

DEPARTMENT OF LEGISLATIVE AUDIT
FY 2026 EXECUTIVE BOARD BUDGET REQUEST

Presented August 15, 2024



State of South Dakota
Department of Legislative Audit
427 South Chapelle
c/o 500 East Capitol
Pierre, SD 57501-5070

FY 2026 EXECUTIVE BOARD BUDGET REQUEST
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RUSSELL A. OLSON
AUDITOR GENERAL

August 15, 2024

To: Executive Board of the Legislative Research Council

From: Russell A. Olson, Auditor General

Subject: FY 2026 Budget Request for the Department of Legislative Audit

Introduction

This memorandum contains a summary of the budget request for the Department of Legislative Audit for FY 2026. Following this memorandum are exhibits that provide additional details regarding the FY 2025 request.

At the April 2024 Executive Board meeting, I discussed with you my appreciation for the Executive Board and the Appropriations Committee approval of increasing our starting salary and the additional salary dollars for competitiveness during last year's budget process. I also discussed with the Board, that based on our analysis, the salaries that we are currently able to offer, although gaining on what the comparable market is offering, is still behind the surrounding states and private business.

Thus, I have prepared the FY 2026 budget request to address the challenges we discussed:

- additional salary dollars for increasing our starting salary offering, and
- additional salary dollars for Legislative Audit's compensation plan

I have prepared the FY 2026 budget request with two options to facilitate the Board's adoption of the budget request.

- Option #1 includes a request for additional salary dollars related to increasing the current starting salary, and related parity issues, and additional salary dollars for Legislative Audit's compensation plan.
- Option #2 simply excludes the request for increasing our starting salary request.

The following paragraphs provide details on the two options, but I will have additional commentary at the meeting on Thursday.

OPTION #1

FY 2026 Budget Request

I am requesting a \$124,342 increase (2.17% increase) in Legislative Audit's General Fund budget for FY 2026 when compared with the FY 2025 authorized budget. The requested increase is for personal services only. We are not requesting any increases in contractual services, travel, supplies and materials or capital assets.

Legislative Audit's Need for Increase in Starting Salary

I am requesting an increase to the budget for FY 2026 to allow for an increase for the starting salary offered by Legislative Audit and for funding Legislative Audit's compensation plan for FY 2026.

Hiring New Educated and Qualified Candidates

As was discussed with the Executive Board in the April 2024 meeting, I feel it is necessary for Legislative Audit to increase the starting salary we offer to be competitive in today's labor market. Based on an analysis I have performed, using the National Association of State Auditors, Comptrollers and Treasurers (NASACT), *Auditing in the States – 2024 Edition*, I have determined that our salary for new auditors (0-1.5 years) is below the surrounding state audit organizations average salary and below all state audit organizations average salary (shown on Exhibit C on page 11). In addition, increasing the starting salary creates a parity issue with the newer employees recently hired and creates a compaction issue in the future. I have factored this into the request that I am submitting.

I believe it is necessary to increase the starting salary offering if we are going to get well educated and qualified professionals to consider our department.

Legislative Audit's Compensation Plan

Keeping our Knowledgeable and Experienced Professional Auditors

As was discussed with the Executive Board in April 2024, and in previous years, a key component of our compensation plan includes an annual increase of up to 3.75% for staff when they have reached our career Auditor III classification. This annual increase is to recognize the value added by the increased knowledge, skills, and experience (KSE) as an auditor progresses with Legislative Audit.

I believe this annual adjustment is critical in maintaining our salary competitiveness and ensuring that we retain experienced senior staff to train and mentor our new auditors and to address upcoming retirements of senior members of the team. It is also extremely critical that Legislative Audit be able to retain our experienced staff with the State's transition to the new ERP system.

OPTION #2

FY 2026 Budget Request

This option would simply eliminate the request for the increasing of our starting salary offered by Legislative Audit. The other necessary reason specified above would still apply.

For Option #2, I would be requesting a \$95,441 increase (1.67% increase) in Legislative Audit's General Fund budget for FY 2026 when compared with the FY 2025 authorized budget. The requested increase is for personal services only. We are not requesting any increases in contractual services, travel, supplies and materials or capital assets.

Regardless of the option chosen by the Executive Board at Thursday's meeting, actual use of salary funding provided through the appropriations process is considered each May/June when I present my personnel report and seek the Board's approval for implementation of the salary package approved during the legislative session.

