

State of Alaska FY2023 Governor's Operating Budget

Department of Transportation/Public Facilities Internal Review Component Budget Summary

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

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, system 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 (DOT&PF) operations.

Major Component Accomplishments in 2021

- Completed 67 consultant engineering overhead rate audits, 12 utility company rate audits, 12 cost allocation plan reviews, and six special reviews to ensure rates and other charges under contracts with the department are supportable and meet federal requirements.

Key Component Challenges

- Increasing employee proficiency in the statewide accounting and procurement system (IRIS).

COVID-19 Response and Telework Challenges

- No COVID-19 Response or telework challenges.

Significant Changes in Results to be Delivered in FY2023

- Increased scheduled audits of departmental functions using a risk-based approach with management team input.

Statutory and Regulatory Authority

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) 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards)

Contact Information

Contact Information

Contact: Dom Pannone, Administrative Services Director
Phone: (907) 465-2956
E-mail: dom.pannone@alaska.gov

Internal Review Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2022</u> <u>Management</u> <u>Plan</u>	<u>FY2023</u> <u>Governor</u>			
Full-time	4	4	Annual Salaries		447,107
Part-time	0	0	COLA		2,020
Nonpermanent	0	0	Premium Pay		0
			Annual Benefits		259,144
			<i>Less 2.97% Vacancy Factor</i>		(21,071)
			Lump Sum Premium Pay		0
Totals	4	4	Total Personal Services		687,200

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Audit & Review Analyst 2	3	0	0	0	3
Audit & Review Analyst 3	1	0	0	0	1
Totals	4	0	0	0	4

Component Detail All Funds
Department of Transportation/Public Facilities

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

Non-Formula Component

	FY2021 Actuals	FY2022 Conference Committee	FY2022 Authorized	FY2022 Management Plan	FY2023 Governor	FY2022 Management Plan vs FY2023 Governor	
71000 Personal Services	666.4	689.9	689.9	689.9	687.2	-2.7	-0.4%
72000 Travel	0.0	3.3	3.3	3.3	3.3	0.0	0.0%
73000 Services	46.2	75.4	75.4	75.4	60.1	-15.3	-20.3%
74000 Commodities	2.2	12.1	12.1	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	714.8	780.7	780.7	780.7	762.7	-18.0	-2.3%
Fund Sources:							
1004 Gen Fund (UGF)	0.0	38.0	38.0	38.0	12.6	-25.4	-66.8%
1027 Int Airprt (Other)	104.5	114.3	114.3	114.3	115.4	1.1	1.0%
1061 CIP Rcpts (Other)	610.3	628.4	628.4	628.4	634.7	6.3	1.0%
Unrestricted General (UGF)	0.0	38.0	38.0	38.0	12.6	-25.4	-66.8%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	714.8	742.7	742.7	742.7	750.1	7.4	1.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	4	4	4	4	4	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 FY2022 Conference Committee To FY2022 Authorized *****												
FY2022 Conference Committee												
	ConfCom	780.7	689.9	3.3	75.4	12.1	0.0	0.0	0.0	4	0	0
1004 Gen Fund		38.0										
1027 Int Airprt		114.3										
1061 CIP Rcpts		628.4										
Subtotal		780.7	689.9	3.3	75.4	12.1	0.0	0.0	0.0	4	0	0
***** Changes From FY2022 Management Plan To FY2023 Governor *****												
FY2023 PERS Actuarial Rate Adjustment to 24.79% Ch9 SLA2021 (SB55)												
	SalAdj	-23.0	-23.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.0										
1027 Int Airprt		-2.9										
1061 CIP Rcpts		-19.1										
Includes: FY2023 Adjustment for PERS ARM Board Approved Rate of 24.79% (from 30.11%): \$-23.0												
FY2023 Salary and Benefit Adjustments												
	SalAdj	7.7	7.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.3										
1027 Int Airprt		1.1										
1061 CIP Rcpts		6.3										
FY2023 Change General Government Unit (GG, GP, GY, GZ) - SBS, and Risk Management Rates: \$2.8												
FY2023 Change Supervisory Employees (SS) - Health Insurance from \$1,555 to \$1,685; SBS and Risk Management Rates: \$2.9												
Includes: FY2023 Supervisory Unit 1% COLA: \$2.0												
Cost Savings Realized through OIT Core Rate Decrease												
	Dec	-1.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.0										
The DOT&PF has realized a cost savings through the OIT rate decrease on their core rate.												
Align Budget Authority to Actual Expenses												
	Dec	-1.7	0.0	0.0	-1.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.7										
The Office of Internal Review budget can be reduced to bring the budget into alignment with actual expenses.												

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	
Realign PERS Rate Adjustment by Fund Source Ch9 SLA2021 (SB55)												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-22.0										
1027 Int Airprt		2.9										
1061 CIP Rcpts		19.1										
Fund source adjustments were made to this component in the SB55 fiscal note (Ch 9 SLA 2021) to accommodate the application of the actuarial PERS rate in FY2022. This transaction realigns fund sources to reduce the UGF subsidy assigned in the fiscal note.												
Align Authority with Anticipated Expenditures												
	LIT	0.0	12.6	0.0	-12.6	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from services to personal services to align authority with anticipated expenditures.												
Totals		762.7	687.2	3.3	60.1	12.1	0.0	0.0	0.0	4	0	0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Travel

Component: Internal Review (2356)

Line Number	Line Name		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
2000	Travel		0.0	3.3	3.3
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
2000 Travel Detail Totals			0.0	3.3	3.3
2000	In-State Employee Travel	(Dept) In-state employee travel.	0.0	2.3	2.3
2002	Out of State Employee Travel	Out of state employee travel.	0.0	1.0	1.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Internal Review (2356)

