

State of Alaska FY2017 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

- 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 applied.
- 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 FHWA and the FAA.
- 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.

Major Component Accomplishments in 2015

Completed 73 consultant engineering overhead rate audits, 21 utility company rate audits, 14 cost allocation plan reviews, three special reviews, one internal review, and six final audits to assure rates and other charges under contracts with the department are supportable and meet federal requirements and one internal audit.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2017

- Results Based Budgeting will be used to develop performance measures that quantify outcomes (not activities) as well as determine priorities.
- Increased scheduled audits of departmental functions using a risk based approach with management team input.

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 Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2016</u> <u>Management</u> <u>Plan</u>	<u>FY2017</u> <u>Governor</u>			
Full-time	6	6	Annual Salaries		565,731
Part-time	0	0	Premium Pay		0
Nonpermanent	0	0	Annual Benefits		306,052
			<i>Less 0.50% Vacancy Factor</i>		(4,383)
			Lump Sum Premium Pay		0
Totals	6	6	Total Personal Services		867,400

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant II	1	0	0	0	1
Audit & Review Analyst II	3	0	0	0	3
Audit & Review Analyst III	1	0	0	0	1
Audit & Review Analyst IV	0	0	1	0	1
Totals	5	0	1	0	6

Component Detail All Funds
Department of Transportation/Public Facilities

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

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	873.7	952.4	949.1	835.6	867.4	31.8	3.8%
72000 Travel	32.2	32.4	32.4	16.4	16.4	0.0	0.0%
73000 Services	114.6	75.5	75.5	75.5	75.5	0.0	0.0%
74000 Commodities	16.0	32.6	32.6	12.1	12.1	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	1,036.5	1,092.9	1,089.6	939.6	971.4	31.8	3.4%
Fund Sources:							
1004Gen Fund (UGF)	175.9	3.3	0.0	0.0	0.0	0.0	0.0%
1027Int Airprt (Other)	101.7	103.9	103.9	103.9	103.9	0.0	0.0%
1061CIP Rcpts (Other)	758.9	985.7	985.7	835.7	867.5	31.8	3.8%
Unrestricted General (UGF)	175.9	3.3	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	860.6	1,089.6	1,089.6	939.6	971.4	31.8	3.4%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	7	7	7	6	6	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 FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
ConfCom		1,092.9	952.4	32.4	75.5	32.6	0.0	0.0	0.0	7	0	0
1004 Gen Fund		3.3										
1027 Int Airprt		103.9										
1061 CIP Rcpts		985.7										
Reverse Over Appropriation of FY2016 Cost of Living Adjustment												
Unalloc		-3.3	-3.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-3.3										
Reverse Over Appropriation of FY2016 Cost of Living Adjustment												
Subtotal		1,089.6	949.1	32.4	75.5	32.6	0.0	0.0	0.0	7	0	0
***** Changes From FY2016 Authorized To FY2016 Management Plan *****												
Delete Audit & Review Analyst I (25-0040)												
PosAdj		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Deletion of the vacant Audit & Review Analyst I position will have minimal impact on the department. The duties and responsibilities of this position will be transferred to remaining staff.												
Position being deleted:												
25-0040, full-time, Audit & Review Analyst I, range 19, Juneau												
Transfer to Information Systems & Services to Mitigate General Fund Reduction												
Trout		-150.0	-113.5	-16.0	0.0	-20.5	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		-150.0										
Transfer capital improvement project receipts/in-direct to mitigate the reduction in general funds.												
Personal Services authorization is available to transfer due to the deletion of vacant Audit & Review Analyst I (25-0040). The duties and responsibilities of this position will be transferred to remaining staff. Support line authorization is available due to travel and supply purchase reductions. Alignment of resources will further mitigate the reduction in funding as the department continues to work within available resources.												
Subtotal		939.6	835.6	16.4	75.5	12.1	0.0	0.0	0.0	6	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Reverse to Correct for Negative Fund Source												
SalAdj		3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		3.3										