Summary of FY 2026 Request

A summary by object of the FY 2026 General Fund budget request compared with the FY 2025 budgeted amounts for each expenditure object follows:

Option #1 - Starting Salary Increase and Legislative Audit's Compensation Plan

Expenditure Object	FY 2025 Budget	FY 2026 Requested	Increase/ (Decrease)	% Increase/ (Decrease)
Personal Services	\$ 4,137,680	\$ 4,246,673	\$ 108,993	2.63%
Employee Benefits	1,050,620	1,065,969	15,349	1.46%
Travel	189,109	189,109	0	0.00%
Contractual Services	324,355	324,355	0	0.00%
Supplies and Materials	19,100	19,100	0	0.00%
Capital Assets	1,642	1,642	0	0.00%
Totals	\$ 5,722,506	\$ 5,846,848	\$ 124,342	2.17%

Option #2 – Legislative Audit's Compensation Plan

Expenditure Object	FY 2025 Budget	FY 2026 Requested	Increase/ (Decrease)	% Increase/ (Decrease)
Personal Services	\$ 4,137,680	\$ 4,221,160	\$ 83,480	2.02%
Employee Benefits	1,050,620	1,062,581	11,961	1.14%
Travel	189,109	189,109	0	0.00%
Contractual Services	324,355	324,355	0	0.00%
Supplies and Materials	19,100	19,100	0	0.00%
Capital Assets	1,642	1,642	0	0.00%
Totals	\$ 5,722,506	\$ 5,817,947	\$ 95,441	1.67%

FY 2026 Budget Request Changes by Object

The details of budget request by objects, for Option #1 can be found on Exhibit A – Option #1 on pages 5 to 9.

The details of budget request by objects, for Option #2 can be found on Exhibit B – Option #2 on pages 6 to 10.

Thank you for your consideration of this request. I look forward to discussing the budget with you on August 15th.

Budget Request Narrative Option # 1

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 51 EMPLOYEE SALARIES

Subobject	Actuals 2023	Actuals 2024	Current OPB	Inflation	Exp/Red	Request Amount
5101010 F-T EMP SAL & WAGES	2,923,992	3,310,007	4,137,680	0	108,993	4,246,673
5102010 OASI-EMPLOYER'S SHARE	211,476	243,505	316,617	0	8,254	324,871
5102020 RETIREMENT-ER SHARE	171,385	197,413	244,456	0	6,504	250,960
5102060 HEALTH INSURANCE-ER SHARE	325,773	366,608	485,408	0	483	485,891
5102080 WORKERS COMPENSATION	0	0	0	0	0	0
5102090 UNEMPLOYMENT COMPENSATION	379	861	4,139	0	108	4,247
TOTAL:	3,633,006	4,118,394	5,188,300	0	124,342	5,312,642
FTE:	33.2	34.3	42.0	0	0.0	42.0

Narrative Justification

The base appropriation includes the following positions:

- 1 Auditor General
 - 2 Audit Managers
 - 1 Information Systems Audit Manager
 - 2 Local Government Audit Supervisors
 - 1 Director of Local Government Assistance
 - 1 Assistant Director of Local Government Assistance
 - 30 Auditors
 - 1 Finance Officer
 - 2 Statistical Secretaries
 - 1 Overtime/Part-time
- 42

The following is requested for salaries for FY26:

	Personal Services	
	Salary	Benefits
FY 2025 Budget - Salaries and Benefits	\$ 4,137,680	\$ 1,050,620
Starting Salary Increase and Equitable Adjustment	24,750	
Legislative Audit Compensation Plan	52,305	15,349
New Auditor Progression, Certification and Longevity	31,938	
Total FY 2026 Salary Request	\$ 4,246,673	\$ 1,065,969
FY 2025 Salary Budget	\$ 4,137,680	\$ 1,050,620
Additional Requested for Salaries and Benefits	\$ 108,993	\$ 15,349

The \$124,342 requested increase in salary and benefit dollars has three components (and additional benefits related to the increase) are as follows:

1. \$24,750 is requested to fund an increase to the starting salary for new hires and to provide equitable parity adjustments to avoid compaction. It is necessary to increase the starting salary to remain competitive in the market for quality professional candidates. Based on a comparative analysis to other governmental audit organizations and State Agencies, our current starting salary is not competitive with the market. It is critical for our mission to have quality professional candidates applying for our positions and to avoid compaction with existing employees.

