

DEPARTMENT OF LEGISLATIVE AUDIT
FY 2027 EXECUTIVE BOARD BUDGET REQUEST

Presented August 12, 2025



State of South Dakota
Department of Legislative Audit
427 South Chapelle
c/o 500 East Capitol
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FY 2027 EXECUTIVE BOARD BUDGET REQUEST
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AUDITOR GENERAL

August 12, 2025

To: Executive Board of the Legislative Research Council

From: Russell A. Olson, Auditor General

Subject: FY 2027 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 2027. Following this memorandum are exhibits that provide additional details regarding the FY 2027 request.

At the June 2025 Executive Board meeting, I discussed with the board my appreciation for the Executive Board and the Appropriations Committee for your continued support of Legislative Audit.

I also discussed with the Board two critical elements to Legislative Audit's continued success:

- *Hiring New Educated and Qualified Candidates, and*
- *Keeping our Knowledgeable and Experienced Professional Auditors.*

Based on our analysis, the salaries that we are currently able to offer are competitive, although they are still a little behind the surrounding states and private business. We have been able to retain most of our experienced professional staff which is critical as the State transitions to the new ERP system, although we will be losing some of our seasoned professionals to retirement in the next year.

Based on my analysis in preparation for the FY 2027 budget request, I feel that the current operating budget for Legislative Audit will be sufficient for FY 2027. Legislative Audit will have some seasoned audit professionals that will be retiring, as such, the salary savings that we will realize will be sufficient to adequately fund Legislative Audit's compensation plan to continue to meet the goals for Legislative Audit.

FY 2027 Budget Request

I am requesting **no increase** in Legislative Audit's General Fund budget for FY 2027 when compared with the FY 2026 authorized budget.

A summary by object of the FY 2027 General Fund budget request compared with the FY 2026 budgeted amounts for each expenditure object follows:

Expenditure Object	FY 2026 Budget	FY 2027 Requested	Increase/ (Decrease)	% Increase/ (Decrease)
Personal Services	\$ 4,320,854	\$ 4,320,854	\$ 0	0.00%
Employee Benefits	1,107,268	1,107,268	0	0.00%
Travel	181,809	181,809	0	0.00%
Contractual Services	346,852	346,852	0	0.00%
Supplies and Materials	19,100	19,100	0	0.00%
Capital Assets	1,642	1,642	0	0.00%
Totals	\$ 5,977,525	\$ 5,977,525	\$ 0	0.00%

Thank you for your consideration of this request. I look forward to discussing the budget with you on August 12th.

Budget Request Narrative

Fiscal Year: 2027
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 51 EMPLOYEE SALARIES

Subobject	Actuals		Current	Inflation	Exp/Red	Request Amount
	2024	2025	OPB			
5101010 F-T EMP SAL & WAGES	3,310,007	3,812,375	4,320,854	0	0	4,320,854
5102010 OASI-EMPLOYER'S SHARE	243,505	280,056	330,553	0	0	330,553
5102020 RETIREMENT-ER SHARE	197,413	227,754	255,338	0	0	255,338
5102060 HEALTH INSURANCE-ER SHARE	366,608	440,809	517,056	0	0	517,056
5102080 WORKERS COMPENSATION	0	0	0	0	0	0
5102090 UNEMPLOYMENT COMPENSATION	861	610	4,321	0	0	4,321
TOTAL:	4,118,394	4,761,604	5,428,122	0	0	5,428,122
FTE:	34.3	37.5	43.0	0	0.0	43.0

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
 - 1 Special Investigation Position
 - 30 Auditors
 - 1 Finance Officer
 - 2 Administrative Assistants
 - 1 Overtime/Part-time
- 43

The following is requested for salaries for FY 2027:

	Personal Services	
	Salary	Benefits
Total FY 2027 Salary Request	\$ 4,320,854	\$ 1,107,268
FY 2026 Salary Budget	\$ 4,320,854	\$ 1,107,268
Additional Requested for Salaries and Benefits	\$ -	\$ -

We are not requesting an increase for Salaries and Benefits. Funding of Legislative Audit's compensation plan can be accomplished through salary savings due to retirements.

