar year 2014 if efficiencies gained with experienced staff will reduce the need for temporary assistance on the CAFR.

Funding made available for additional state information technology vulnerability testing will be used to test the security of the North Dakota University System information technology system. Early bids exceeded funding available, and testing may be scaled back. The State Auditor may request funding from the Legislative Assembly in 2015 for additional security testing of the University System information technology system.

The State Auditor has not yet used this funding. It is anticipated that space being vacated by the Information Technology Department will be made available in the judicial wing of the Capitol for staff, and the funding will be used to remodel the additional space and areas of existing office space.