2. \$52,305 is requested to fund the Legislative Audit's compensation plan which compensates individuals for an increase in knowledge, skills and experience of staff. The compensation plan is critical in maintaining salaries that are competitive and in the retention of these more experienced staff which are critical to our mission and to being able to provide services in a timely manner.

3. \$31,938 is requested to fund another component of the compensation plan, salary progression for Auditor I's, longevity and certification pay. It is critical if we are going to stay competitive and retain good staff, we must show them that the effort and hard work is rewarded. This compensation component is necessary in recruiting and retaining staff. These components have been funded in previous years regardless of the statewide salary policy that has been adopted.

In addition, \$15,349 is requested in benefits, including the increase in health benefit, to match the requested salary dollars bringing the total increase in personal services dollars to \$124,342.

Budget Request Narrative Option # 1

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5203 TRAVEL

Subobject	Actuals		Current	Inflation	Exp/Red	Request
	2023	2024	OPB			Amount
5203010 AUTO-STATE OWNED IN-STATE	53,404	54,627	54,687	0	0	54,687
5203020 AUTO PRIV (IN-STATE) L/RTE	2,326	2,200	2,400	0	0	2,400
5203030 AUTO PRIV (IN-STATE) H/RTE	9,451	7,253	43,192	0	0	43,192
5203080 OTHER-PUBLIC-IN-STATE	0	0	0	0	0	0
5203100 LODGING/IN-STATE	5,637	7,799	36,640	0	0	36,640
5203140 MEALS/TAXABLE/IN-STATE	12,642	13,282	24,597	0	0	24,597
5203150 NON-TAXABLE MEALS/IN-STATE	3,418	6,866	9,594	0	0	9,594
5203220 AUTO PRIV (OUT-STATE) L/RTE	457	140	0	0	0	0
5203230 AUTO PRIV (OUT-STATE) H/RTE	0	0	0	0	0	0
5203260 AIR-COMM-OUT-OF-STATE	0	962	9,500	0	0	9,500
5203280 OTHER-PUBLIC-OUT-OF-STATE	0	0	380	0	0	380
5203300 LODGING/OUT-STATE	613	827	8,119	0	0	8,119
5203350 NON-TAXABLE MEALS/OUT-STATE	176	158	0	0	0	0
	88,123	94,114	189,109	0	0	189,109

Narrative Justification

In-state travel finances the costs associated with travel incurred by the audit staff to and from the work site during the performance of audits away from their home station. This program object of expenditures also provides for travel undertaken by the Auditor General and staff to participate in meetings of governmental groups such as city, school, and county officials' associations, and provides technical assistance on-site to political subdivisions.

The FY 2026 In-State Travel costs are based on the following estimates:

State Car - 130,207 miles X \$.42 (average) = \$54,687

Private Auto - High rate, 65,942 miles X \$.655 = \$43,192

Low rate, 8,135 miles X \$.295 = \$2,400

Per Diem:

Lodging (342 X \$107 plus tax) = \$36,640

Meals - Overnight (240 X \$40) = \$9,594

Meals - Not Overnight (1,756 X \$14) = \$24,597

Out-of-state travel is necessary for training and participation in regional and national meetings on governmental audit affairs. Each member of the audit staff is required to have 80 hours of continuing education every two years. The average cost per trip, per individual is estimated to be approximately \$2,000.

