

State of Alaska FY2011 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 FY2011

No significant change anticipated.

Major Component Accomplishments in 2009

- Completed 97 consultant engineering overhead rate audits, 18 utility company rate audits, 12 cost allocation plan reviews, 5 special reviews and 11 final audits to assure rates and other charges under contracts with the department are supportable and meet federal requirements.
- 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
<p>Contact: Robert W. Janes, Chief of Internal Review Phone: (907) 465-2080 Fax: (907) 586-8365 E-mail: bob.janes@alaska.gov</p>

**Internal Review
Component Financial Summary**

All dollars shown in thousands

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	865.7	993.8	949.0
72000 Travel	39.2	37.0	37.0
73000 Services	45.3	42.1	42.1
74000 Commodities	3.2	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	953.4	1,085.7	1,040.9
Funding Sources:			
1004 General Fund Receipts	101.8	211.5	211.5
1027 International Airport Revenue Fund	88.8	91.2	91.2
1061 Capital Improvement Project Receipts	762.8	783.0	738.2
Funding Totals	953.4	1,085.7	1,040.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Capital Improvement Project Receipts	51200	762.8	0.0	0.0	783.0	738.2
Restricted Total		762.8	0.0	0.0	783.0	738.2
Total Estimated Revenues		762.8	0.0	0.0	783.0	738.2

**Summary of Component Budget Changes
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	211.5	0.0	874.2	1,085.7
Proposed budget decreases:				
-Delete Vacant PCN 25-0037 Internal Auditor I/II/III, and Funding	0.0	0.0	-44.8	-44.8
FY2011 Governor	211.5	0.0	829.4	1,040.9

**Internal Review
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2010 Management Plan	FY2011 Governor		
Full-time	8	7	Annual Salaries	639,579
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	309,473
			<i>Less 0.01% Vacancy Factor</i>	(52)
			Lump Sum Premium Pay	0
Totals	8	7	Total Personal Services	949,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Internal Auditor III	3	1	0	0	4
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	5	1	1	0	7

Component Detail All Funds
Department of Transportation/Public Facilities

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

	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
71000 Personal Services	865.7	993.8	993.8	993.8	949.0	-44.8	-4.5%
72000 Travel	39.2	37.0	37.0	37.0	37.0	0.0	0.0%
73000 Services	45.3	42.1	42.1	42.1	42.1	0.0	0.0%
74000 Commodities	3.2	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	953.4	1,085.7	1,085.7	1,085.7	1,040.9	-44.8	-4.1%
Fund Sources:							
1004 Gen Fund	101.8	211.5	211.5	211.5	211.5	0.0	0.0%
1027 Int Airprt	88.8	91.2	91.2	91.2	91.2	0.0	0.0%
1061 CIP Rcpts	762.8	783.0	783.0	783.0	738.2	-44.8	-5.7%
General Funds	101.8	211.5	211.5	211.5	211.5	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	851.6	874.2	874.2	874.2	829.4	-44.8	-5.1%
Positions:							
Permanent Full Time	8	8	8	8	7	-1	-12.5%
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 FY2010 Conference Committee To FY2010 Authorized *****												
FY2010 Conference Committee												
ConfCom		1,085.7	993.8	37.0	42.1	12.8	0.0	0.0	0.0	8	0	0
1004 Gen Fund		211.5										
1027 Int Airprt		91.2										
1061 CIP Rcpts		783.0										
Subtotal		1,085.7	993.8	37.0	42.1	12.8	0.0	0.0	0.0	8	0	0
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
Subtotal		1,085.7	993.8	37.0	42.1	12.8	0.0	0.0	0.0	8	0	0
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
Delete Vacant PCN 25-0037 Internal Auditor I/II/III, and Funding												
Dec		-44.8	-44.8	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1061 CIP Rcpts		-44.8										
Delete PCN 25-0037 Internal Auditor I/II/III, PFT, Anchorage, and funding.												
The Department of Transportation and Public Facilities is deleting certain positions that were vacant for extended periods of time including many for multiple fiscal years. This RDU/Component is deleting a position(s) to accurately reflect the number of full time positions required to implement the FY11 Governor's Budget. These PCNs are available at this time; however, depending on future project activity within the department, staffing level needs may need to be revisited.												
Totals		1,040.9	949.0	37.0	42.1	12.8	0.0	0.0	0.0	7	0	0

Personal Services Expenditure Detail

Department of Transportation/Public Facilities

Scenario: FY2011 Governor (7749)
 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 Month	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
25-0025	Internal Auditor V	FT	A	SS	Juneau	2A	25L / M	12.0		118,896	0	0	53,279	172,175	75,757
25-0035	Internal Auditor III	FT	A	GG	Anchorage	2A	21K / L	12.0		87,612	0	0	43,065	130,677	43,123
25-0036	Internal Auditor IV	FT	A	SS	Anchorage	2A	23N	12.0		107,424	0	0	49,836	157,260	0
25-0037	Internal Auditor I	FT	A	GP	Anchorage	2A	16A / A	12.0		0	0	0	0	0	0
25-0038	Statistical Technician I	FT	A	GG	Anchorage	2A	12M / N	12.0		50,216	0	0	29,546	79,762	65,006
25-0039	Internal Auditor III	FT	A	GP	Fairbanks	2B	21L / M	12.0		92,826	0	0	44,950	137,776	0
25-0040	Internal Auditor III	FT	A	GP	Anchorage	2A	21M / N	12.0		94,308	0	0	45,485	139,793	0
25-0041	Internal Auditor III	FT	A	GP	Anchorage	2A	21L / M	12.0		88,297	0	0	43,312	131,609	0

