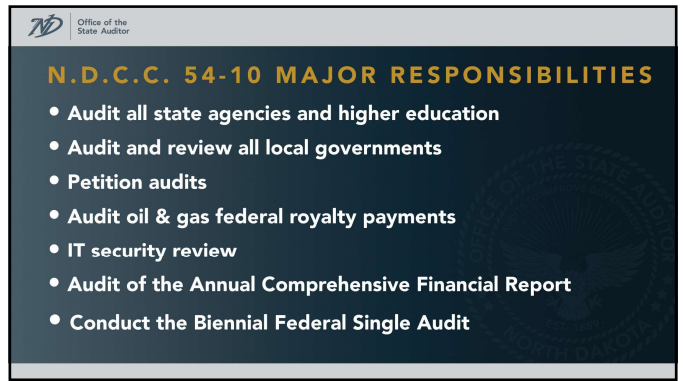
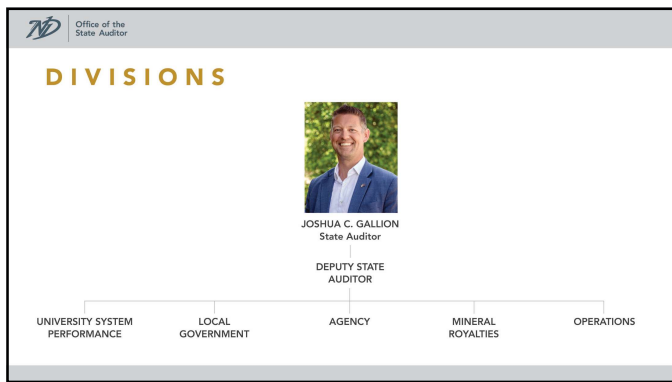


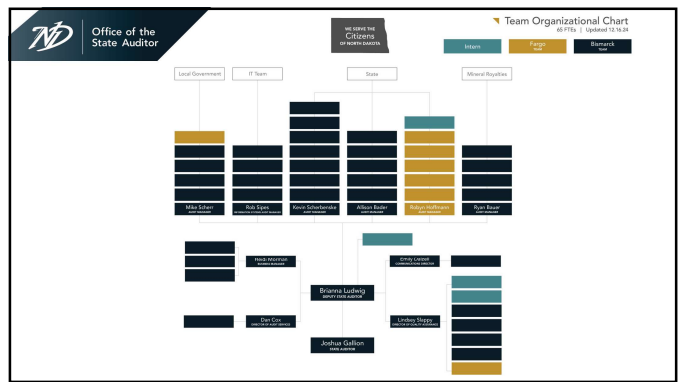
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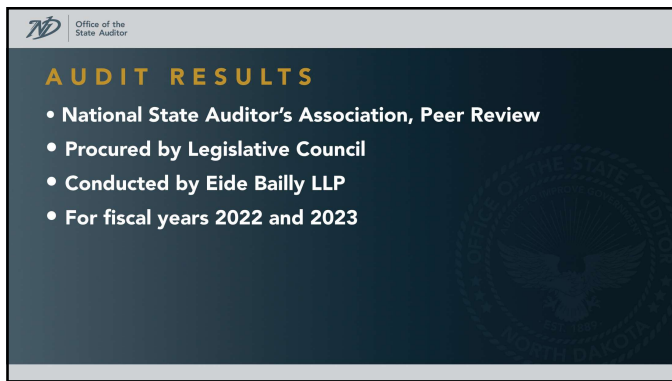
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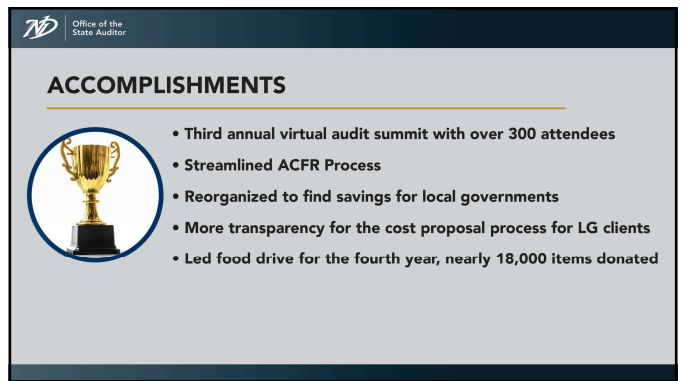
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## CHALLENGES

