

# Auditor-Controller

## RECOMMENDED BUDGET • FY 2021-22

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### MISSION

The Auditor-Controller serves as the County's chief accounting and disbursing officer. Responsibilities of the Auditor-Controller include: pre-audits and payment of claims made by the County for goods and services; property control for County government fixed assets; accounting for and issuance of payroll to County employees; maintenance of revenue and expenditure accounts for all units of County government and special districts; financial control over fund balances and property tax collections; development and implementation of accounting systems; technical assistance in budget preparation; preparation of the A-87 Cost Allocation Plan and other special budgetary information; preparation of claims for State-mandated costs (SB90); assistance in development of long-range financial planning.

### DEPARTMENT BUDGET SUMMARY

**DEPT : 03    AUDITOR-CONTROLLER**

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Service Charges	438,036	430,040	394,050	(35,990)
Other Fin Sources	37,919	61,507	39,176	(22,331)
<b>Total Revenue</b>	<b>475,955</b>	<b>491,547</b>	<b>433,226</b>	<b>(58,321)</b>
Salaries & Benefits	3,845,098	4,044,588	4,389,098	344,510
Services & Supplies	108,413	70,990	82,872	11,882
Intrafund Transfers	7,042	10,776	11,367	591
Intrafund Abatement	(57,535)	(47,550)	(46,500)	1,050
<b>Total Appropriations</b>	<b>3,903,018</b>	<b>4,078,804</b>	<b>4,436,837</b>	<b>358,033</b>
<b>FUND 1000 GENERAL FUND TOTAL</b>	<b>3,427,063</b>	<b>3,587,257</b>	<b>4,003,611</b>	<b>416,354</b>

### MAJOR BUDGET CHANGES

Revenues

*Service Charges*

(\$35,990)    Decrease due to reduction in services provided to Mello Roos districts. Charges were higher in FY 2020-21 due to refinancing activity in one of the districts, which is not anticipated to occur again in this fiscal year.

*Other Financing Sources*

(\$22,331)    Decrease due to reduction in the use of funding from the Department's Equipment Automation Special Revenue Fund. This fund was used for one-time purchases in FY 2020-21.

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### Appropriations

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#### *Salaries and Benefits*

\$344,510 Increase due to the addition of one FTE ERP Analyst during FY 2020-21 (\$126,000), a Chief Assistant Auditor-Controller for FY 2021-22 (\$100,000), increased CalPERS retirement costs (\$56,490), and increased health benefit premium costs (\$67,445). These increases are offset by reductions in other benefit costs (\$5,425), including a reduction in Worker's Compensation, recommended at \$0 to bring the program funding level to an acceptable confidence level as provided by the Risk Management Division.

#### *Services and Supplies*

\$11,882 Increase in General Liability insurance premium expense, as departmental charges are resuming after a rate holiday in FY 2020-21 (\$12,913) is offset by reductions in other line items to align with actual costs (\$1031).

## PROGRAM SUMMARIES

### *Administration*

This Division trains and organizes workgroups to perform basic accounting and governmental record keeping tasks; coordinates bookkeeping activities of and provides general supervision over the accounts of all organizations under the fiscal control of the County Board of Supervisors. This Division prescribes accounting forms and methods of keeping the County's accounts and is responsible for the preparation and publication of the annual final budget schedules for the County.

### *Property Tax*

This Division calculates over 164,764 property tax liabilities, including changes/refunds, based upon assessed value generating over \$447 million in taxes. The Division places more than 658,000 line items of direct charges totaling almost \$40 million on the secured tax bills by working with 60 different taxing agencies with 244 different types of direct charges. The Division calculates and distributes property tax revenues to over 80 local taxing agencies. The Division files various state required reports and continually implements new legislation related to property taxes, redevelopment agencies, Educational Revenue Augmentation Fund (ERAF), Vehicle License Fee (VLF) Swap, etc.

### *Financial Reporting*

This Division provides financial reporting, accounting, and auditing support services to County operating departments and independent special districts. The Auditor-Controller's staff acts as fiscal liaison between the County, state, and federal funding agencies, and assists departmental managers in the design and implementation of accounting and bookkeeping procedures. This Division provides professional review of financial and other cost reports for departments prior to their submission to the State. Staff performs analytical review of cost applied rates such as the fleet rates and worker's compensation rates. Staff prepares the annual A87 Cost Plan and the annual draft financial statements for the county's external auditors. The County's fixed asset accounting is managed by this Division as well as the accounting and distribution of the State Transportation Development Act (TDA) funds to the various claimants. Staff within this Division is responsible for the daily management of Positive Pay with the County's bank to provide validation of daily checks issued. This Division prepares the State's

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required annual financial reports on behalf of 35 independent special districts as well as all of the Board governed districts.

### *Payroll*

Payroll accounting prepares biweekly payroll instruments and “wage/tax reports” for the County and 20 affiliated local governmental agencies; processes “gross to net” deductions for health insurance and other benefits, association dues, credit union banking, retirement and legal attachments (garnishments); and administers deferred compensation program for over 1,000 county employees.

