
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

 Auditor General Tim DeFoor  PaAuditorGen  PaAuditorGen  www.paauditor.gov



News for Immediate Release

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Auditor General DeFoor: Budget Restoration Needed to Strengthen Oversight of State Spending, Improve Accountability to Taxpayers

HARRISBURG – Testifying before the state Senate Appropriations Committee, Auditor General Timothy DeFoor today urged the General Assembly to restore his department’s budget in order to continue its mission to provide accountability to Pennsylvania taxpayers and ensure strong oversight of how tax dollars are spent.

“As a direct result of sustained budget cuts over the last decade, today our department is staffed by 382 dedicated employees who don’t have all the resources or people they need to do their work,” DeFoor added. “It is abundantly clear that we cannot sustain any further reductions to our budget or staff.”

DeFoor said a 17 percent decrease in funding for the department over the last decade has left the department operating at roughly the same funding level it received nearly 30 years ago, but with many fewer employees.

In 2019 alone, 48 staff members accepted a separation incentive, which resulted in the loss of 94,000 employee work hours. To put that number into perspective, one school district audit requires about 800 work hours to complete.

“Our school audits bureau alone lost 35 percent of its employees due to the reduction in funding,” DeFoor said. “As a result, school district audits and performance audits have decreased by 19 percent and 20 percent, respectively, between fiscal years 2018-19 and 2019-20.”

In requesting that his department’s funding be restored to \$41 million, DeFoor noted that more than 70 percent of the audits the department conducts are required to be performed. These include audits of 26 state correctional facilities; 67 children and youth agencies; 500 public school districts; 1,868 volunteer firefighter’s relief associations; and 2,756 municipal pension plans.

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EDITOR’S NOTE: The text of Auditor General Timothy DeFoor’s budget testimony as submitted to the Senate Appropriations Committee follows:

Good afternoon Chairman Browne, Chairman Hughes, and members of the Senate Appropriations Committee. I appreciate the opportunity to join you today to discuss the Department of the Auditor General’s budget request for the 2021-22 fiscal year.

It has been a busy few months since my historic swearing in as Pennsylvania's Auditor General. As the state's fiscal watchdog, it is my personal mission, as well as my entire department's, to ensure we are improving government accountability, transparency, and the effective use of taxpayer dollars.

One of the first things I did since taking office is to meet with employees throughout the entire department to learn the status of current audits and what resources they need to get the job done accurately, effectively and on time.

The most important thing I learned throughout this assessment is that the department is staffed by dedicated people who have spent most of their careers in public service. They continue to do their very best to serve the residents of this great Commonwealth.

The other thing I learned is that the 17 percent decrease in funding for the department in the last decade has left the agency woefully understaffed and lagging in the technology needed to do the work in the 21st century. The result is a core of 382 dedicated people who don't have the resources they need to do their work.

As a direct result of sustained cuts, my predecessor downsized the staff from 466 in the 2016-17 fiscal year to the current complement of 382. In 2019 alone, 48 staff members participated in an early retirement incentive program in 2019 resulting in the loss of 94,000 employee work hours. To put that into perspective, one school district audit takes about 800 employee work hours.

School district audits and performance audits have decreased by 19 percent and 20 percent, respectively, between fiscal years 2018-19 and 2019-20. Our school audits bureau alone lost 35 percent of its employees due to the reduction in funding.

To further put the financial challenge into perspective, the department is presently operating at the same state funding level it received nearly 30 years ago.

More than 70 percent of the audits the Department conducts are required to be performed. These include: 26 state correctional facilities; 67 children and youth agencies; 500 public school districts; 1,868 volunteer firefighter's relief associations; and 2,756 municipal pension plans.

This doesn't include any audits that are requested by members of the General Assembly or mandated through the enactment of new legislation. Nor do our financial circumstances provide for the flexibility needed to prioritize and perform audits deemed necessary by this Department.

It is abundantly clear that we cannot sustain any further reductions to our budget or staff. In order to complete our core mission and functions, I need you to partner with me to RESTORE the Department's budget. We need these tools to assure taxpayers that their government is accountable, transparent and effectively spending their money. I respectfully request that the department's budget be funded at a level of at least \$41 million for the 2021-22 fiscal year.

Please understand that what I am asking for is a RESTORATION of the department's budget of what we have lost over the last few years.

Once our budget is restored, we will be positioned to enhance our ability to effectively monitor the state's spending of taxpayer money.

I am enthusiastic about delivering on the expectations of Pennsylvania taxpayers who want accountability, integrity and transparency from their state government. I am very proud of the work being accomplished by this department and excited about what we can achieve in the future. And I am looking forward to partnering with all of you to ensure that this Department remains a strong advocate for fiscal responsibility and accountability.

Chairman Browne, Chairman Hughes, and members of the committee, thank you for the opportunity to appear before you to discuss my request. I am happy to take any questions you may have.