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	
Restore UGF FY2016 Salary Increases because cuts taken in other expenditure lines.												
Reverse FY2016 One-Time Unrestricted General Fund Salary Adjustments in FY2017 Budget Request												
1004 Gen Fund	SalAdj	-3.3	-3.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Cost of living adjustment for certain bargaining units: \$20.6												
Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$12.2												
Year three cost of living adjustment for Alaska Public Employees Association/Supervisory Unit - 2.5%: \$8.4												
Transfer from Commissioner's Office to Comply with Vacancy Factor Guidelines												
1061 CIP Rcpts	Trin	31.8	31.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Additional authority is needed in the Internal Review component due to low attrition rates in the component. This transfer brings the component vacancy factor down to a more realizable percentage. Authority is available to transfer from the Commissioner's Office due to the deletion of the Administrative Officer (25-2467) position.												
Totals		971.4	867.4	16.4	75.5	12.1	0.0	0.0	0.0	6	0	0

Personal Services Expenditure Detail
Department of Transportation/Public Facilities

Scenario: FY2017 Governor (12995)
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	UGF Amount
25-0025	Audit & Review Analyst IV	FT	A	SS	Juneau	205	25O / P	12.0		149,706	0	0	69,487	219,193	0
25-0035	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21D / E	12.0		77,838	0	0	45,443	123,281	0
25-0036	Audit & Review Analyst III	FT	A	SS	Anchorage	200	23N	12.0		119,196	0	0	60,135	179,331	0
25-0038	Administrative Assistant II	FT	A	GP	Anchorage	200	14D / E	12.0		49,416	0	0	34,989	84,405	0
25-0039	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21D / E	12.0		77,838	0	0	45,443	123,281	0
25-0041	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21J / K	12.0		91,737	0	0	50,555	142,292	0
Total													Total Salary Costs:	565,731	
Positions													Total COLA:	0	
Full Time Positions:													Total Premium Pay:	0	
Part Time Positions:													Total Benefits:	306,052	
Non Permanent Positions:													Total Pre-Vacancy:	871,783	
Positions in Component:													Minus Vacancy Adjustment of 0.50%:	(4,383)	
Total Component Months: 72.0													Total Post-Vacancy:	867,400	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	867,400	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1027 International Airport Revenue Fund	104,404	103,879	11.98%
1039 U/A Indirect Cost Recovery	767,379	763,521	88.02%
Total PCN Funding:	871,783	867,400	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Transportation/Public Facilities
Travel

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		32.2	16.4	16.4
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			32.2	16.4	16.4
72100	Instate Travel	In state travel for auditors.	24.5	8.4	8.4
72400	Out Of State Travel	Out of state travel for auditors.	7.7	8.0	8.0

Line Item Detail
Department of Transportation/Public Facilities
Services

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services		114.6	75.5	75.5
Expenditure Account			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			114.6	75.5	75.5
73026	Training/Conferences		9.1	10.9	10.9
73029	Memberships		0.1	1.5	1.5
73052	Mgmt/Consulting (Non IA Svcs Financial)		5.8	0.0	0.0
73150	Information Technlgy		1.6	1.4	1.4
		All information technology (IT) contractual costs such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes Microsoft Enterprise Agreement.			
73156	Telecommunication		1.2	0.1	0.1
73227	Courier		0.1	1.2	1.2
73228	Postage		0.1	1.0	1.0
73525	Utilities		0.1	1.2	1.2
73650	Struc/Infstruct/Land		0.0	0.1	0.1
73677	Office Furn & Equip(Non IA Repair/Maint)		0.3	2.5	2.5
73681	Other Equip/Mach(Non IA Repair/Maint)		0.0	1.2	1.2
73755	Safety Services		0.1	0.0	0.0
73805	IT-Non-Telecommunication	Enterprise Technology Services	2.8	3.1	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	6.5	8.3	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			

