



# 2023 Budget Items Responding to Demand



## Focus: Responding to Public Demand

We created our budget proposal to respond to three key demands we are hearing from Minnesotans. We identified the most pressing challenges for local government fiscal accountability and then compared those to our capacity to support local government in meeting those challenges.

The three most significant demands we hear from local government entities are:

- Respond to Increased Public Scrutiny:** Minnesotans are increasingly engaged in monitoring the integrity of their tax dollars and expect specific, detailed information about local finances. As a result, our investigative and auditing services are increasingly in demand by law enforcement, government officials, and the public.
- Provide Support for Staffing Shortages:** Current challenges in hiring accounting and oversight professionals have led to reductions in the staff that manage funds and provide key double checks on financial processes. Fewer eyes on finance increases the risk of waste and errors. In addition, those shortages have increased the demand for our auditing services at a time when hiring auditors is a challenge.
- Support Small Entities:** We consistently see evidence that small units of government face increased risk due to their size. Small staffing sizes force small governments to struggle with adequately segregating financial duties. This can lead to missing signs of fraud, waste, and abuse. Smaller entities have asked for more direct support in their work over the past few years.

The six components of our budget proposal shore up where we see gaps in our staffing needed to respond to these demands.



## Operating Adjustment

To ensure we maintain our current level of oversight, we need to keep up with inflation and fill audit positions as we garner fee generating work. This item responds to each of the demand areas.

### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	572	937	951	961
Revenues	290	576	584	589
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	282	361	367	372
<b>FTEs</b>	<b>6.95</b>	<b>9.70</b>	<b>9.70</b>	<b>9.70</b>



## Auditing Tools

To increase our ability to identify risks and increase our efficiency in our examinations, implementing cutting edge auditing tools will both increase the quality of our audits as well as stretch limited audit resources.

### Change Item Title: Electronic Auditing Tools

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	80	60	60	60
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	80	60	60	60
FTEs	0	0	0	0



## Administrative Support

Currently, our office only employs five administrative professionals to support 67 staff members. As a result, our professional staff spends an inordinate amount of time on tasks not directly related to their work. Increasing administrative support will both increase the quality of our work as well as stretch limited resources.

### Change Item Title: Administrative Support

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	395	409	409	409
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	395	409	409	409
FTEs	5	5	5	5



## Technology Staffing

Our data and financial tools are increasingly in demand at a time when cyber security risks are also on the rise. By adding a Chief Information Officer and an additional technology specialist to our team, we will be able to increase our effective use of technology, increase data access for the public, and respond to challenges to cybersecurity.

### Change Item Title: Technology Staffing

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	251	260	260	260
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	251	260	260	260
FTEs	2	2	2	2



## Special Investigators

The addition of two investigator position and a paralegal would further the OSA's capacity to respond to reports of local government fiscal impropriety. We also anticipate an increase in the need for the OSA to monitor and respond to concerns about how public dollars are being handled.

### Change Item Title: Legal/Special Investigations Staffing

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
ExpendituresTech	361	373	373	373
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	361	373	373	373
<b>FTEs</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>



## Township Specialist

Minnesota's 1781 townships represent over 900,000 people and deserve the same level of continuity and focus from our office that cities and counties enjoy. Their inherently small staff sizes increase their risk and their need for support.

### Change Item Title: Township Specialist

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	113	116	116	116
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	113	116	116	116
<b>FTEs</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>