

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**LEGISLATIVE AUDITOR GENERAL
PART 1: LINE ITEM DETAIL**

**2016 PA 268
Article VIII
FY 2016-17
Initial**

Sec. 105 (7) APPROPRIATION SUMMARY

1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	N/A
2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	N/A
3. <u>GROSS APPROPRIATION</u> - Total appropriations	\$23,651,900
4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	5,558,600
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	18,093,300
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	0
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	0
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	0
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	1,969,400
10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.	16,123,900
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	0

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Sec. 106 (2) OFFICE OF THE AUDITOR GENERAL

1. Unclassified positions \$329,400

Article IV, Section 53 of the Michigan Constitution provides that the Legislature, by a majority vote in each house, appoints the Auditor General for a term of eight years. The Auditor General conducts post financial and performance audits of State government operations.

This line item funds the positions of the Auditor General and the Deputy Auditor General. The State Constitution allows for up to three positions to be funded, but currently and for the last several years, only these two positions have been filled.

2. Field operations \$23,322,500

This line item funds the remainder of the functions of the Office of the Auditor General. The majority of the staff is comprised of auditors housed in the Bureau of Audit Operations. Other personnel in this office support the audit work performed by the office including the offices of information technology, administration, and professional practice.

The role and constitutional responsibility of the Auditor General is to perform financial post audits and performance post audits of State programs. These audits provide a mechanism for the Legislature to obtain objective feedback on the operation of programs and the use of funds that are delegated to the executive branch of government.

Unit Gross Appropriation	\$23,651,900
Interdepartmental grants	5,558,600
State restricted revenue	1,969,400
State general fund/general purpose	16,123,900

**LEGISLATIVE AUDITOR GENERAL
PART 2: BOILERPLATE DETAIL
2016 PA 268, Article VIII**

Section Number	Description and History
620	<p><u>Judicial Branch Audits.</u> Provides that the Auditor General shall audit the judicial branch.</p> <p>Background: This section was first included in FY 1993-94. A corresponding section was included in boilerplate for the Judiciary, requiring cooperation with the Auditor General regarding audits required by the Michigan Constitution.</p>
621	<p><u>Contract Audits.</u> Requires the Auditor General to take reasonable steps to insure that certified minority, women, and firms owned and operated by persons with disabilities, participate in contract audits. Includes annual reporting requirement to the State Budget Director, and the House and Senate General Government Subcommittees.</p> <p>Background: This section was first included in FY 1991-92. It previously required Legislative oversight prior to finalizing contracts.</p>
622	<p><u>Auditor General-Unclassified Salaries.</u> Provides that the salary of Auditor General and the 2.0 FTE other unclassified positions in the Legislative Auditor General's office shall be set by the Speaker of the House, the Senate Majority Leader, the House Minority Leader, and the Senate Minority Leader.</p> <p>Background: This section was first included for FY 2001-02 due to roll-up of the appropriation for the Legislative Auditor General's office within the Legislative budget. It previously specified the salary amounts for the unclassified positions in the Office of the Auditor General. Language was amended in FY 2003-04 to the current version of the language.</p>
623	<p><u>Legislative Audit Requests.</u> Provides that any audits, reviews, or investigations requested of the Auditor General by the Legislature or by legislative leadership, legislative committees, or individual legislators should include an estimate of the additional costs involved and, when such costs exceed \$50,000, should provide supplemental funding. The Auditor General will determine whether to perform such activities in keeping with Audit Directive No. 29, which describes the Legislative Auditor General's office policy on responding to legislative requests.</p> <p>Background: This section was first included in FY 2002-03 due to concerns regarding increasing audit requests from legislators and limited funding resources for the Auditor General.</p>