

# LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor  
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:  
Cindy Jorgenson  
Joe Murray

## MEMORANDUM

**TO:** Members of the Legislative Audit Committee  
**FROM:** Angus Maciver, Legislative Auditor *AM*  
**DATE:** October 23, 2019  
**RE:** Legislative Audit Division financial/budget report for the 2018-2019 biennium

The following summarizes financial results for the Legislative Audit Division (Program 28) for the 2018-2019 biennium. Overall, the past biennium presented a few challenges in budgetary terms, mainly relating to reductions imposed for fiscal year 2018. However, we finished the biennium in good shape and within our appropriated authority. Information for our regularly appropriated (HB2) budget and for carryforward appropriations are presented separately and are discussed below.

### **Regular Appropriations – Budget vs. Actual Expenditures**

The attached table shows budget vs. actual expenditures (with variance) for both fiscal years and for the biennium combined. Budget/expenditure amounts are shown for both personal services and operating at the second level of detail. Although the committee approves annual operating plans, the division's appropriations are biennial, so budgetary authority available in the first year of the biennium rolls into the second year. Over the biennium, personal services were 96% expended and operating was 99% expended. Under-expended personal services are primarily attributable to the effects of turnover and vacant positions at different points through the biennium.

### **Carryforward Appropriations – Expenditure/Transfer Detail**

Carryforward appropriations are provided to state agencies as a proportion of unexpended funds from the preceding biennium. The Audit Division uses carryforward appropriations only to fund unanticipated or non-recurring expenses that are not included in our regularly appropriated budget. Carryforward appropriations for the biennium were roughly \$214,000 and we expended approximately half this amount. Expenditures were primarily related to investments in technology products and services. IT-related expenses were funded through carryforward as an alternative to relying on appropriation authority in the Legislative Services Division, which made more resources available for other legislative branch technology priorities. Unexpended carryforward appropriations were transferred to the audit specialized services reserve account and the branch IT reserve account. These transfers are authorized by statute and were approved by the Audit Committee at the June 2019 meeting.

**2018-2019 Biennium Legislative Audit Division Budget vs. Actual Expenditures**

		FY 2018			FY 2019			Biennial Total			
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	% Expended
Personal Services	Salaries	2,718,640	2,679,167	39,473	3,048,800	2,970,088	78,712	5,767,440	5,649,255	118,185	98%
	Benefits	1,019,864	896,944	122,920	1,163,372	1,086,618	76,754	2,183,236	1,983,562	199,674	91%
	Legislative Audit Committee	11,916	7,545	4,372	12,028	5,012	7,016	23,944	12,557	11,387	52%
	<b>Total</b>	<b>3,750,420</b>	<b>3,583,655</b>	<b>166,765</b>	<b>4,224,200</b>	<b>4,061,719</b>	<b>162,481</b>	<b>7,974,620</b>	<b>7,645,374</b>	<b>329,246</b>	<b>96%</b>
Contracted Services		48,011	40,977	7,034	32,347	35,112	(2,765)	80,358	76,089	4,269	95%
Supplies & Materials		19,779	10,710	9,069	16,779	20,124	(3,345)	36,558	30,833	5,725	84%
Communications		11,559	14,019	(2,460)	11,559	17,114	(5,555)	23,118	31,133	(8,015)	135%
Travel		56,673	41,261	15,412	51,805	57,487	(5,682)	108,478	98,748	9,730	91%
Rent		5,200	4,706	494	5,200	4,706	494	10,400	9,412	988	91%
Repair & Maintenance			9,431	(9,431)					9,431	(9,431)	
Other Expenses		46,498	47,388	(890)	45,372	42,880	2,492	91,870	90,268	1,602	98%
<b>Operating Expenses Total</b>		<b>187,720</b>	<b>168,492</b>	<b>19,228</b>	<b>163,062</b>	<b>177,422</b>	<b>(14,360)</b>	<b>350,782</b>	<b>345,914</b>	<b>4,868</b>	<b>99%</b>
<b>Program 28 Total Budget</b>		<b>3,938,140</b>	<b>3,752,147</b>	<b>185,993</b>	<b>4,387,262</b>	<b>4,239,141</b>	<b>148,121</b>	<b>8,325,402</b>	<b>7,991,288</b>	<b>334,114</b>	<b>96%</b>

Note - all funds and sources of authority, excluding carryforward appropriations/expenditures

## 2018-2019 Biennium Legislative Audit Division Carryforward Appropriations Expenditures

### Program 28 Expenditures from Carryforward Appropriation Authority

<b>Beginning Balance</b>	<b>\$213,696</b>
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<b>Month/Year</b>	<b>Expenditure Account</b>	<b>Description</b>	<b>Amount</b>
March 2018	Consulting & Professional Services	Data analytics implementation support	\$2,200
March 2018	Software Maintenance	Data analytics software licensing	\$4,051
March 2018	Subscriptions	Data analytics software licensing	\$14,723
April 2018	Computer Hardware Maintenance	Data analytcs server upgrade	\$16,500
June 2018	Consulting & Professional Services	Performance management software support	\$3,042
June 2018	Computer Hardware	IT equipment	\$169
November 2018	Software Maintenance	Fraud Hotline software licensing	\$8,450
November 2018	Personal Services	Intern staffing costs	\$16,484
December 2018	Consulting & Professional Services	Actuarial support for new accounting standards	\$8,306
December 2018	Licenses & Permits	Continuing professional education software licensing	\$4,000
May 2019	Radio Supplies/Service	Legislative branch radio communications costs	\$1,051
May 2019	Legal Fees & Court Costs	Agency Legal Services	\$3,135
May 2019	Non-Capitalized Software	Data analytics software licensing	\$7,875
June 2019	Office Supplies/Minor Equipment	Replacement of office furniture	\$11,187

<b>Ending Balance</b>	<b>\$112,523</b>
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### Transfers of Remaining Carryforward Appropriation Authority

Transfer to LAD Specialized Services Reserve Account	\$50,000
Transfer to Legislative Branch IT Reserve Account	\$62,523

<b>Total Transfers</b>	<b>\$112,523</b>
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