Budget Request Narrative Option # 1

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5204 CONTRACTUAL SERVICES

Subobject	Actuals	Actuals	Current	Inflation	Exp/Red	Request
	2023	2024	OPB			Amount
5204010 SUBSCRIPTIONS	4,064	6,928	7,700	0	0	7,700
5204020 DUES & MEMBERSHIP FEES	9,880	10,785	6,000	0	0	6,000
5204040 ACCOUNTING CONSULTANT	96	0	0	0	0	0
5204060 ED & TRAINING CONSULTANT	200,000	35	0	0	0	0
5204160 WORKSHOP REGISTRATION FEE	11,545	18,260	14,000	0	0	14,000
5204180 COMPUTER SERVICES-STATE	86,602	117,997	144,395	0	0	144,395
5204200 CENTRAL SERVICES	391	808	1,246	0	0	1,246
5204220 EQUIPMENT SERV & MAINT	906	1,028	200	0	0	200
5204230 JANITORIAL & MAINT SERV	4,425	4,413	5,295	0	0	5,295
5204320 AUDIT SERVICES-PRIVATE	20,000	0	0	0	0	0
5204340 SOFTWARE MAINTENANCE	36,334	38,359	41,000	0	0	41,000
52044100 JOB FAIRS	125	300	0	0	0	0
5204480 MICROFILM & PHOTOGRAPHY	479	529	0	0	0	0
5204490 RENTS-PRIVATE OWNED PROP.	4,304	2,987	67,200	0	0	67,200
5204525 REV BOND LEASE PAYMENTS	69,472	69,472	0	0	0	0
5204530 TELECOMMUNICATIONS SRVCS	18,084	19,085	21,000	0	0	21,000
5204540 ELECTRICITY	3,655	3,646	4,800	0	0	4,800
5204550 GARBAGE & SEWER	2,269	2,187	1,600	0	0	1,600
5204560 WATER	968	960	675	0	0	675
5204580 TRUCK-DRYAGE & FREIGHT	0	45	500	0	0	500
5204590 INS PREMIUMS & SURETY BDS	8,800	8,003	7,344	0	0	7,344
5204960 OTHER CONTRACTUAL SERVICE	1,664	321	1,400	0	0	1,400
	484,063	306,148	324,355	0	0	324,355

Narrative Justification

This program object primarily provides space rental, computer services, software maintenance and telephone services. These areas account for about 84 percent of the budget request in this program object.

Budget Request Narrative Option # 1

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5205 SUPPLIES & MATERIALS

Subobject	Actuals	Actuals	Current	Inflation	Exp/Red	Request
	2023	2024	OPB			Amount
5205020 OFFICE SUPPLIES	4,711	3,709	7,000	0	0	7,000
5205040 EDUC & INSTRUC SUPPLIES	2,801	0	3,200	0	0	3,200
5205060 MAINT & JANITORIAL SUPPL	203	768	300	0	0	300
52052180 MEDICAL SUPPLIES	135	0	0	0	0	0
5205310 PRINTING-STATE	3,387	270	3,000	0	0	3,000
5205330 SUPP PUBLIC & REF MATERIAL	934	1,393	1,500	0	0	1,500
5205340 MICROFILM SUPP & MATERIAL	0	0	100	0	0	100
5205350 POSTAGE	2,631	2,671	3,000	0	0	3,000
5205510 HEATING & COOKING FUELS	1,250	911	1,000	0	0	1,000
52059480 PROMOTION SUPPLIES	0	455	0	0	0	0
	16,052	10,177	19,100	0	0	19,100

Narrative Justification

This program object provides for office supplies and materials necessary to conduct audits, educational and instructional supplies to maintain the professional proficiency of the audit staff, supplements to South Dakota Codified Laws and postage. It also provides for office supplies and materials necessary to generate audit reports, state and commercial printing costs, and financial statement forms.

Budget Request Narrative Option # 1

Fiscal Year: 2026

Department: LEGISLATURE

Center: 2880 Auditor General

Object: 5207 CAPITAL OUTLAY

		Actuals	Actuals	Current			Request
Subobject		2023	2024	OPB	Inflation	Exp/Red	Amount
5207450	OFFICE FURN & FIXTURES	0	0	1,000	0	0	1,000
5207490	TELEPHONE EQUIPMENT	4,829	196	0	0	0	0
5207900	COMPUTER HARDWARE	45,976	9,803	642	0	0	642
5207960	COMPUTER SOFTWARE	0	0	0	0	0	0
		50,805	9,999	1,642	0	0	1,642

Narrative Justification

Office Furniture and Fixtures:

Funds are budgeted to replace furniture as needed. Most office furniture is over 30 years old.

Computer Hardware:

Funds are budgeted to replace computer equipment that breaks down.

Budget Request Narrative Option # 2

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 51 EMPLOYEE SALARIES

Subobject	Actuals 2023	Actuals 2024	Current OPB	Inflation	Exp/Red	Request Amount
5101010 F-T EMP SAL & WAGES	2,923,992	3,310,007	4,137,680	0	83,480	4,221,160
5102010 OASI-EMPLOYER'S SHARE	211,476	243,505	316,617	0	6,302	322,919
5102020 RETIREMENT-ER SHARE	171,385	197,413	244,456	0	5,094	249,550
5102060 HEALTH INSURANCE-ER SHARE	325,773	366,608	485,408	0	483	485,891
5102080 WORKERS COMPENSATION	0	0	0	0	0	0
5102090 UNEMPLOYMENT COMPENSATION	379	861	4,139	0	82	4,221
TOTAL:	3,633,006	4,118,394	5,188,300	0	95,441	5,283,741
FTE:	33.2	34.3	42.0	0	0.0	42.0

