

State of Alaska FY2013 Governor's Operating Budget

Department of Transportation/Public Facilities Internal Review Component Budget Summary

Component: Internal Review**Contribution to Department's Mission**

To provide professional audit assistance to department management that assures compliance with Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) requirements and to provide independent assessments of department operations.

Core Services

- Internal Review is an independent section within the Department of Transportation and Public Facilities that reports directly to the Commissioner. Internal Review is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the department is meeting its statutory requirements and achieving its objectives.
- Reviews operations and identifies control weaknesses, systems improvements, compliance, and recommends improvement in the use of resources (efficiency, economy, and effectiveness).
- Audits pre-award and final (post performance) activity of firms under contract with the department to assist in establishing rates and assuring that only agreed upon rates and charges have been paid.
- Audits utility companies, concessionaires at state airports, grantees, and contractor claims involving federal-aid to assure agreed upon rates were used, proper fees collected and that contractor claims were supportable.
- Audits major operational areas of the department on a special request basis and assists in special program reviews conducted by the Federal Highway Administration and the Federal Aviation Administration.
- Assists the Division of Legislative Audit in the required Annual Single Audit of State of Alaska, which includes the Department of Transportation and Public Facilities' operations.

Key Component Challenges

A significant portion of the Internal Review's audit work is performed on the federal programs on specific projects. The most cost-effective method of meeting audit requirements is to perform the audits in-house. It is important for the Internal Review Section to sustain an adequate staff size and meet training and travel requirements.

Significant Changes in Results to be Delivered in FY2013

No significant change anticipated.

Major Component Accomplishments in 2011

- Completed 83 consultant engineering overhead rate audits, 14 utility company rate audits, 5 cost allocation plan reviews, 4 special reviews and 7 final audits to assure rates and other charges under contracts with the department are supportable and meet federal requirements and 1 internal audit.
- Assisted departmental staff and state attorneys in reducing claims on projects.
- Completed the review of all financial documents requested by the Division of Legislative Audit as part of the annual single audit of the State, which completes the annual 'Federal Single Audit' requirements.

Statutory and Regulatory Authority

The following federal and state regulations and statutes apply in general to the creation and operation of the Internal Review Section:

AS 44.17.010, 020, 040 (Department authority to establish organization and staffing)
AS 36.30.420 (Right to audit records)
AS 35.05.050 (Cooperation with the federal government for construction of public works)
Alaska Procurement Code and the Department Professional Services Agreement (PSA) Manual
Memorandum of Agreement between Alaska DOT&PF and the Federal Highway Administration

CFR Title 23 Part 645 (Accounting standards for utility companies)
CFR Title 48 Part 31 (Contract Cost Principles)
OMB Circular A-133 on the Federal Single Audit

Contact Information
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**Internal Review
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	965.4	983.2	1,012.7
72000 Travel	43.1	36.3	36.3
73000 Services	70.6	68.3	68.3
74000 Commodities	8.8	12.8	12.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,087.9	1,100.6	1,130.1
Funding Sources:			
1004 General Fund Receipts	242.2	224.6	231.3
1027 International Airport Revenue Fund	93.7	96.8	100.0
1061 Capital Improvement Project Receipts	752.0	779.2	798.8
Funding Totals	1,087.9	1,100.6	1,130.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Capital Improvement Project Receipts	51200	752.0	779.2	798.8
Restricted Total		752.0	779.2	798.8
Total Estimated Revenues		752.0	779.2	798.8

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	224.6	0.0	876.0	0.0	1,100.6
Adjustments which will continue current level of service:					
-FY2013 Salary Increases	5.1	0.0	17.6	0.0	22.7
-FY2013 Health Insurance Increases	1.6	0.0	5.2	0.0	6.8
FY2013 Governor	231.3	0.0	898.8	0.0	1,130.1

Internal Review Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2012 Management Plan	FY2013 Governor		
Full-time	7	7	Annual Salaries	665,698
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	364,115
			<i>Less 1.66% Vacancy Factor</i>	(17,113)
			Lump Sum Premium Pay	0
Totals	7	7	Total Personal Services	1,012,700

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Internal Auditor II	1	0	0	0	1
Internal Auditor III	3	0	0	0	3
Internal Auditor IV	1	0	0	0	1
Internal Auditor V	0	0	1	0	1
Statistical Technician I	1	0	0	0	1
Totals	6	0	1	0	7

Component Detail All Funds
Department of Transportation/Public Facilities

Component: Internal Review (2356)
RDU: Administration and Support (333)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	965.4	1,009.4	1,009.4	983.2	1,012.7	29.5	3.0%
72000 Travel	43.1	36.3	36.3	36.3	36.3	0.0	0.0%
73000 Services	70.6	42.1	42.1	68.3	68.3	0.0	0.0%
74000 Commodities	8.8	12.8	12.8	12.8	12.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,087.9	1,100.6	1,100.6	1,100.6	1,130.1	29.5	2.7%
Fund Sources:							
1004 Gen Fund (UGF)	242.2	224.6	224.6	224.6	231.3	6.7	3.0%
1027 Int Airprt (Other)	93.7	96.8	96.8	96.8	100.0	3.2	3.3%
1061 CIP Rcpts (Other)	752.0	779.2	779.2	779.2	798.8	19.6	2.5%
Unrestricted General (UGF)	242.2	224.6	224.6	224.6	231.3	6.7	3.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	845.7	876.0	876.0	876.0	898.8	22.8	2.6%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	7	7	7	7	7	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Transportation/Public Facilities

