

# North Carolina Office of the State Auditor (OSA)

## Agency Overview

**Joint Appropriations Committee on General Government**

**March 14, 2017**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Outline

- Authorizing Laws & Responsibilities
- Mission & Vision Statement
- Budget Overview
- Audit Types
- Recent Legislative Actions
- Information Requested

# Office of the State Auditor

## Authorizing Laws & Responsibilities

- NC Constitution Article III
  - Section 7: Officer of the State, election terms
  - Section 8: Council of State
- G.S. 143A (Article III): Creation of the Office

# Office of the State Auditor

## Authorizing Laws & Responsibilities

- G.S.147, Article 5A includes:
  - Duties and responsibilities
  - Methods of receiving ‘tips’
  - Broad authority to access financial records
  - Ability to use contracted services

# Office of the State Auditor

## Mission & Vision

- Mission: “We protect the interests of taxpayers and others who provide financial resources to the State of North Carolina. Specifically, we provide objective information to interested parties about whether state resources are properly accounted for, reported, and managed; as well as whether publically-funded programs are achieving desired results.”
- Vision: “The Office of the State Auditor seeks to be a highly respected, professional, and productive audit organization that makes a difference in state government. The office wants its employees to be highly competent team players who enjoy their work and feel successful in their careers, while at the same time maintaining a work/life balance that allows them to have fulfilling personal lives.”

Source: OSA

**State Auditor  
Beth Wood**

# Office of the State Auditor Organizational Chart

Executive  
Assistant

Chief Deputy

Legislative  
Affairs  
Director

Attorney

Deputy State  
Auditor

Deputy State  
Auditor

C.I.O.