Narrative Justification

The base appropriation includes the following positions:

- 1 Auditor General
 - 2 Audit Managers
 - 1 Information Systems Audit Manager
 - 2 Local Government Audit Supervisors
 - 1 Director of Local Government Assistance
 - 1 Assistant Director of Local Government Assistance
 - 30 Auditors
 - 1 Finance Officer
 - 2 Statistical Secretaries
 - 1 Overtime/Part-time
- 42

The following is requested for salaries for FY26:

	Personal Services	
	Salary	Benefits
FY 2025 Budget - Salaries and Benefits	\$ 4,137,680	\$ 1,050,620
Legislative Audit Compensation Plan	52,069	11,961
New Auditor Progression, Certification and Longevity	31,411	
Total FY 2026 Salary Request	\$ 4,221,160	\$ 1,062,581
FY 2025 Salary Budget	\$ 4,137,680	\$ 1,050,620
Additional Requested for Salaries and Benefits	\$ 83,480	\$ 11,961

The \$95,441 requested increase in salary and benefit dollars has two components (and additional benefits related to the increase) are as follows:

- \$52,069 is requested to fund the Legislative Audit's compensation plan which compensates individuals for an increase in knowledge, skills and experience of staff. The compensation plan is critical in maintaining salaries that are competitive and in the retention of these more experienced staff which are critical to our mission and to being able to provide services in a timely manner.
- \$31,411 is requested to fund another component of the compensation plan, salary progression for Auditor I's, longevity and certification pay. It is critical if we are going to stay competitive and retain good staff, we must show them that the effort and hard work is rewarded. This compensation component is necessary in recruiting and retaining staff. These components have been funded in previous years regardless of the statewide salary policy that has been adopted.

In addition, \$11,961 is requested in benefits, including the increase in health benefit, to match the requested salary dollars bringing the total increase in personal services dollars to \$95,411.

Budget Request Narrative Option # 2

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5203 TRAVEL

Subobject	Actuals		Current	Inflation	Exp/Red	Request Amount
	2023	2024	OPB			
5203010 AUTO-STATE OWNED IN-STATE	53,404	54,627	54,687	0	0	54,687
5203020 AUTO PRIV (IN-STATE) L/RTE	2,326	2,200	2,400	0	0	2,400
5203030 AUTO PRIV (IN-STATE) H/RTE	9,451	7,253	43,192	0	0	43,192
5203080 OTHER-PUBLIC-IN-STATE	0	0	0	0	0	0
5203100 LODGING/IN-STATE	5,637	7,799	36,640	0	0	36,640
5203140 MEALS/TAXABLE/IN-STATE	12,642	13,282	24,597	0	0	24,597
5203150 NON-TAXABLE MEALS/IN-STATE	3,418	6,866	9,594	0	0	9,594
5203220 AUTO PRIV (OUT-STATE) L/RTE	457	140	0	0	0	0
5203230 AUTO PRIV (OUT-STATE) H/RTE	0	0	0	0	0	0
5203260 AIR-COMM-OUT-OF-STATE	0	962	9,500	0	0	9,500
5203280 OTHER-PUBLIC-OUT-OF-STATE	0	0	380	0	0	380
5203300 LODGING/OUT-STATE	613	827	8,119	0	0	8,119
5203350 NON-TAXABLE MEALS/OUT-STATE	176	158	0	0	0	0
	88,123	94,114	189,109	0	0	189,109

Narrative Justification

In-state travel finances the costs associated with travel incurred by the audit staff to and from the work site during the performance of audits away from their home station. This program object of expenditures also provides for travel undertaken by the Auditor General and staff to participate in meetings of governmental groups such as city, school, and county officials' associations, and provides technical assistance on-site to political subdivisions.

The FY 2026 In-State Travel costs are based on the following estimates:

State Car - 130,207 miles X \$.42 (average) = \$54,687

Private Auto - High rate, 65,942 miles X \$.655 = \$43,192

Low rate, 8,135 miles X \$.295 = \$2,400

Per Diem:

Lodging (342 X \$107 plus tax) = \$36,640

Meals - Overnight (240 X \$40) = \$9,594

Meals - Not Overnight (1,756 X \$14) = \$24,597

Out-of-state travel is necessary for training and participation in regional and national meetings on governmental audit affairs. Each member of the audit staff is required to have 80 hours of continuing education every two years. The average cost per trip, per individual is estimated to be approximately \$2,000.