- Planning for unknown petition audits
- Retention of qualified staff in a competitive workforce
- Training and education for local governments


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## NEXT BIENNIUM GOALS

- Education and awareness to local governments about accounting requirements
- Retain experienced staff with competitive pay
- Training opportunities to stay up-to-date on changing professional standards
- Automation and providing more transparency on local government finances



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 Office of the State Auditor

### 25-27 REQUESTS COMPARED TO CURRENT BIENNIUM

- Convert 3 special funded to general funded positions
- Cost to continue services
- Cost to continue salaries
- Security assessment
- Temporary salary line
- One federal funded FTE


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 Office of the State Auditor

### CONVERT 3 SPECIAL FUNDED POSITIONS TO GENERAL FUNDED POSITIONS

- 867 Local governments impacted
- Cost savings of \$380,344
- Increase in federal spending


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 Office of the State Auditor

### COST TO CONTINUE SERVICES

- 26% increase by NDIT
- Increase in Capitol rent
- Professional development and travel
- Peer review
- TeamMate+ migration costs

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 Office of the State Auditor


### COST TO CONTINUE SALARIES

- 4% increase to staff salaries for 2025

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**CYBER SECURITY ASSESSMENT**

- \$585,000 Change funding to all general fund
- Previously cost \$450,000
- As inflation increases, the scope of the security assessment has decreased



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**TEMPORARY SALARY LINE/INTERNSHIP PROGRAM**

“The energy, culture, and people at the SAO all contributed to the amazing internship experience I have had.”

“It brings me hope that some places are truly welcoming to fresh graduates, or, like here, even prefer them!”


“It has been an amazing experience working here for the past 2 years and would hope to join the team full-time someday.”

- 34 interns since 2021
- Average 7 months in length
- Hired 13 into FT positions

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**ONE FEDERALLY FUNDED FULL-TIME EMPLOYEE**

- Requesting appropriation authority
- 22% of ONRRs yearly goal is accomplished by North Dakota's team of five



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**NEW POSITIONS APPROVED**

- Last legislative session, four additional FTE were approved for our office.

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**VACANT POSITIONS**

	General Fund	Other Funds	Total
New FTE positions	(\$218,672)	(\$739,760)	(\$958,432)
Vacant FTE positions	(\$376,577)	(\$276,409)	(\$651,986)
<b>Total</b>	<b>(\$594,249)</b>	<b>(\$1,016,169)</b>	<b>(\$1,610,418)</b>

Use of vacant position savings:	
Accrued Leave Payouts	35,635
Extra Salary Increases	33,271
Bonuses	24,027
Incentive/location Pay	-
Reclassifications	-
Extra Temporary salary Funding	-
Extra Overtime Funding	14,825
Other (Identify)	-

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**FUNDING FOR EACH PROGRAM/LINE ITEM**

Class	General Fund		Special Fund	Federal Fund	Total	% of Funding
	Agency Audits and Operations	Local Government	Audits and Reviews	Mineral Royalties		
11710 - Salaries	9,258,856	4,155,436	1,373,022	-	14,787,314	87%
11730 - Operating	1,092,408	552,805	142,558	-	1,787,771	10%
11750 - Capital Assets	70,550	-	-	-	70,550	0%
11770 - IT Systems Security Review	150,000	300,000	-	-	450,000	3%
	<b>10,571,814</b>	<b>5,008,241</b>	<b>1,515,580</b>	<b>-</b>	<b>17,095,635</b>	
FTE	39	21	5	-	65	

Significant Operating Expenditures	Percentage of Operating
NDIT Costs	38%
Rent	27%
Travel and Professional Development	18%
	<b>83%</b>

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**CURRENT BIENNIUM ONE TIME FUNDING**

Description	Expenditure Type	23-25 One-Time Funding			Expected Expenditures	Estimated Turnback
		General Fund	Special Fund	Federal Fund		
1. New FTE Office Equipment	Operating	9,000	-	-	9,000	9,000
2. Travel and Professional Development inflationary increase	Operating	22,000	37,000	-	59,000	37,000
3. Audit Software Migration	Capital Asset	45,550	-	-	45,550	-
4. Office Equipment Replacement	Capital Asset	25,000	-	-	25,000	9,332
<b>Total</b>		<b>101,550</b>	<b>37,000</b>	<b>-</b>	<b>138,550</b>	<b>55,332</b>