Human  
Resources

Controller

Quality  
Assurance

Investigative

Financial  
Audit

Performance  
Audit

Financial-  
Related

Information  
Systems

Source: OSA



# Office of the State Auditor

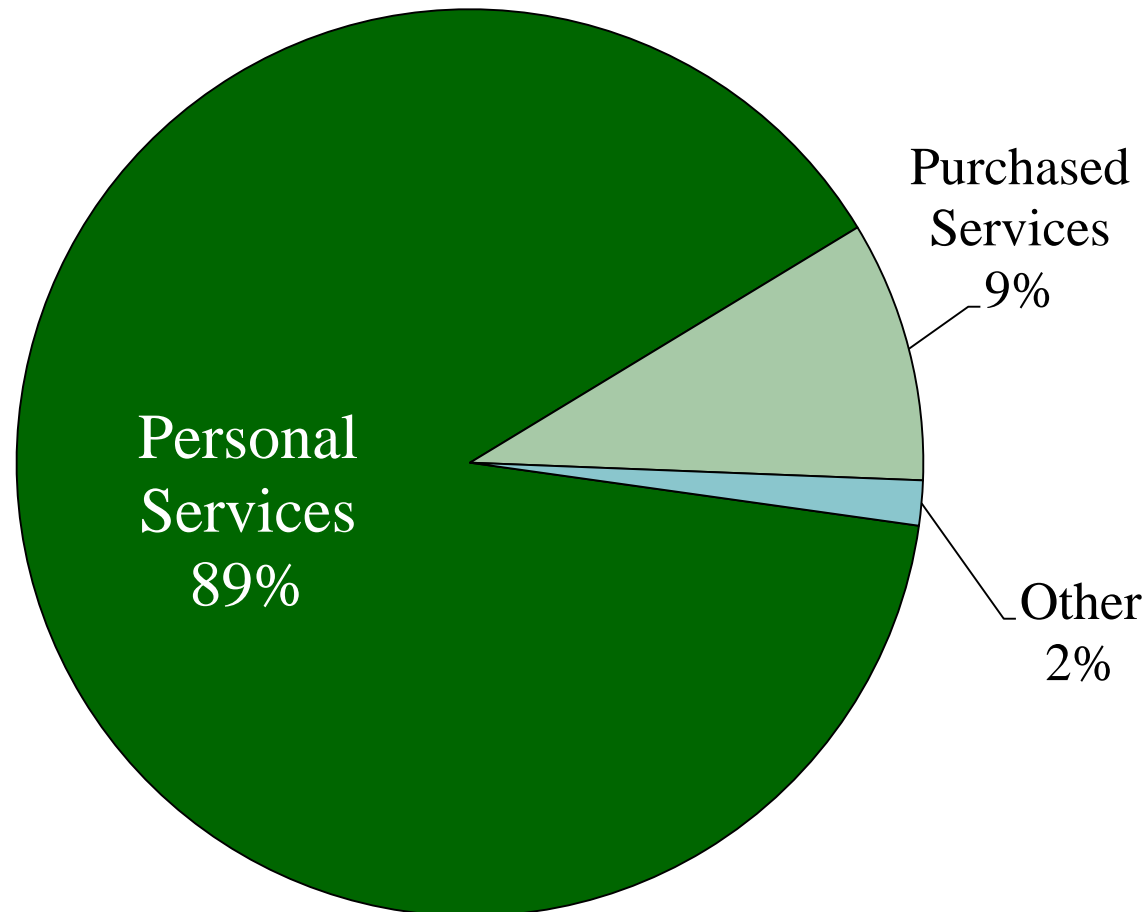
## Budget History

	<b>FY 2014-15 ACTUAL</b>	<b>FY 2015-16 ACTUAL</b>	<b>FY 2016-17 AUTH.</b>	<b>FY 2017-18 BASE</b>	<b>FY 2018-19 BASE</b>
Requirements	\$16,295,883	\$18,440,716	\$19,493,377	\$19,327,612	\$19,327,612
Receipts	\$6,216,693	\$7,706,825	\$5,901,875	\$5,947,874	\$5,947,874
Net Appropriation	\$10,079,190	\$10,733,891	\$13,591,502	\$13,379,738	\$13,379,738
FTE	172	166	166	166	166