Budget Request Narrative Option # 2

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5204 CONTRACTUAL SERVICES

Subobject	Actuals	Actuals	Current	Inflation	Exp/Red	Request
	2023	2024	OPB			Amount
5204010 SUBSCRIPTIONS	4,064	6,928	7,700	0	0	7,700
5204020 DUES & MEMBERSHIP FEES	9,880	10,785	6,000	0	0	6,000
5204040 ACCOUNTING CONSULTANT	96	0	0	0	0	0
5204060 ED & TRAINING CONSULTANT	200,000	35	0	0	0	0
5204160 WORKSHOP REGISTRATION FEE	11,545	18,260	14,000	0	0	14,000
5204180 COMPUTER SERVICES-STATE	86,602	117,997	144,395	0	0	144,395
5204200 CENTRAL SERVICES	391	808	1,246	0	0	1,246
5204220 EQUIPMENT SERV & MAINT	906	1,028	200	0	0	200
5204230 JANITORIAL & MAINT SERV	4,425	4,413	5,295	0	0	5,295
5204320 AUDIT SERVICES-PRIVATE	20,000	0	0	0	0	0
5204340 SOFTWARE MAINTENANCE	36,334	38,359	41,000	0	0	41,000
52044100 JOB FAIRS	125	300	0	0	0	0
5204480 MICROFILM & PHOTOGRAPHY	479	529	0	0	0	0
5204490 RENTS-PRIVATE OWNED PROP.	4,304	2,987	67,200	0	0	67,200
5204525 REV BOND LEASE PAYMENTS	69,472	69,472	0	0	0	0
5204530 TELECOMMUNICATIONS SRVCS	18,084	19,085	21,000	0	0	21,000
5204540 ELECTRICITY	3,655	3,646	4,800	0	0	4,800
5204550 GARBAGE & SEWER	2,269	2,187	1,600	0	0	1,600
5204560 WATER	968	960	675	0	0	675
5204580 TRUCK-DRYAGE & FREIGHT	0	45	500	0	0	500
5204590 INS PREMIUMS & SURETY BDS	8,800	8,003	7,344	0	0	7,344
5204960 OTHER CONTRACTUAL SERVICE	1,664	321	1,400	0	0	1,400
	484,063	306,148	324,355	0	0	324,355

Narrative Justification

This program object primarily provides space rental, computer services, software maintenance and telephone services. These areas account for about 84 percent of the budget request in this program object.

Budget Request Narrative Option # 2

Fiscal Year: 2026
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5205 SUPPLIES & MATERIALS

Subobject	Actuals	Actuals	Current	Inflation	Exp/Red	Request
	2023	2024	OPB			Amount
5205020 OFFICE SUPPLIES	4,711	3,709	7,000	0	0	7,000
5205040 EDUC & INSTRUC SUPPLIES	2,801	0	3,200	0	0	3,200
5205060 MAINT & JANITORIAL SUPPL	203	768	300	0	0	300
52052180 MEDICAL SUPPLIES	135	0	0	0	0	0
5205310 PRINTING-STATE	3,387	270	3,000	0	0	3,000
5205330 SUPP PUBLIC & REF MATERIAL	934	1,393	1,500	0	0	1,500
5205340 MICROFILM SUPP & MATERIAL	0	0	100	0	0	100
5205350 POSTAGE	2,631	2,671	3,000	0	0	3,000
5205510 HEATING & COOKING FUELS	1,250	911	1,000	0	0	1,000
52059480 PROMOTION SUPPLIES	0	455	0	0	0	0
	16,052	10,177	19,100	0	0	19,100

Narrative Justification

This program object provides for office supplies and materials necessary to conduct audits, educational and instructional supplies to maintain the professional proficiency of the audit staff, supplements to South Dakota Codified Laws and postage. It also provides for office supplies and materials necessary to generate audit reports, state and commercial printing costs, and financial statement forms.