Component: Internal Review (2356)
RDU: Administration and Support (333)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
ConfCom		1,100.6	1,009.4	36.3	42.1	12.8	0.0	0.0	0.0	7	0	0
1004 Gen Fund		224.6										
1027 Int Airprt		96.8										
1061 CIP Rcpts		779.2										
Subtotal		1,100.6	1,009.4	36.3	42.1	12.8	0.0	0.0	0.0	7	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
Transfer Authority to Comply with OMB Vacancy Factor Guidelines												
LIT		0.0	-26.2	0.0	26.2	0.0	0.0	0.0	0.0	0	0	0
With the retirement PCN 25-0039 a transfer of authority is needed to bring personal services within vacancy factor guidelines. Authority is needed in the services line to fund an increasing Federal Compliance Audit RSA. ADN 25-2-7747												
Subtotal		1,100.6	983.2	36.3	68.3	12.8	0.0	0.0	0.0	7	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
FY2013 Salary Increases												
SalAdj		22.7	22.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		5.1										
1027 Int Airprt		2.6										
1061 CIP Rcpts		15.0										
FY2013 Salary Increases: \$22.7												
FY2013 Health Insurance Increases												
SalAdj		6.8	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.6										
1027 Int Airprt		0.6										
1061 CIP Rcpts		4.6										
FY2013 Health Insurance Increases: \$6.8												
Totals		1,130.1	1,012.7	36.3	68.3	12.8	0.0	0.0	0.0	7	0	0

Department of Transportation/Public Facilities

Scenario: FY2013 Governor (9494)
Component: Internal Review (2356)
RDU: Administration and Support (333)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
25-0025	Internal Auditor V	FT	A	SS	Juneau	205	25N	12.0		137,424	0	0	66,132	203,556	169,766
25-0035	Internal Auditor III	FT	A	GG	Anchorage	200	21M	12.0		95,520	0	0	52,688	148,208	133,387
25-0036	Internal Auditor IV	FT	A	SS	Anchorage	200	23O	12.0		118,248	0	0	60,065	178,313	164,048
25-0038	Statistical Technician I	FT	A	GG	Anchorage	200	12N / O	12.0		54,749	0	0	37,289	92,038	92,038
25-0039	Internal Auditor II	FT	A	GP	Anchorage	200	19A / B	12.0		60,661	0	0	39,522	100,183	85,156
25-0040	Internal Auditor III	FT	A	GP	Anchorage	200	21O	12.0		102,828	0	0	55,448	158,276	134,535
25-0041	Internal Auditor III	FT	A	GP	Anchorage	200	21M / N	12.0		96,268	0	0	52,971	149,239	149,239

	Total Positions	New	Deleted	Total Salary Costs:
Full Time Positions:	7	0	0	Total COLA:
Part Time Positions:	0	0	0	Total Premium Pay:
Non Permanent Positions:	0	0	0	Total Benefits:
Positions in Component:	7	0	0	
				Total Pre-Vacancy:
				Minus Vacancy Adjustment of 1.66%:
				Total Post-Vacancy:
				Plus Lump Sum Premium Pay:
				Personal Services Line 100:

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	207,891	204,437	20.19%
1027 International Airport Revenue Fund	101,645	99,956	9.87%
1039 U/A Indirect Cost Recovery	720,277	708,308	69.94%
Total PCN Funding:	1,029,813	1,012,700	100.00%

Line Item Detail
Department of Transportation/Public Facilities
Travel

Component: Internal Review (2356)
RDU: Administration and Support (333)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		43.1	36.3	36.3
Expenditure Account			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
	Servicing Agency	Explanation			
72000 Travel Detail Totals			43.1	36.3	36.3
72100	Instate Travel	In state travel for auditors.	23.7	23.0	23.0
72400	Out Of State Travel	Out of state travel for auditors.	19.4	13.3	13.3