# Office of the State Auditor

## Authorized Budget Requirements

### FY 2016-17



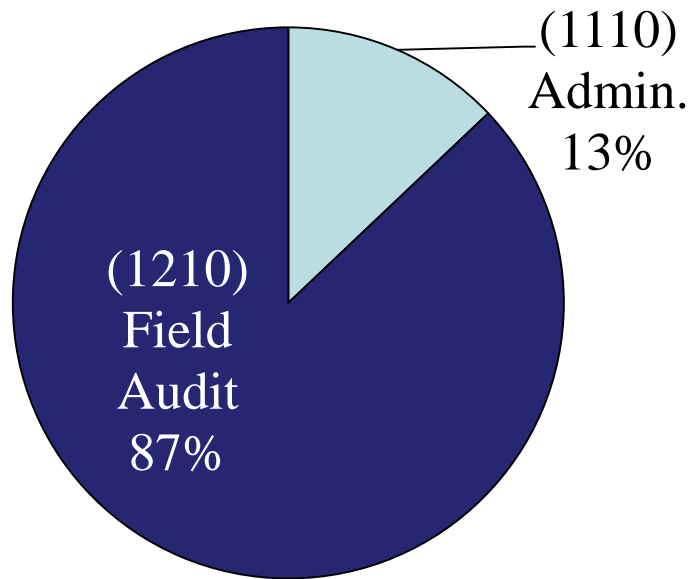


# Office of the State Auditor

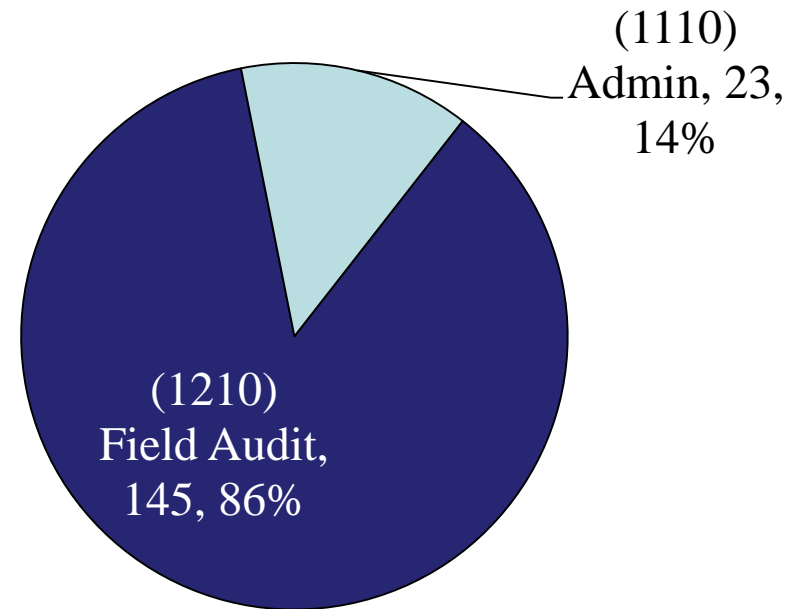
## Operations Comparison

### FY 2016-17 Authorized Budget

**Total Requirements  
by Function (Fund Code)**



**Total FTE  
by Function (Fund Code)**



# Office of the State Auditor

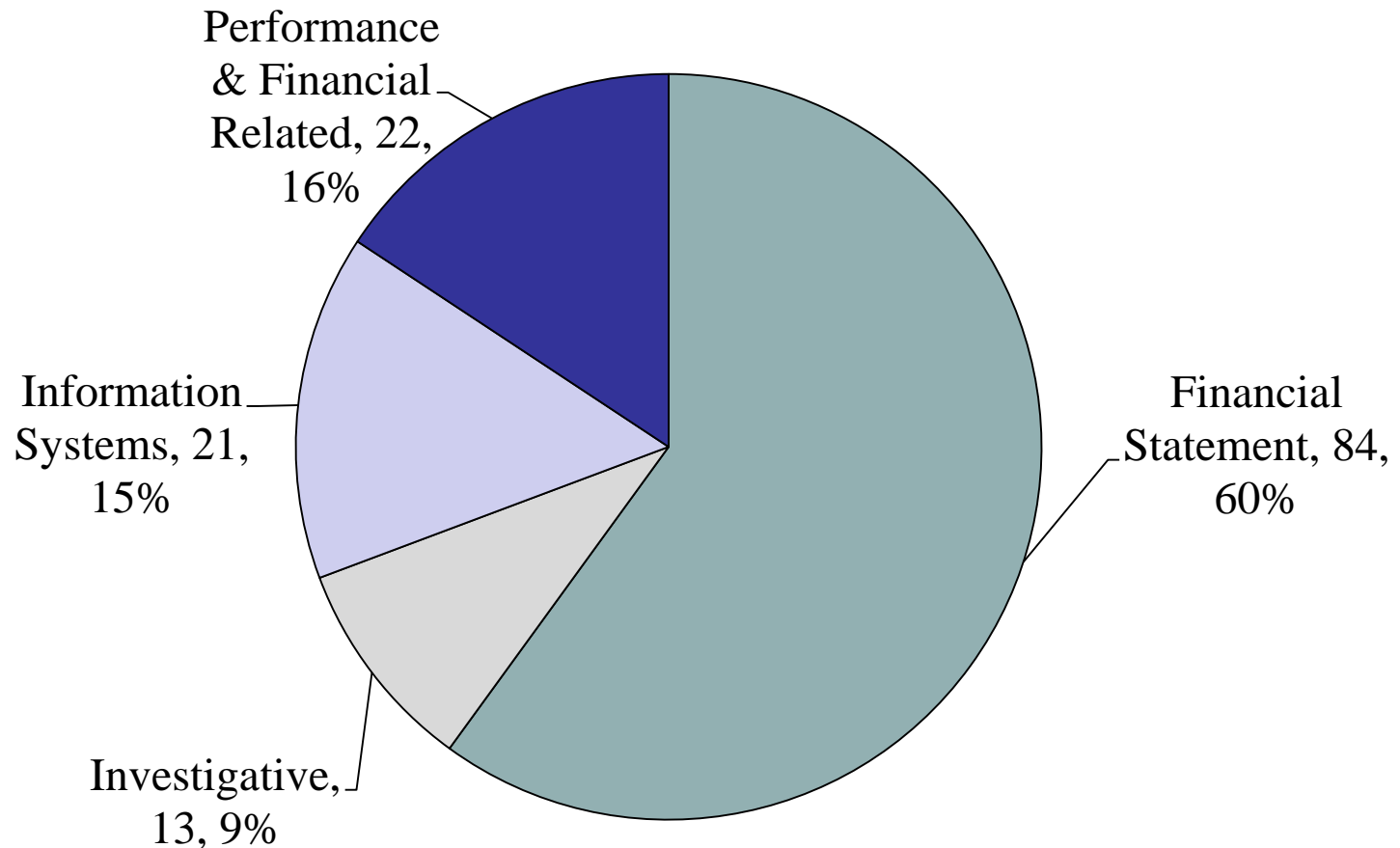
## Field Audit Division

1. Financial Statement Audits
2. Performance/Financial Related Audits
3. Information Systems Audits
4. Investigative Reports\*

*\*Not an audit type*

# Office of the State Auditor

## Full Time Equivalents (FTE) by Audit Division



# Office of the State Auditor

## Recent Legislative Actions

- **FY 2015-16**
  - Additional \$250,000 R for subject matter experts
  - \$450,000 R from DHHS for annual Financial Audit
  - Salary Adjustment Fund: \$243,406
  - All instances of fraud required to be reported to the State's Purchasing Officer
- **FY 2016-17**
  - Additional \$150,000 NR for subject matter experts, bringing the total to \$900,000
  - Salary Adjustment Fund: \$492,782
  - Security Officer for Auditor, Secretary and State and Labor

