

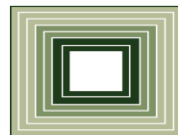
Office of the State Auditor

Agency and Budget Overview

**Joint Meetings of House and Senate Appropriations
Committees on General Government**

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2023 Session



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

Outline

- Agency and Budget Overview
 - Statutory Duties & Responsibilities
- Organizational Chart
- Budget Overview
- Audits Overview

Authorizing Laws & Responsibilities

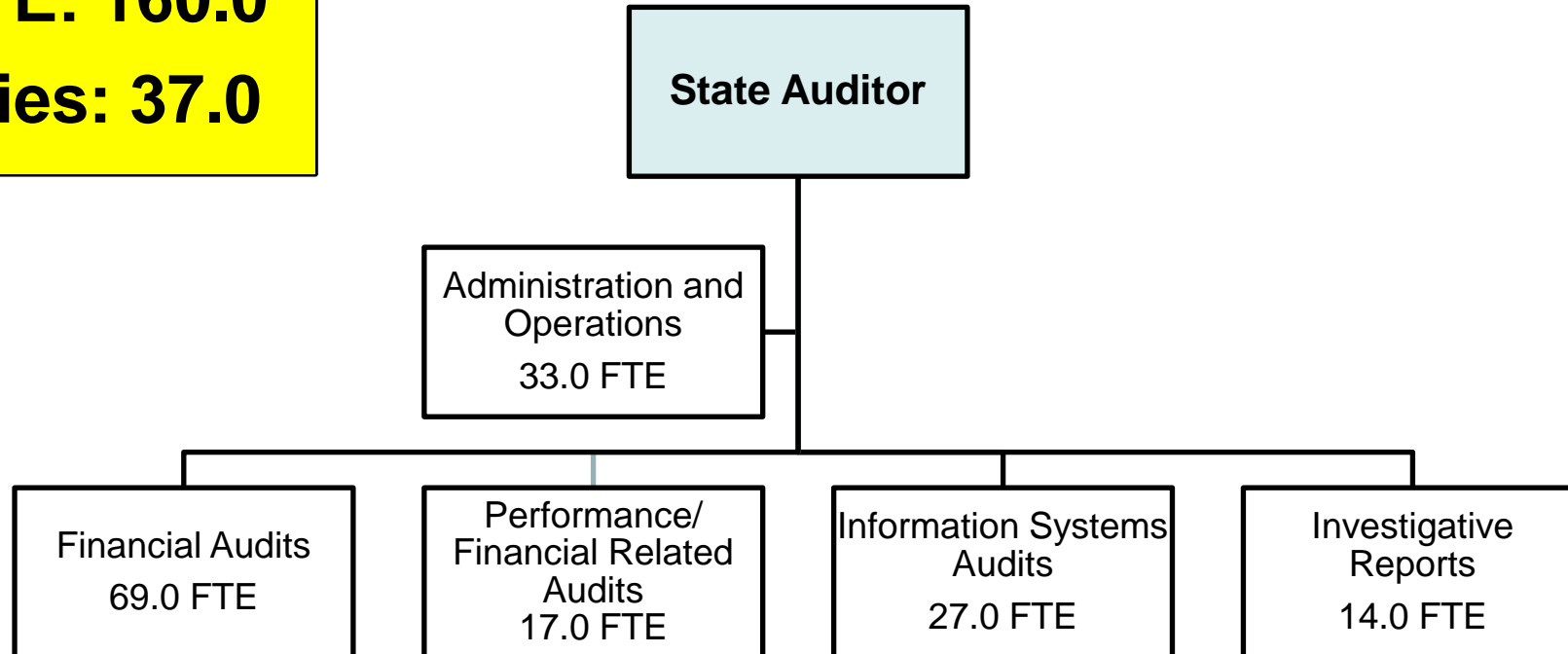
- NC State Constitution, Article III
 - Constitutional Officer
 - Duties delegated by the General Assembly
 - Council of State Member

Authorizing Laws & Responsibilities

- Chapter 147, Article 5A
 - Audits State agencies and entities receiving State funds
 - Investigates reports of improper governmental activities
 - Accesses financial records to conduct audits
 - Contracts outside services as needed

Organizational Chart

Total FTE: 160.0
Vacancies: 37.0



General Fund Budget Overview

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Certified	FY 2022-23 Authorized*
Requirements	\$ 21,233,186	\$ 22,989,965	\$ 24,408,966	\$ 26,571,659
Receipts	7,468,222	7,002,949	6,579,442	8,777,653
Net Approps.	13,764,964	15,987,016	17,829,524	17,794,006
FTE	166	160	160	160
*As of December 2022				