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Internal Review (2356)
RDU: Administration and Support (333)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services		70.6	68.3	68.3
Expenditure Account			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals			70.6	68.3	68.3
73026	Training/Conferences	Conference registration fees for staff.	4.9	3.9	0.0
73029	Memberships	Departmental membership fees.	0.8	0.0	0.0
73150	Information Technlgy	All information technology (IT) contractual costs such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes Microsoft Enterprise Agreement.	1.4	1.4	1.4
73156	Telecommunication	Long distance telephone charges, cell phones.	0.1	0.1	0.1
73227	Courier	Courier Charges.	0.2	0.2	0.2
73228	Postage	Postage.	1.6	0.4	0.4
73525	Utilities	Water & Sewer, Disposal charges.	0.2	0.2	0.2
73650	Struc/Infstruct/Land	Structure/land repairs and Maintenance.	0.0	0.1	0.1
73677	Office Furn & Equip(Non IA Repair/Maint)	Repairs/Maintenance of Office Furniture & Equipment.	0.6	0.5	0.5
73681	Other Equip/Mach(Non IA Repair/Maint)	Repair/Maintenance of other equipment.	0.0	0.5	0.5
73805	IT-Non-Telecommunication	Enterprise Technology Services	2.6	2.5	3.1
		Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.			
73806	IT-Telecommunication	Enterprise Technology Services	7.3	7.2	8.3
		Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.			
73809	Mail	Central Mail	0.1	0.1	0.4
		Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants			

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Internal Review (2356)

RDU: Administration and Support (333)

Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals			70.6	68.3	68.3
		(AKPAY).			
73810	Human Resources	Personnel			
		Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	0.2	0.2	0.4
73813	Auditing	Legis - Legislative Audit			
		Federal Compliance Audit RSA.	46.8	47.2	47.2
73815	Financial	Finance			
		Chargeback fees for AKSAS and AKPAY.	0.3	0.3	0.7
73816	ADA Compliance	Americans With Disabilities			
		Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	0.1	0.1	0.3
73819	Commission Sales (IA Svcs)	State Travel Office			
		Processing fees charged by the State Travel Office.	0.3	0.3	0.5
73848	State Equip Fleet	State Equipment Fleet Admin			
		Transportation -Fleet vehicle for Anchorage Office.	3.1	3.1	4.0

Line Item Detail
Department of Transportation/Public Facilities
Commodities

Component: Internal Review (2356)
RDU: Administration and Support (333)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		8.8	12.8	12.8
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			8.8	12.8	12.8
74222	Books And Educational	Materials for auditors in Anchorage, Fairbanks and Juneau.	0.2	0.8	0.8
74226	Equipment & Furniture	Office equipment and furnishings.	1.0	1.0	0.0
74229	Business Supplies	Office supplies for offices in Anchorage, Fairbanks, and Juneau.	2.0	5.2	7.0
74233	Info Technology Equip	Data Processing Supplies - Data processing supplies for three offices in Anchorage, Fairbanks, and Juneau.	5.3	5.3	4.8
74236	Subscriptions	Subscriptions for offices in Anchorage, Fairbanks and Juneau.	0.0	0.2	0.2
74480	Household & Instit.	Shared water service.	0.3	0.3	0.0

Restricted Revenue Detail
Department of Transportation/Public Facilities

Component: Internal Review (2356)
RDU: Administration and Support (333)

Master Account	Revenue Description				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51200	Capital Improvement Project Receipts				752.0	779.2	798.8
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
59465	Indirect CIP Receipts		25060102		752.0	779.2	798.8
	Recovery of indirect costs from the capital budget via the department's Indirect Cost Allocation Plan (ICAP).						

Inter-Agency Services
Department of Transportation/Public Facilities

Component: Internal Review (2356)
RDU: Administration and Support (333)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012		
					Management Plan	FY2013 Governor	
73805	IT-Non-Telecommunication	Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	Inter-dept	Enterprise Technology Services	2.6	2.5	3.1
				73805 IT-Non-Telecommunication subtotal:	2.6	2.5	3.1
73806	IT-Telecommunication	Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	Inter-dept	Enterprise Technology Services	7.3	7.2	8.3
				73806 IT-Telecommunication subtotal:	7.3	7.2	8.3
73809	Mail	Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	Inter-dept	Central Mail	0.1	0.1	0.4
				73809 Mail subtotal:	0.1	0.1	0.4
73810	Human Resources	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	Inter-dept	Personnel	0.2	0.2	0.4
				73810 Human Resources subtotal:	0.2	0.2	0.4
73813	Auditing	Federal Compliance Audit RSA.	Inter-dept	Legis - Legislative Audit	46.8	47.2	47.2
				73813 Auditing subtotal:	46.8	47.2	47.2
73815	Financial	Chargeback fees for AKSAS and AKPAY.	Inter-dept	Finance	0.3	0.3	0.7
				73815 Financial subtotal:	0.3	0.3	0.7
73816	ADA Compliance	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	Inter-dept	Americans With Disabilities	0.1	0.1	0.3
				73816 ADA Compliance subtotal:	0.1	0.1	0.3
73819	Commission Sales (IA Svcs)	Processing fees charged by the State Travel Office.	Inter-dept	State Travel Office	0.3	0.3	0.5
				73819 Commission Sales (IA Svcs) subtotal:	0.3	0.3	0.5
73848	State Equip Fleet	Transportation -Fleet vehicle for Anchorage Office.	Intra-dept	State Equipment Fleet Admin	3.1	3.1	4.0
				73848 State Equip Fleet subtotal:	3.1	3.1	4.0
				Internal Review total:	60.8	61.0	64.9
				Grand Total:	60.8	61.0	64.9