Budget Request Narrative

Fiscal Year: 2027
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5203 TRAVEL

Subobject	Actuals		Current	Inflation	Exp/Red	Request Amount
	2024	2025	OPB			
5203010 AUTO-STATE OWNED IN-STATE	54,627	43,788	54,687	0	0	54,687
5203020 AUTO PRIV (IN-STATE) L/RTE	2,200	4,759	2,400	0	0	2,400
5203030 AUTO PRIV (IN-STATE) H/RTE	7,253	5,289	43,192	0	0	43,192
5203080 OTHER-PUBLIC-IN-STATE	0	0	0	0	0	0
5203100 LODGING/IN-STATE	7,799	7,671	36,640	0	0	36,640
5203140 MEALS/TAXABLE/IN-STATE	13,282	17,682	17,297	0	0	17,297
5203150 NON-TAXABLE MEALS/IN-STATE	6,866	4,616	9,594	0	0	9,594
5203220 AUTO PRIV (OUT-STATE) L/RTE	140	0	0	0	0	0
5203230 AUTO PRIV (OUT-STATE) H/RTE	0	0	0	0	0	0
5203260 AIR-COMM-OUT-OF-STATE	962	571	9,500	0	0	9,500
5203280 OTHER-PUBLIC-OUT-OF-STATE	0	46	380	0	0	380
5203300 LODGING/OUT-STATE	827	529	8,119	0	0	8,119
5203350 NON-TAXABLE MEALS/OUT-STATE	158	148	0	0	0	0
	94,114	85,100	181,809	0	0	181,809

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 2027 In-State Travel costs are based on the following estimates:

State Car - 130,207 miles X \$.42 (average) = \$54,687
 Private Auto - High rate, 64,465 miles X \$.67 = \$43,192
 Low rate, 7,947 miles X \$.302 = \$2,400

Per Diem:

Lodging (333 X \$110 plus tax) = \$36,640
 Meals - Overnight (240 X \$40) = \$9,594
 Meals - Not Overnight (1,235 X \$14) = \$17,297

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 \$3,000.

Budget Request Narrative

Fiscal Year: 2027
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5204 CONTRACTUAL SERVICES

Subobject	Actuals		Current	Inflation	Exp/Red	Request
	2024	2025	OPB			Amount
5204010 SUBSCRIPTIONS	6,928	6,047	7,700	0	0	7,700
5204020 DUES & MEMBERSHIP FEES	10,785	10,392	6,000	0	0	6,000
5204040 ACCOUNTING CONSULTANT	0	0	0	0	0	0
5204060 ED & TRAINING CONSULTANT	35	1,936	0	0	0	0
5204160 WORKSHOP REGISTRATION FEE	18,260	30,190	14,000	0	0	14,000
5204180 COMPUTER SERVICES-STATE	117,997	145,438	159,592	0	0	159,592
5204200 CENTRAL SERVICES	808	538	1,246	0	0	1,246
5204220 EQUIPMENT SERV & MAINT	1,028	1,010	200	0	0	200
5204230 JANITORIAL & MAINT SERV	4,413	4,776	5,295	0	0	5,295
5204320 AUDIT SERVICES-PRIVATE	0	0	0	0	0	0
5204340 SOFTWARE MAINTENANCE	38,359	44,359	41,000	0	0	41,000
52044100 JOB FAIRS	300	350	0	0	0	0
5204480 MICROFILM & PHOTOGRAPHY	529	616	0	0	0	0
5204490 RENTS-PRIVATE OWNED PROP.	2,987	2,390	0	0	0	0
5204525 REV BOND LEASE PAYMENTS	69,472	69,472	74,500	0	0	74,500
5204530 TELECOMMUNICATIONS SRVCS	19,085	21,171	21,000	0	0	21,000
5204540 ELECTRICITY	3,646	3,683	4,800	0	0	4,800
5204550 GARBAGE & SEWER	2,187	2,361	1,600	0	0	1,600
5204560 WATER	960	1,057	675	0	0	675
5204580 TRUCK-DRYAGE & FREIGHT	45	33	500	0	0	500
5204590 INS PREMIUMS & SURETY BDS	8,003	8,400	7,344	0	0	7,344
5204960 OTHER CONTRACTUAL SERVICE	321	1,365	1,400	0	0	1,400
	306,148	355,584	346,852	0	0	346,852

Narrative Justification

This program object primarily provides space rental, computer services, software maintenance and telephone services. These areas account for about 85 percent of the budget request in this program object.

