

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: SA SAO Audit Request
Budget Period: 2013-15
Budget Level: M2 – Inflation and Other Rate Changes

Recommendation Summary Text:

Funding for the costs of a statutory audit scheduled by the State Auditor's Office for FY 15.

Fiscal Detail

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		45,000	45,000
Total Cost		45,000	45,000

Package Description:

This request is for funding to pay for the statutory audit of PDC that was initiated by the State Auditor's Office in September 2014, at an estimated scope of 500 hours and an estimated cost of \$45,000.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will allow the agency to meet its obligation to pay for the SAO's statutory audit of PDC.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package supports the PDC's strategic plan as this audit will help ensure that PDC is following applicable statutes and procedures governing agency operations.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package contributes to Goal 5 transparency and accountability as this audit will provide transparency into PDC's business processes.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

N/A

What are the other important connections or impacts related to this proposal?

The State Auditor has initiated a statutory accountability audit of PDC that is scheduled for 500 hours during FY 15 at a cost of approximately \$45,000, that the PDC did not receive funding for in the 2013-15 budget. This is more than five times the cost of PDC's last statutory audit and an unanticipated expense that PDC cannot absorb within existing funds.

What alternatives were explored by the agency, and why was this alternative chosen?

N/A

What are the consequences of not funding this package?

PDC does not have funds available within its current FY 15 appropriation to pay for this audit. The estimated costs of this audit are more than two percent of the agency's entire annual budget. Without this supplemental appropriation, PDC would have to implement temporary staff layoffs to pay for the audit which would negatively impact PDC's ability to implement strategic plan initiatives and otherwise fulfill core services.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

SAO has scheduled the audit for 500 hours at an estimated cost of \$45,000.

$\$89/\text{hr} \times 500 \text{ hours} = \$44,500$

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

One time for this current unexpected audit in the amount of \$45,000

<u>Object Detail</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
E Goods\Other Services		45,000	45,000