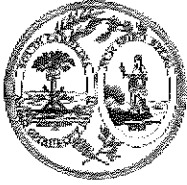


Agency Name: SFAA - State Auditor's Office
 Agency Code: F270 Section: 105



**Fiscal Year FY 2021-2022
 Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS (FORM C)	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS (FORM D)	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	George L. Kennedy, III, CPA	(803) 832-8929	gkennedy@osa.sc.gov
SECONDARY CONTACT:	Cindy Hoogenboom	(803) 832-8294	choogenboom@osa.sc.gov

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE: TYPE/PRINT NAME:	<u>Agency Director</u> <i>George L. Kennedy, III 9/29/20</i>	<u>Board or Commission Chair</u>

This form must be signed by the agency head – not a delegate.

Agency Name:	SFAA - State Auditor's Office
Agency Code:	F270
Section:	105

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	General Funds Increase to support Cloud Based Services	32,000	0	0	0	32,000	0.00	0.00	0.00	0.00	0.00
TOTALS			32,000	0	0	0	32,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	SFAA - State Auditor's Office		
Agency Code:	F270	Section:	105

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	General Funds Increase to support Cloud Based Services
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$32,000 Federal: \$0 Other: \$0 Total: \$32,000
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
<input type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>The Office of the State Auditor has a goal to manage resources effectively, prudently, and with accountability. Like all technology, the audit profession today is experiencing unprecedented change driven by innovations that are evolving how auditors can work remotely and how audits are performed. Moving to cloud based services would enable our agency to stay efficient and flexible now and into the future.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	The State Agency Audits Division would receive the full allocation.
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

The Office of the State Auditor (OSA) currently uses a work paper management software application that is leased from Wolters Kluwer, Inc. to perform audits and attestation engagements. This application, called ProSystem Fx Engagement, is stored on a dedicated server that is paid for monthly and accessed by OSA staff via laptop and desktop computers. Multiple vendors have developed a cloud based version of the software which will replace the server version we are currently using.

There are several advantages to switching from a server version to a cloud based version including real time software updates, no longer needing to access files via a virtual private network (VPN), and being able to host the work paper files of the audit of the Comprehensive Annual Financial Report (CAFR). As well, a cloud based version for work paper management will alleviate staff time and salaries to an area where they have no former expertise.

At this time, the CAFR work papers are housed on a server at the CPA firm of CliftonLarsonAllen - which performs the CAFR audit jointly with OSA. Once all data is migrated to the cloud, OSA staff will be able to access work papers from any computer with an internet connection. Access will be granted by entering a user name and password and using two-factor authentication. There will be a substantial one-time implementation cost to migrate all current data from the dedicated server to the cloud. Once implemented, there will be an annual cost associated to the services.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	SFAA - State Auditor's Office		
Agency Code:	F270	Section:	105

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$142,608
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	NONE
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	<p>This contingency plan would impact the following areas:</p> <p>Audit Program - General Funds - 0500.000000.000</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Increase in Classified Positions - 501058</td> <td style="text-align: right;">(14,000.00)</td> </tr> <tr> <td>Decrease in Unclassified Positions - 501060</td> <td style="text-align: right;">111,000.00</td> </tr> <tr> <td><u>Decrease in Employer Contributions - 513000</u></td> <td style="text-align: right;"><u>45,608.00</u></td> </tr> <tr> <td>TOTAL COST SAVINGS (3% Reduction):</td> <td style="text-align: right;">142,608.00</td> </tr> </table>	Increase in Classified Positions - 501058	(14,000.00)	Decrease in Unclassified Positions - 501060	111,000.00	<u>Decrease in Employer Contributions - 513000</u>	<u>45,608.00</u>	TOTAL COST SAVINGS (3% Reduction):	142,608.00
Increase in Classified Positions - 501058	(14,000.00)								
Decrease in Unclassified Positions - 501060	111,000.00								
<u>Decrease in Employer Contributions - 513000</u>	<u>45,608.00</u>								
TOTAL COST SAVINGS (3% Reduction):	142,608.00								

What programs or activities are supported by the General Funds identified?

SUMMARY	<p>A 3% reduction in general funds represents 26% of the agency's operating budget. Therefore, the agency would need to take the reduction from personal services and associated employer contributions in order to preserve training, technology support, and other operating expenses that are critical to the agency.</p> <p>To support a 3% general funds reduction, the Office of the State Auditor would reclassify the Deputy State Auditor position to a Senior Auditor position and an administrative position would not be filled. The elimination of an executive management position would require the redistribution of duties to other members of senior management, potentially creating workload constraints that would be addressed through a reprioritization of overall duties. While service delivery timeliness and quality would be maintained, strategic initiatives important to the health and sustainability of the agency would receive little to no focus.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

NONE

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?