Total Positions				Total Salary Costs:	639,579
Full Time Positions:	7	New	0	Total COLA:	0
Part Time Positions:	0	Deleted	1	Total Premium Pay:	0
Non Permanent Positions:	0		0	Total Benefits:	309,473
Positions in Component:	7		1	Total Pre-Vacancy:	949,052
				Minus Vacancy Adjustment of 0.01%:	(52)
				Total Post-Vacancy:	949,000
Total Component Months:	84.0			Plus Lump Sum Premium Pay:	0
				Personal Services Line 100:	949,000

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	183,886	183,876	19.38%
1027 International Airport Revenue Fund	91,233	91,228	9.61%
1039 U/A Indirect Cost Recovery	673,933	673,896	71.01%
Total PCN Funding:	949,052	949,000	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		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000	Travel		39.2	37.0	37.0
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000 Travel Detail Totals			39.2	37.0	37.0
72100	Instate Travel	In state travel for auditors.	21.3	23.0	23.0
72400	Out Of State Travel	Out of state travel for auditors.	17.9	14.0	14.0

Line Item Detail
Department of Transportation/Public Facilities
Services

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

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services		45.3	42.1	42.1
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000 Services Detail Totals			45.3	42.1	42.1
73026	Training/Conferences	Conference registration fees for staff.	3.8	0.0	0.0
73029	Memberships	Departmental membership fees.	0.9	1.0	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.	0.9	1.4	0.0
73156	Telecommunication	Long distance telephone charges, cell phones.	0.0	0.1	0.0
73226	Freight	Freight charges.	0.2	0.2	0.0
73227	Courier	Courier Charges.	0.1	0.1	0.0
73228	Postage	Postage.	0.9	0.8	0.4
73525	Utilities	Water & Sewer, Disposal charges.	0.3	0.3	0.5
73650	Struc/Infstruct/Land	Structure/land repairs and Maintenance.	0.0	0.0	0.1
73677	Office Furn & Equip(Non IA Repair/Maint)	Repairs/Maintenance of Office Furniture & Equipment.	1.0	0.5	0.5
73681	Other Equip/Mach(Non IA Repair/Maint)	Repair/Maintenance of other equipment.	0.5	0.0	0.5
73805	IT-Non-Telecommnctns	Enterprise Technology Services 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.	7.3	2.0	4.5
73806	IT-Telecommunication	Enterprise Technology Services 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.	2.0	8.0	8.3
73809	Mail	Central Mail Chargeback fees for central mail services such as	0.2	0.3	0.4

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Internal Review (2356)

RDU: Administration and Support (333)

Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor	
73000 Services Detail Totals			45.3	42.1	42.1	
		mailing vendor payments (AKSAS) and payroll warrants (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.	21.7	22.0	21.0
73815	Financial	Finance	Chargeback fees for AKSAS and AKPAY.	0.4	0.5	0.7
73816	ADA Compliance	Americans With Disabilities	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	0.1	0.2	0.3
73819	Commission Sales (IA Svcs)	State Travel Office	Processing fees charged by the State Travel Office.	0.5	0.5	0.5
73848	State Equip Fleet	State Equipment Fleet Admin	Transportation -Fleet vehicle for Anchorage Office.	4.3	4.0	4.0

Line Item Detail
Department of Transportation/Public Facilities
Commodities

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

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
74000	Commodities		3.2	12.8	12.8
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
74000 Commodities Detail Totals			3.2	12.8	12.8
74222	Books And Educational	Materials for auditors in Anchorage, Fairbanks and Juneau.	0.0	0.5	0.8
74229	Business Supplies	Office supplies for offices in Anchorage, Fairbanks, and Juneau.	2.2	4.0	7.0
74233	Info Technology Equip	Data Processing Supplies - Data processing supplies, such as diskettes, manuals, and other routine data processing supplies for three offices in Anchorage, Fairbanks, and Juneau.	0.0	6.8	3.0
74236	Subscriptions	Subscriptions for offices in Anchorage, Fairbanks and Juneau.	1.0	1.5	2.0

Restricted Revenue Detail
Department of Transportation/Public Facilities

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

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51200	Capital Improvement Project Receipts	762.8	783.0	738.2

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
59465	Indirect CIP Receipts		25060102		762.8	783.0	738.2
	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	FY2010		
				FY2009 Actuals	Management Plan	FY2011 Governor
73805	IT-Non-Telecommnctns 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	7.3	2.0	4.5
73805 IT-Non-Telecommnctns subtotal:				7.3	2.0	4.5
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	2.0	8.0	8.3
73806 IT-Telecommunication subtotal:				2.0	8.0	8.3
73809	Mail Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	Inter-dept	Central Mail	0.2	0.3	0.4
73809 Mail subtotal:				0.2	0.3	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	21.7	22.0	21.0
73813 Auditing subtotal:				21.7	22.0	21.0
73815	Financial Chargeback fees for AKSAS and AKPAY.	Inter-dept	Finance	0.4	0.5	0.7
73815 Financial subtotal:				0.4	0.5	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	0.2	0.3
73816 ADA Compliance subtotal:				0.1	0.2	0.3
73819	Commission Sales (IA Svcs) Processing fees charged by the State Travel Office.	Inter-dept	State Travel Office	0.5	0.5	0.5
73819 Commission Sales (IA Svcs) subtotal:				0.5	0.5	0.5
73848	State Equip Fleet Transportation -Fleet vehicle for Anchorage Office.	Intra-dept	State Equipment Fleet Admin	4.3	4.0	4.0
73848 State Equip Fleet subtotal:				4.3	4.0	4.0
Internal Review total:				36.7	37.7	40.1
Grand Total:				36.7	37.7	40.1