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Internal Review (2356)

RDU: Administration and Support (333)

Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			114.6	75.5	75.5
		conferencing.			
73809	Mail	Central Mail			
		Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	0.1	0.4	0.4
73810	Human Resources	Personnel			
		Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	0.0	0.4	0.4
73813	Auditing	Legis - Legislative Audit			
		Federal Compliance Audit reimbursable services agreement.	83.4	40.7	40.7
73815	Financial	Finance			
		Chargeback fees for AKSAS and AKPAY.	0.3	0.7	0.7
73816	ADA Compliance	Americans With Disabilities			
		Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	0.1	0.3	0.3
73819	Commission Sales (IA Svcs)	State Travel Office			
		Processing fees charged by the State Travel office.	0.3	0.5	0.5
73848	State Equip Fleet	State Equipment Fleet Admin			
		Transportation -fleet vehicle for Anchorage office.	2.6	0.0	0.0

Line Item Detail
Department of Transportation/Public Facilities
Commodities

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		16.0	12.1	12.1
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000 Commodities Detail Totals			16.0	12.1	12.1
74222	Books And Educational	Materials for auditors in Anchorage, Fairbanks and Juneau.	0.2	0.5	0.5
74226	Equipment & Furniture	Office equipment and furnishings.	0.2	1.0	1.0
74229	Business Supplies	Office supplies for offices in Anchorage, Fairbanks, and Juneau.	7.7	5.4	5.4
74233	Info Technology Equip	Data processing supplies for three offices in Anchorage, Fairbanks, and Juneau.	7.7	5.2	5.0
74236	Subscriptions	Subscriptions for offices in Anchorage, Fairbanks and Juneau.	0.0	0.0	0.2
74480	Household & Instit.	Shared water service.	0.2	0.0	0.0

Unrestricted Revenue Detail
Department of Transportation/Public Facilities

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

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
68515	Unrestricted Fund				0.2	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
66190	Py Reimburse Recvry Prior year recovery.				0.2	0.0	0.0

Restricted Revenue Detail
Department of Transportation/Public Facilities

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

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51200	Capital Improvement Project Receipts				758.9	835.7	867.5
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
59465	Indirect CIP Receipts				758.9	835.7	867.5
	Recovery of indirect costs from the capital budget via the department's Indirect Cost Allocation Plan (ICAP).						

Interagency Services
Department of Transportation/Public Facilities

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 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	2.8	3.1	3.1
73805 IT-Non-Telecommunication subtotal:				2.8	3.1	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	6.5	8.3	8.3
73806 IT-Telecommunication subtotal:				6.5	8.3	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	0.4	0.4
73809 Mail subtotal:				0.1	0.4	0.4	
73810	Human Resources	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	Inter-dept	Personnel	0.0	0.4	0.4
73810 Human Resources subtotal:				0.0	0.4	0.4	
73813	Auditing	Federal Compliance Audit reimbursable services agreement.	Inter-dept	Legis - Legislative Audit	83.4	40.7	40.7
73813 Auditing subtotal:				83.4	40.7	40.7	
73815	Financial	Chargeback fees for AKSAS and AKPAY.	Inter-dept	Finance	0.3	0.7	0.7
73815 Financial subtotal:				0.3	0.7	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	0.3	0.3
73816 ADA Compliance subtotal:				0.1	0.3	0.3	
73819	Commission Sales (IA Svcs)	Processing fees charged by the State Travel office.	Inter-dept	State Travel Office	0.3	0.5	0.5
73819 Commission Sales (IA Svcs) subtotal:				0.3	0.5	0.5	
73848	State Equip Fleet	Transportation -fleet vehicle for Anchorage office.	Intra-dept	State Equipment Fleet Admin	2.6	0.0	0.0
73848 State Equip Fleet subtotal:				2.6	0.0	0.0	
Internal Review total:				96.1	54.4	54.4	
Grand Total:				96.1	54.4	54.4	