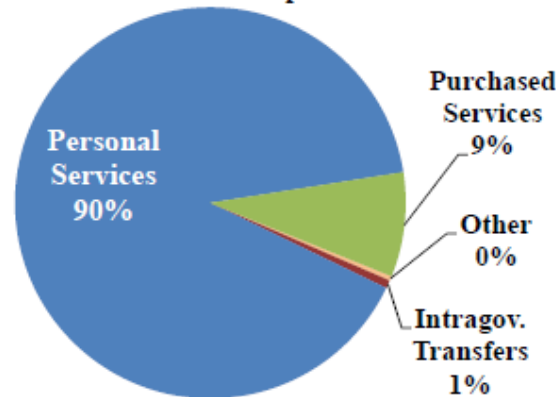
# Office of the State Auditor

## Requested Information

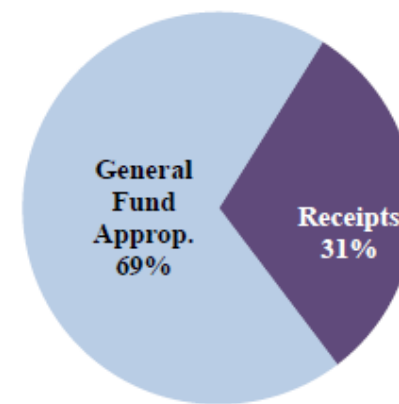
- How do you measure your agency's effectiveness and outcomes?
- How do you measure efficiency within your agency/department? Do you have metrics that you use to monitor agency performance? If so, please provide.
- Are you planning any changes to the current structure of your organization? Will this impact your agency's budget?
- What are your overall goals for your department/agency over the next biennium?
- What are your budget requests/needs for the biennium? Please discuss the items in the Governor's budget.

# Office of the State Auditor – Base Budget

FY 2017-19 Base - Expenditures



FY 2017-19 Base - Source of Funds



Requirements	Actual FY 2015-16	Certified FY 2016-17	Authorized FY 2016-17	Increase/ (Decrease) FY 2017-18	Total Base FY 2017-18	Increase/ (Decrease) FY 2018-19	Total Base FY 2018-19
Personal Services	\$14,657,827	\$17,128,451	\$17,367,413	\$91,526	\$17,458,939	\$91,526	\$17,458,939
Purchased Services	\$1,988,521	\$1,813,936	\$1,813,936	(\$150,000)	\$1,663,936	(\$150,000)	\$1,663,936
Supplies	\$32,533	\$41,182	\$41,537	\$0	\$41,537	\$0	\$41,537
Property, Plant, Equipment	\$79,942	\$135,221	\$135,221	(\$7,306)	\$127,915	(\$7,306)	\$127,915
Other Expenses/Adjustments	\$52,717	\$35,285	\$35,285	\$0	\$35,285	\$0	\$35,285
Reserves	\$0	\$99,985	\$99,985	(\$99,985)	\$0	(\$99,985)	\$0
Intragovernment Transfers	\$1,629,176	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REQUIREMENTS</b>	<b>\$18,440,716</b>	<b>\$19,254,060</b>	<b>\$19,493,377</b>	<b>(\$165,765)</b>	<b>\$19,327,612</b>	<b>(\$165,765)</b>	<b>\$19,327,612</b>

Receipts	Actual FY 2015-16	Certified FY 2016-17	Authorized FY 2016-17	Increase/ (Decrease) FY 2017-18	Total Base FY 2017-18	Increase/ (Decrease) FY 2018-19	Total Base FY 2018-19
Sales, Services, Rental	\$50	\$50	\$50	\$0	\$50	\$0	\$50
Miscellaneous (P-card rebates)	\$355	\$0	\$355	\$0	\$355	\$0	\$355
Intragovernment Transactions	\$7,706,420	\$5,662,508	\$5,901,470	\$45,999	\$5,947,469	\$45,999	\$5,947,469
<b>TOTAL RECEIPTS</b>	<b>\$7,706,825</b>	<b>\$5,662,558</b>	<b>\$5,901,875</b>	<b>\$45,999</b>	<b>\$5,947,874</b>	<b>\$45,999</b>	<b>\$5,947,874</b>

<b>NET APPROPRIATION</b>	<b>\$10,733,891</b>	<b>\$13,591,502</b>	<b>\$13,591,502</b>	<b>(\$211,764)</b>	<b>\$13,379,738</b>	<b>(\$211,764)</b>	<b>\$13,379,738</b>
<b>FTE</b>	<b>166</b>	<b>167</b>	<b>166</b>	<b>0</b>	<b>166</b>	<b>0</b>	<b>166</b>

# Questions?

**Cara Bridges**

Fiscal Research Division

919-733-4910

Cara.Bridges@ncleg.net