### *Accounting*

This Division reviews and processes accounts payable disbursement items, including employee travel reimbursements, contract payments and payments for product purchases; maintains ledger accounts and processes transactions for 40 Special Districts having independent governing boards; provides computerized financial reporting for budget item detail and account summary information to all departments and agencies, using the County Treasury as their cash depository. This Division reviews and processes the daily deposits for all county departments, schools and other agencies. The County’s purchase card program (PCard) is managed by the staff within this Division. This includes the issuance of purchase cards (384 cards), continuous modification of commodity types and dollar thresholds for cardholders, review of over 15,888 purchase card transactions that amount to over \$8.34 million in charges, reconciliation and distribution of biweekly purchase card statements and the posting of the purchase card charges to the department budgets. This Division is responsible for the records management of the Department. This Division administers eleven bond issues for Mello-Roos districts providing all accounting services, annual reports, calculating the annual special tax levy, debt service management, and administration of all delinquencies. Staff administers funding for the Missouri Flat MC&FP development through an analysis of the quarterly sales tax reports from BOE to determine the amounts generated from new businesses that must be transferred to the restricted fund for this project. With the completed conversion to MUNIS this Division has assumed the added responsibility from IT for the daily printing of accounts payable vendor checks. Other added MUNIS responsibilities for the accounting staff include system maintenance, testing, trouble-shooting and continual departmental training. With the elimination of the IT Operations, the accounting staff now prints Social Service C-IV checks and Social Services general assistance checks.

## STAFFING TREND

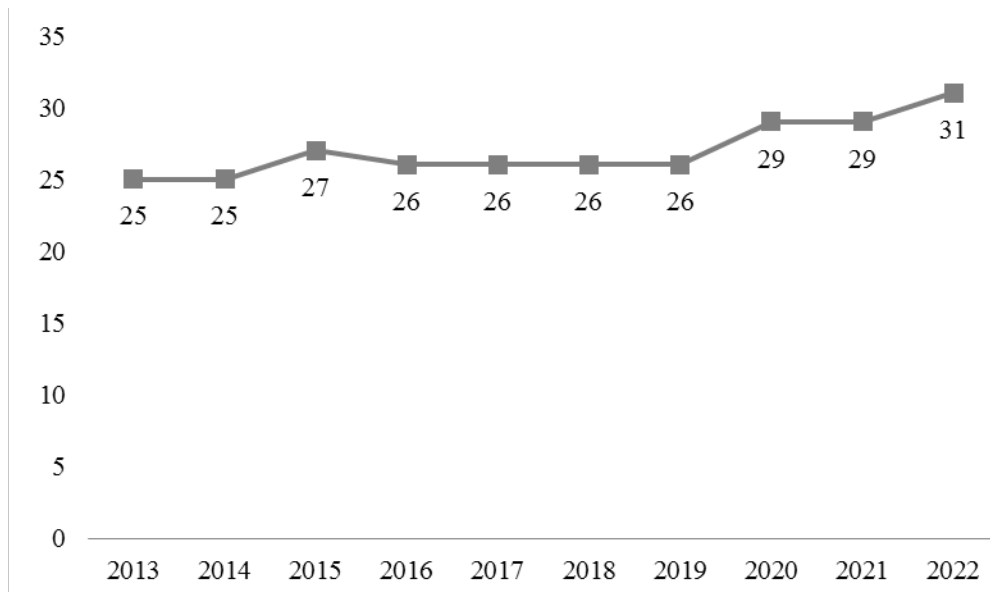
Staffing for the Auditor-Controller’s Office declined during the economic recession to a low of 23 FTEs. Since the recovery, the Department’s staffing allocation has been fairly flat. The recommended staff allocation for FY 2021-22 is 31 FTEs, which includes the addition of an Enterprise Resource Planning (ERP) Analyst in December, 2020, to support the implementation of the County’s ERP system, and the recommended addition of one FTE Chief Assistant Auditor-Controller in FY 2021-22.

The current Chief Assistant Auditor-Controller has announced that he will retire in December, 2022, following the election for the position of Auditor-Controller. In addition, all of the executive staff in the Auditor-Controller’s Office are eligible for retirement. In order to provide for continuity in the Office should the election result in a change of leadership, the Auditor-Controller has requested, and the CAO recommends, the addition of one FTE Chief Assistant Auditor-Controller. This position will work alongside the current incumbent in preparation for his departure, and will become familiar with all aspects of the Office’s operations. The allocation will be deleted upon official retirement of the current Chief Assistant Auditor-Controller.

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### RECOMMENDED BUDGET

This Budget is recommended at \$4,436,837, which is an increase of \$358,033 (7.5%) when compared to the FY 2020-21 Adopted Budget. The General Fund provides 90% of the funding for this Department, and is increased by \$416,354 (11.6%) when compared to the FY 2020-21 Adopted Budget. The increase in General Fund support is attributed to a reduction in revenues due to one-time revenues realized in FY 2020-21, and increases in Salaries and Benefits due to the addition of one FTE in FY 2020-21, one FTE in FY 2021-22, and increases in CalPERS retirement and employee health benefit costs.

### Sources & Uses of Funds

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The Auditor-Controller is primarily funded with General Fund discretionary revenues, with partial cost recovery in subsequent years through the A-87 Cost Allocation Plan (reflected in the General Fund – General Revenues and Other Operations budget). The Department receives revenue for accounting services provided to departments, special districts, and Mello-Roos districts (\$114,750). Revenues to the Department for property tax administration cost recovery are estimated at \$278,950. The Department also receives a share of the fees charged for the separate assessment of timeshares (\$31,176) and a share of the 5% administration fee for the supplemental property tax roll (\$8,500) to cover administrative costs.

Expenditures are related to staffing and costs associated with operating the office.