Budget Request Narrative Option # 2

Fiscal Year: 2026

Department: LEGISLATURE

Center: 2880 Auditor General

Object: 5207 CAPITAL OUTLAY

		Actuals	Actuals	Current			Request
Subobject		2023	2024	OPB	Inflation	Exp/Red	Amount
5207450	OFFICE FURN & FIXTURES	0	0	1,000	0	0	1,000
5207490	TELEPHONE EQUIPMENT	4,829	196	0	0	0	0
5207900	COMPUTER HARDWARE	45,976	9,803	642	0	0	642
5207960	COMPUTER SOFTWARE	0	0	0	0	0	0
		50,805	9,999	1,642	0	0	1,642

Narrative Justification

Office Furniture and Fixtures:

Funds are budgeted to replace furniture as needed. Most office furniture is over 30 years old.

Computer Hardware:

Funds are budgeted to replace computer equipment that breaks down.

DLA Salaries Compared with Other States

Entry Level Auditor	2024 Auditing in the States	
	Average	Yrs Experience
Iowa	\$ 57,815	0.7
Minnesota Legislative Auditor	\$ 72,963	1.1
Minnesota State Auditor	\$ 65,465	0.9
Montana	\$ 63,192	1.5
Nebraska	\$ 62,000	1.0
North Dakota	\$ 60,624	2.0 *
Average of Other Neighboring States	\$ 63,677	1.2
Average of All State Audit Organizations	\$ 60,412	1.6
SD Legislative Audit	\$ 59,319	1.0
Legislative Audit vs. neighboring states	\$ (4,358)	
Legislative Audit vs. all states	\$ (1,093)	

Middle Level Auditor	2024 Auditing in the States	
	Average	Avg Experience
Iowa	\$ 63,465	2.7
Minnesota Legislative Auditor	\$ 88,365	4.9
Minnesota State Auditor	\$ 79,019	11.8
Montana	\$ 71,172	6.0
Nebraska	\$ 71,000	3.0
North Dakota	\$ 72,652	6.0 *
Average of Other Neighboring States	\$ 74,279	5.7
Average of All State Audit Organizations	\$ 71,332	4.6
SD Legislative Audit	\$ 71,023	2.1
Legislative Audit vs. neighboring states	\$ (3,256)	
Legislative Audit vs. all states	\$ (309)	

Audit Supervisor	2024 Auditing in the States	
	Average	Avg Experience
Iowa	\$ 90,870	10.5
Minnesota Legislative Auditor	\$ 117,753	5.5
Minnesota State Auditor	\$ 110,760	21.1
Montana	\$ 87,522	11.7
Nebraska	\$ 78,000	5.0
North Dakota	\$ 90,526	19.0 *
Average of Other Neighboring States	\$ 95,905	12.1
Average of All State Audit Organizations	\$ 101,725	13.7
SD Legislative Audit	\$ 97,157	15.8
Legislative Audit vs. neighboring states	\$ 1,252	
Legislative Audit vs. all states	\$ (4,568)	

Audit Manager	2024 Auditing in the States	
	Average	Avg Experience
Iowa	\$ 124,526	20.8
Minnesota Legislative Auditor	\$ 128,854	13.5
Minnesota State Auditor	\$ 124,894	24.9
Montana	\$ 112,370	22.3
Nebraska	\$ 103,000	17.0
North Dakota	\$ 103,716	21.0 *
Average of Other Neighboring States	\$ 116,227	19.9
Average of All State Audit Organizations	\$ 120,437	19.6
SD Legislative Audit	\$ 129,818	28.5
Legislative Audit vs. neighboring states	\$ 13,591	
Legislative Audit vs. all states	\$ 9,381	
Deputies and Division Heads		
Average of all states midpoints of range	\$ 143,903	
SD Legislative Audit Managers	\$ 129,818	
Legislative Audit vs. all states	\$ (14,085)	

State Laws Regarding Legislative Audit Compensation

4-2-4. Salary of auditor-general. The auditor-general's salary shall be set by the Executive Board of the Legislative Research Council.

4-2-6. Employment of personnel for department--Traveling expenses. The auditor-general shall appoint one or more persons qualified by special training and experience, as assistants and may employ such other examiners, auditors, and clerks as may be necessary to do the work of the Department of Legislative Audit, within the limits of existing appropriations, at salaries fixed by the auditor-general within policy guidelines established by the Executive Board of the Legislative Research Council. The auditor-general, his assistants, and employees shall receive their traveling expenses incurred in the performance of their official duties at state rates established by the Board of Finance.

**Department of Legislative Audit
August 2024**