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**ONE TIME FUNDING BEING REQUESTED**

Description	Expenditure Type	25-27 Requested One-Time Funding			Total
		General Fund	Special Fund	Federal Fund	
1. Federal Fund FTE Office Equipment	Operating	-	-	3,000	3,000
2. Peer Review	Operating	25,000	-	-	25,000
3. TeamMate Server Migration	Operating	25,200	10,800	-	36,000
<b>Total</b>		<b>50,200</b>	<b>10,800</b>	<b>3,000</b>	<b>64,000</b>

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**DEPOSITS INTO THE GENERAL FUND**

**CHAPTER 54-10 STATE AUDITOR**

**54-10-01. Powers and duties of state auditor - Report. (Retroactive application - See note)**

1. The state auditor shall:

- Be vested with the duties, powers, and responsibilities involved in performing the postaudit of all financial transactions of state government, detecting and reporting any defaults, and determining that expenditures have been made in accordance with law and appropriation acts.
- Perform or provide for the audit of the general purpose financial statements and a review of the material included in the comprehensive annual financial report of the state in accordance with government auditing standards.
- Except for the audit of the department of financial institutions as outlined in section 54-10-31, perform or provide for audits of state agencies in accordance with government auditing standards and legislative audit and fiscal review committee guidelines developed under section 54-35-02.10. Except for the annual audit of the North Dakota lottery required by section 53-12.1-03, the state auditor shall audit each state agency once every two to four years. Audits may be conducted at more frequent intervals if requested by the governor or the legislative audit and fiscal review committee. The state auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. This charge may be reduced for an agency that receives and expends both general fund and nongeneral fund moneys. The charge for an audit

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**DEPOSITS INTO THE SPECIAL FUND**

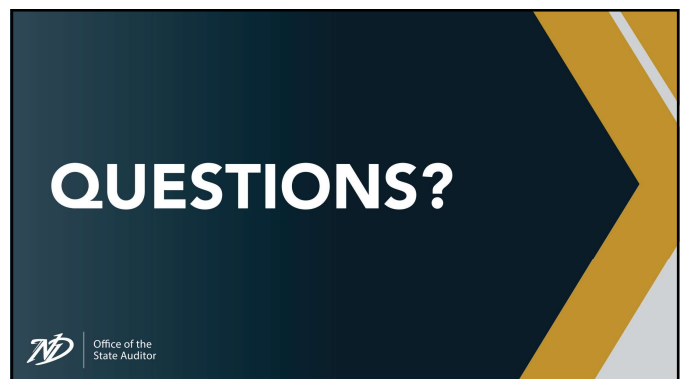
- Local government division is a self-funded special fund
- 21 FTE
- The group bills local governments "an amount equal to the fair value of an audit" and the money is deposited into their operating account.

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**GOVERNOR BURGUM'S EXECUTIVE BUDGET**

Priority	Form Name	2025-27 Agency Request				2025-27 Executive Recommendation					
		General Fund	Federal	Special	Total	FTE	General Fund	Federal	Special	Total	FTE
	11760 - Office of the State Auditor	1,609,574	136,141	(543,685)	1,187,030	1.00	890,087	138,825	52,738	1,081,650	1.00
01	Cost to Continue Salary Increase 6.912	152,187	20,240	47,561	219,988	-	152,187	20,240	47,561	219,988	-
02	Cost to Continue Services 4.904	130,055	2,698	28,022	160,775	-	130,055	2,698	28,022	160,775	-
03	Security Assessment 6.914	585,000	-	-	585,000	-	195,000	-	390,000	585,000	-
04	Conversion of Three Special Fund Positions to General Fund 6.910	619,268	-	(619,268)	-	-	412,845	-	(412,845)	-	-
05	General Fund Temporary Salaries 6.909	114,064	-	-	114,064	-	-	-	-	-	-
06	Federal Fund FTE 6.804	-	107,202	-	107,202	1.00	-	115,886	-	115,886	1.00

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