Budget Request Narrative

Fiscal Year: 2027
Center: 2880 Auditor General

Department: LEGISLATURE
Object: 5205 SUPPLIES & MATERIALS

Subobject	Actuals		Current	Inflation	Exp/Red	Request Amount
	2024	2025	OPB			
5205010 MERCHANDISE FOR RESALE (CODING ERROR)	0	9,325	0			
5205020 OFFICE SUPPLIES	3,709	3,811	7,000	0	0	7,000
5205040 EDUC & INSTRUC SUPPLIES	0	378	3,200	0	0	3,200
5205060 MAINT & JANITORIAL SUPPL	768	492	300	0	0	300
52052180 MEDICAL SUPPLIES	0	0	0	0	0	0
5205310 PRINTING-STATE	270	2,917	3,000	0	0	3,000
5205330 SUPP PUBLIC & REF MATERIAL	1,393	0	1,500	0	0	1,500
5205340 MICROFILM SUPP & MATERIAL	0	0	100	0	0	100
5205350 POSTAGE	2,671	3,955	3,000	0	0	3,000
5205510 HEATING & COOKING FUELS	911	1,043	1,000	0	0	1,000
52059480 PROMOTION SUPPLIES	455	880	0	0	0	0
	10,177	22,802	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

Fiscal Year: 2027

Department: LEGISLATURE

Center: 2880 Auditor General

Object: 5207 CAPITAL OUTLAY

		Actuals	Actuals	Current			Request
Subobject		2024	2025	OPB	Inflation	Exp/Red	Amount
5207450	OFFICE FURN & FIXTURES	0	0	1,000	0	0	1,000
5207490	TELEPHONE EQUIPMENT	196	0	0	0	0	0
5207900	COMPUTER HARDWARE	9,803	10,363	642	0	0	642
5207960	COMPUTER SOFTWARE	0	76	0	0	0	0
		9,999	10,439	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	2025 Auditing in the States	
	Average	Yrs Experience
Iowa	\$ 58,412	0.7
Minnesota Legislative Auditor	\$ 76,694	1.2
Minnesota State Auditor	\$ 66,856	1.0
Montana	\$ 67,198	1.7
Nebraska	\$ 61,700	1.0
North Dakota	\$ 59,064	2.0
Average of Other Neighboring States	\$ 64,987	1.3
Average of All State Audit Organizations	\$ 62,776	1.5
SD Legislative Audit	\$ 62,805	1.0
Legislative Audit vs. neighboring states	\$ (2,182)	
Legislative Audit vs. all states	\$ 29	

Middle Level Auditor	2025 Auditing in the States	
	Average	Avg Experience
Iowa	\$ 66,236	3.2
Minnesota Legislative Auditor	\$ 90,881	5.4
Minnesota State Auditor	\$ 78,801	8.9
Montana	\$ 73,925	6.4
Nebraska	\$ 71,000	3.0
North Dakota	\$ 80,316	6.0
Average of Other Neighboring States	\$ 76,860	5.5
Average of All State Audit Organizations	\$ 74,516	5.0
SD Legislative Audit	\$ 76,624	2.4
Legislative Audit vs. neighboring states	\$ (236)	
Legislative Audit vs. all states	\$ 2,108	

Audit Supervisor	2025 Auditing in the States	
	Average	Avg Experience
Iowa	\$ 91,159	15.1
Minnesota Legislative Auditor	\$ 126,147	6.5
Minnesota State Auditor	\$ 118,164	22.1
Montana	\$ 91,820	13.2
Nebraska	\$ 83,500	6.0
North Dakota	\$ 98,520	
Average of Other Neighboring States	\$ 101,552	12.6
Average of All State Audit Organizations	\$ 105,839	14.3
SD Legislative Audit	\$ 105,463	16.8
Legislative Audit vs. neighboring states	\$ 3,911	
Legislative Audit vs. all states	\$ (376)	

Audit Manager	2025 Auditing in the States	
	Average	Avg Experience
Iowa	\$ 129,984	23.3
Minnesota Legislative Auditor	\$ 138,256	14.5
Minnesota State Auditor	\$ 127,528	25.2
Montana	\$ 112,700	21.5
Nebraska	\$ 110,000	14.0
North Dakota	\$ 117,100	22.0
Average of Other Neighboring States	\$ 122,595	20.1
Average of All State Audit Organizations	\$ 129,034	20.2
SD Legislative Audit	\$ 139,924	29.5
Legislative Audit vs. neighboring states	\$ 17,329	
Legislative Audit vs. all states	\$ 10,890	
Deputies and Division Heads		
Average of all states midpoints of range	\$ 152,571	
SD Legislative Audit Managers	\$ 139,924	
Legislative Audit vs. all states	\$ (12,647)	

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 1, 2025**