Line Number	Line Name		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000	Services		46.2	75.4	60.1
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000 Services Detail Totals			46.2	75.4	60.1
3000	Education Services	Training, conferences, memberships and employee tuition.	0.0	3.0	3.0
3001	Financial Services	Print, copy, and graphics services.	0.0	0.1	0.1
3003	Information Technology	All information technology (IT) contractual costs such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes Microsoft Enterprise Agreement.	0.0	1.6	1.6
3004	Telecommunications	Long distance, internet, data, network usage and cellular phone charges.	0.3	0.5	0.5
3006	Delivery Services	Delivery services.	0.2	0.2	0.2
3008	Utilities	Water, sewer and disposal charges.	0.0	0.1	0.1
3010	Equipment/Machinery	Repairs/Maintenance of office furniture & equipment.	2.6	2.2	2.2
3011	Other Services	Security system monitoring.	0.0	0.1	0.1
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Computer services provided by the Department of Administration such as central server, data storage, printing, network services, open connect, and task order system.	7.2	11.6	9.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide Telecommunications services provided by the Department of Administration such as basic telephone services, equipment and features, dedicated voice/data line	2.2	5.9	3.2

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Internal Review (2356)

Object Class		Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000 Services Detail Totals				46.2	75.4	60.1
3021	Inter-Agency Mail	Admin - Department-wide	service, statewide paging, two-way radio, and video conferencing. Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.0	1.0	1.0
3022	Inter-Agency Human Resources	Admin - Department-wide	Interagency Human Resource chargeback fees.	0.0	2.6	2.6
3022	Inter-Agency Human Resources	Gov - Department-wide	Office of Management and Budget - Budget Analyst Support	0.1	0.0	0.0
3025	Inter-Agency Auditing	Admin - Department-wide	Federal Compliance Audit reimbursable services agreement.	32.2	45.0	35.0
3027	Inter-Agency Financial	Admin - Department-wide	Chargeback fees for AKPAY/IRIS/ALDER.	1.4	1.5	1.5
3038	Inter-Agency Management/Consulting	Gov - Department-wide	Office of Management and Budget - Budget Analyst support.	0.0	0.0	0.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Commodities

Component: Internal Review (2356)

Line Number	Line Name		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
4000	Commodities		2.2	12.1	12.1
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
4000 Commodities Detail Totals			2.2	12.1	12.1
4000	Business	General office supplies and commodities.	2.2	5.0	5.0
4002	Household/Institutional	Materials, office equipment and furnishings.	0.0	7.1	7.1

Revenue Detail (1681)
Department of Transportation/Public Facilities

Component: Internal Review (2356)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
5061 CIP Rcpts (1061 CIP Rcpts)			634.7	634.7	634.7
5351 Capital Improvement Project Inter-Agency		Recovery of indirect costs from the capital budget via the department's Indirect Cost Allocation Plan (ICAP).	634.7	634.7	634.7

Inter-Agency Services (1682)
Department of Transportation/Public Facilities

Component: Internal Review (2356)

				FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
Component Totals				43.1	67.6	52.3
With Department of Administration				43.0	67.6	52.3
With Office of the Governor				0.1	0.0	0.0
Object Class	Servicing Agency	Explanation		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer services provided by the Department of Administration such as central server, data storage, printing, network services, open connect, and task order system.	7.2	11.6	9.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Telecommunications services provided by the Department of Administration such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	2.2	5.9	3.2
3021	Inter-Agency Mail	Admin - Department-wide	Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.0	1.0	1.0
3022	Inter-Agency Human Resources	Admin - Department-wide	Interagency Human Resource chargeback fees.	0.0	2.6	2.6
3022	Inter-Agency Human Resources	Gov - Department-wide	Office of Management and Budget - Budget Analyst Support	0.1	0.0	0.0
3025	Inter-Agency Auditing	Admin - Department-wide	Federal Compliance Audit reimbursable services agreement.	32.2	45.0	35.0
3027	Inter-Agency Financial	Admin - Department-wide	Chargeback fees for AKPAY/IRIS/ALDER.	1.4	1.5	1.5

Personal Services Expenditure Detail
Department of Transportation/Public Facilities

Scenario: FY2023 Governor (18673)
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
25-0035	Audit & Review Analyst 2	FT	A	GP	Anchorage	200	21J / K	12.0		94,098	0	0	57,173	151,271	1,035
25-0036	Audit & Review Analyst 3	FT	A	SS	Anchorage	200	23P	12.0		143,458	2,020	0	78,912	224,390	3,394
25-0039	Audit & Review Analyst 2	FT	A	GP	Anchorage	200	21M	12.0		103,448	0	0	60,988	164,436	1,604
25-0041	Audit & Review Analyst 2	FT	A	GP	Anchorage	200	21M / N	12.0		106,103	0	0	62,071	168,174	1,265
													Total Salary Costs:	447,107	
													Total COLA:	2,020	
													Total Premium Pay:	0	
													Total Benefits:	259,144	
													Total Pre-Vacancy:	708,271	
													Minus Vacancy Adjustment of 2.97%:	(21,071)	
													Total Post-Vacancy:	687,200	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	687,200	
Total Component Months:		48.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	7,297	7,080	1.03%
1027 International Airport Revenue Fund	102,963	99,900	14.54%
1039 U/A Indirect Cost Recovery	598,011	580,220	84.43%
Total PCN Funding:	708,271	687,200	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.

Department of Transportation & Public Facilities (25)
RDU: Administration and Support (333)
COMPONENT: Internal Review (2356)
FY2023 Governor's Budget
Position Total –4 PFT

