

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	54.50	54.50	53.75	53.75	54.50	53.75	(0.75)	(1.38%)
Personal Services	3,271,249	4,366,665	3,844,706	3,846,232	7,637,914	7,690,938	53,024	0.69%
Operating Expenses	151,753	222,968	184,952	174,068	374,721	359,020	(15,701)	(4.19%)
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$3,423,002	\$4,589,633	\$4,029,658	\$4,020,300	\$8,012,635	\$8,049,958	\$37,323	0.47%
General Fund	2,057,064	2,651,414	2,350,469	2,337,728	4,708,478	4,688,197	(20,281)	(0.43%)
State Special	1,365,938	1,938,219	1,679,189	1,682,572	3,304,157	3,361,761	57,604	1.74%
Total Funds	\$3,423,002	\$4,589,633	\$4,029,658	\$4,020,300	\$8,012,635	\$8,049,958	\$37,323	0.47%

Program Description

The Legislative Audit Division (LAD) conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Auditor consults with the Legislative Audit Committee.

Program Highlights

Audit & Examination Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature approved a budget that is principally unchanged from the 2013 biennium ◆ Adjustments to the budget include: <ul style="list-style-type: none"> • \$1.2 million in statewide personal services adjustments related to vacancies in the base year • A reduction in funding for 0.75 FTE due to the reorganization of administrative functions

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Legislative Branch Funding by Source of Authority 2015 Biennium Budget - Audit & Examination							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$4,688,197	\$0	\$0	\$4,688,197	58.2%		
State Special Total	\$3,361,761	\$0	\$0	\$3,361,761	41.8%		
02042 Legislative Audit	\$3,361,761	\$0	\$0	\$3,361,761	41.8%		
Total All Funds	\$8,049,958	\$0	\$0	\$8,049,958	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

This division is funded with a combination of general fund and state special revenue. The state special revenue funds are generated through a charge to agencies of a billing rate calculated in accordance with federal regulations for audit services.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	2,057,064	2,057,064	4,114,128	87.76%	3,423,002	3,423,002	6,846,004	85.04%
Statewide PL Adjustments	299,832	300,656	600,488	12.81%	618,823	620,905	1,239,728	15.40%
Other PL Adjustments	(6,427)	(19,992)	(26,419)	(0.56%)	(12,167)	(23,607)	(35,774)	(0.44%)
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$2,350,469	\$2,337,728	\$4,688,197		\$4,029,658	\$4,020,300	\$8,049,958	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					617,124					618,590
Inflation/Deflation					(126)					(30)
Fixed Costs					1,825					2,345
Total Statewide Present Law Adjustments		\$299,832	\$318,991	\$0	\$618,823		\$300,656	\$320,249	\$0	\$620,905
DP 50 - Initial Motion to FY 2012 Base	0.00	(299,832)	(318,991)	0	(618,823)	0.00	(300,656)	(320,249)	0	(620,905)
DP 51 - Adjustment for Statewide Personal Services	0.00	370,863	246,261	0	617,124	0.00	371,744	246,846	0	618,590
DP 52 - Adjustment for Statewide Operations	0.00	1,021	678	0	1,699	0.00	1,391	924	0	2,315
DP 53 - Base Funding Switch	0.00	(72,052)	72,052	0	0	0.00	(72,479)	72,479	0	0
DP 28001 - LAD Cyclical Program Operations	0.00	18,900	12,600	0	31,500	0.00	5,300	14,700	0	20,000
DP 28002 - LAD Personal Services Reduction	(0.75)	(25,327)	(18,340)	0	(43,667)	(0.75)	(25,292)	(18,315)	0	(43,607)
Total Other Present Law Adjustments	(0.75)	(\$6,427)	(\$5,740)	\$0	(\$12,167)	(0.75)	(\$19,992)	(\$3,615)	\$0	(\$23,607)
Grand Total All Present Law Adjustments	(0.75)	\$293,405	\$313,251	\$0	\$606,656	(0.75)	\$280,664	\$316,634	\$0	\$597,298

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 28001 - LAD Cyclical Program Operations - The legislature approved this proposal that includes changes from the adjusted base for cyclical costs associated with a Peer Review required by Governmental Auditing Standards, Legislative Branch audit, auditor travel, and contract services for the potential use of actuarial expertise on the division's audits of the retirement systems, Montana State Fund, and health care benefits.

DP 28002 - LAD Personal Services Reduction - The legislature approved this proposal that reduces FTE by 0.75 to reflect a reorganization in the administrative functions of LAD.