Legislature - Auditor General

A.R.S. § 41-1279.01

Auditor General: Debra Davenport — JLBC Analyst: Bob Hull

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
PROGRAM BUDGET				
Auditor General	**10,191,800**	**10,416,400**	**13,266,900**	**15,275,400**
OPERATING BUDGET				
Full Time Equivalent Positions	179.0	179.0	203.5	228.0
Personal Services	6,959,000	7,426,200.0	9,138,400	10,674,800
Employee Related Expenditures	1,143,300	1,320,300	1,721,000	1,876,000
Professional and Outside Services	400,800	328,100	353,100	353,100
Travel - In State	280,600	413,200	520,700	628,200
Travel - Out of State	16,700	20,000	20,000	20,000
Other Operating Expenditures	842,200	753,500	933,300	999,700
Equipment	549,200	155,100	580,400	723,600
TOTAL APPROPRIATIONS	**10,191,800**	**10,416,400**	**13,266,900** 1/2/	**15,275,400** 1/2/
FUND SOURCES				
General Fund	10,191,800	10,416,400	13,266,900	15,275,400
TOTAL APPROPRIATIONS	**10,191,800**	**10,416,400**	**13,266,900**	**15,275,400**

AGENCY DESCRIPTION — *The Auditor General, a staff agency of the Legislative Department, provides an independent financial, performance, and compliance audit capability in support of legislative oversight and public accountability of funds administered by the state and certain local governments.*

PERFORMANCE MEASURES	FY 1999 Est./Actual	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002-03 Estimate
• Federal Department of Health and Human Services acceptance of single financial audit reports	100/100	100/100	100	100
• % of administrative recommendations implemented or adopted within 1 year for financial audits	NA	NA/62	65	65
• % of administrative recommendations implemented or adopted within 2 years for performance audits	NA/86	NA/96	90	90
• Legislative recommendations implemented or adopted within 3 years for performance audits	60/72	60/53	60	60
• Average hours per performance audit	3,000/2,500	3,000/2,600	2,500	2,500
• % of agency staff turnover	NA/27.9	NA/27.1	27	27
• Administration as a % of total cost	NA	9.94/NA	9.55	7.8/7.4
• Customer satisfaction rating (Scale 1-8)	NA	NA	NA	6.0

School District Performance Audits — This amount includes a FY 2002 increase of $1,773,600 and 24.5 FTE Positions above FY 2001 and a FY 2003 increase of $3,257,400 and 49 FTE Positions above FY 2001 for 46 annual school district performance audits and to monitor school districts to determine the percentage of dollars spent in the classroom. Each performance audit is estimated to take an average of 1,400 hours. The Auditor General is required to randomly audit each school district at least every 5 years beginning FY 2002, by A.R.S. § 41-1279.03. A total of 49 FTE Positions and related costs are added over the 2 fiscal years, with half of the resources being added in each fiscal year to allow the agency to phase-in the audits. The FY 2003 increase includes $265,000 of one-time equipment.

1/ General Appropriation Act funds are appropriated as a Lump Sum by Agency.
2/ This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)

Salary Adjustments — The approved amount includes an increase of $262,500 in both FY 2002 and FY 2003 above FY 2001 for a 5% salary adjustment for Auditor I's, Auditor II's and Senior Auditors to address turnover. The agency reports turnover rates of 35% for Auditor I's, 40% for Auditor II's and 28% for Senior Auditors in FY 2000.

The approved amount includes an increase of $208,600 in both FY 2002 and FY 2003 above FY 2001 for 2 separate past salary adjustments for auditors, which the agency has funded from their non-lapsing carry-forward. The agency gave a 5% salary adjustment to its Auditor I's and Auditor II's effective July 1, 1997, and an additional 6.6% salary adjustment to its Auditor I's effective January 1, 2000, to address high turnover in these positions.

All of these salary adjustments are in addition to the 5% statewide pay increases scheduled for April 1, 2002 and 2003.

Equipment — The approved amount includes a FY 2002 increase of $160,300 above FY 2001 and a FY 2003 increase of $303,500 above FY 2001 for the replacement of personal computers, related equipment and software, and 2 7-year-old copiers.

Additional Legislation: Health Education Account; Audit (Chapter 313) — Requires the Auditor General to evaluate the programs established by expenditures from the Health Education Account of the Tobacco Tax and Health Care Fund, and to biennially submit a written report on their findings to legislative leadership and to the Governor. The first report is due November 15, 2004, and shall include data beginning in FY 2002. Chapter 313 transfers $380,000 from the Health Education Account of the Tobacco Tax and Health Care Fund to the Auditor General in FY 2002 to conduct these evaluations. The Governor line item vetoed a provision, which would have required the Department of Health Services to annually transfer to the Auditor General 3.5% of the preceding year's distributions to the Health Education Account to conduct these evaluations.

Chapter 313 also requires the Auditor General to conduct program evaluations of programs that both receive monies from the Medically Needy Account of the Tobacco Tax and Health Care Fund and are administered by the Department of Health Services beginning in FY 2004. The legislation requires the Auditor General to establish a schedule for periodic reviews of the programs, for review and approval of the Joint Legislative Audit Committee. The Auditor General is to submit an annual report to the Director of the Joint Legislative Budget Committee by November 1 of each year. Chapter 313 transfers $300,000 annually, subject to the availability of monies, from the Medically Needy Account of the Tobacco Tax and Health Care Fund to the Auditor General for these evaluations beginning in FY 2004.

Appropriations; Children's Physical Activity Programs (Chapter 320) — Requires the Auditor General to evaluate the school-based grant program to promote children's physical activity, which is to be established by the expenditure of grants from the Department of Health Services to county health departments. The Auditor General is to submit a written report on their findings to legislative leadership and to the Governor by December 1, 2003. Chapter 320 appropriates $75,000 from the General Fund both in FY 2002 and in FY 2003 to the Department of Health Services to establish and administer this grant program. Chapter 320 requires the Department of Health Services to transfer up to 4% of these appropriations to the Auditor General to conduct their evaluation and report of these programs.

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