Source of Receipts: Audit reimbursements from some State agencies, Community Colleges, and the federal government

Agency Budgets In Context (FY 2022-23 Authorized)

Agency	Requirements	Receipts	Net Appropriation	Req. %	Net %	FTE	FTE %
Department of Administration	\$ 79,242,999	\$ 18,416,437	\$ 60,826,562	7.4%	10.9%	353	8%
Ethics Commission	1,410,674	92,139	1,318,535	0.1%	0.2%	11	0%
Office of Administrative Hearings	8,874,317	1,416,793	7,457,524	0.8%	1.3%	59	1%
Office of State Auditor	26,571,659	8,777,653	17,794,006	2.5%	3.2%	160	4%
Office of State Budget & Management	12,590,882	1,406,005	11,184,877	1.2%	2.0%	68	2%
OSBM Special Appropriations	104,817,300	89,300,300	15,517,000	9.7%	2.8%	0	0%
Office of the State Controller	33,949,260	1,339,976	32,609,284	3.2%	5.8%	167	4%
State Board of Elections	13,898,259	5,643,199	8,255,060	1.3%	1.5%	66	2%
NC General Assembly	84,474,142	874,679	83,599,463	7.8%	15.0%	521	12%
Office of the Governor	7,279,961	1,321,590	5,958,371	0.7%	1.1%	52	1%
Housing Finance Agency	210,660,000	170,000,000	40,660,000	19.6%	7.3%	0	0%
Office of State Human Resources	10,967,596	875,358	10,092,238	1.0%	1.8%	64	1%
Department of Insurance	107,661,543	40,701,878	66,959,665	10.0%	12.0%	465	11%
NC Industrial Commission	24,375,670	13,197,319	11,178,351	2.3%	2.0%	144	3%
Lieutenant Governor	1,235,456	4,420	1,231,036	0.1%	0.2%	9	0%
Department of Military & Veterans Affairs	13,741,127	1,284,631	12,456,496	1.3%	2.2%	88	2%
Department of Revenue	208,915,742	93,227,537	115,688,205	19.4%	20.7%	1463	34%
Department of Secretary of State	18,635,005	843,379	17,791,626	1.7%	3.2%	181	4%
Department of State Treasurer	74,606,990	69,328,717	5,278,273	6.9%	0.9%	411	10%
DST - Line of Duty Benefits	33,576,923	321,500	33,255,423	3.1%	5.9%	0	0%
TOTALS	\$ 1,077,485,505	\$ 518,373,510	\$ 559,111,995	100.0%	100.0%	4,283	100%

Notes : FTE = Full-Time Equivalent

Source : NC Accounting System, December 2022 authorized budgets

General Fund Budget History

	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ACTUAL
Requirements	\$ 15,441,029	\$ 14,819,716	\$ 16,295,883	\$ 18,440,716	\$ 18,178,442	\$ 17,574,462	\$ 19,105,749	\$ 19,483,948	\$ 21,233,186	\$ 22,989,965
Receipts	5,439,207	5,215,908	6,216,694	7,706,825	7,408,252	6,873,014	6,610,860	6,691,500	7,468,222	7,002,949
Net Approps.	10,001,822	9,603,808	10,079,189	10,733,891	10,770,190	10,701,448	12,494,889	12,792,448	13,764,964	15,987,016
FTE	180	172	172	168	168	166	166	161	166	160



General Fund Budget Reversions

	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ACTUAL	5-Year Average
Reversions	\$ 3,107,789	\$ 1,478,711	\$ 1,552,450	\$ 1,043,450	\$ 176,228	\$ 1,471,726
% of Approps.	29%	12%	12%	8%	1%	12%

Key takeaways

- Reversions are usually the result of vacant positions
- Average reversions typically exceed Statewide average

Audits and Investigations

- Financial Statement Audits
 - Determine whether an agency's financial statements are a fair and accurate representation of its transactions
- Performance Audits
 - Evaluate agency operations
 - May include program outcomes
- Financial Related Audits
 - Evaluate agency management practices
 - Do not include program outcomes

Audits and Investigations

- Information Systems Audits
 - Analyze information system risks
 - Evaluate controls in place to mitigate risks
 - Verify the suitability and efficiency of agency information systems
- Investigative Reports
 - Investigate tips submitted through the State Auditor's hotline alleging fraud, waste, or abuse by any entity receiving State funds
 - Refers cases to appropriate agency for further investigation if needed

Questions?

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