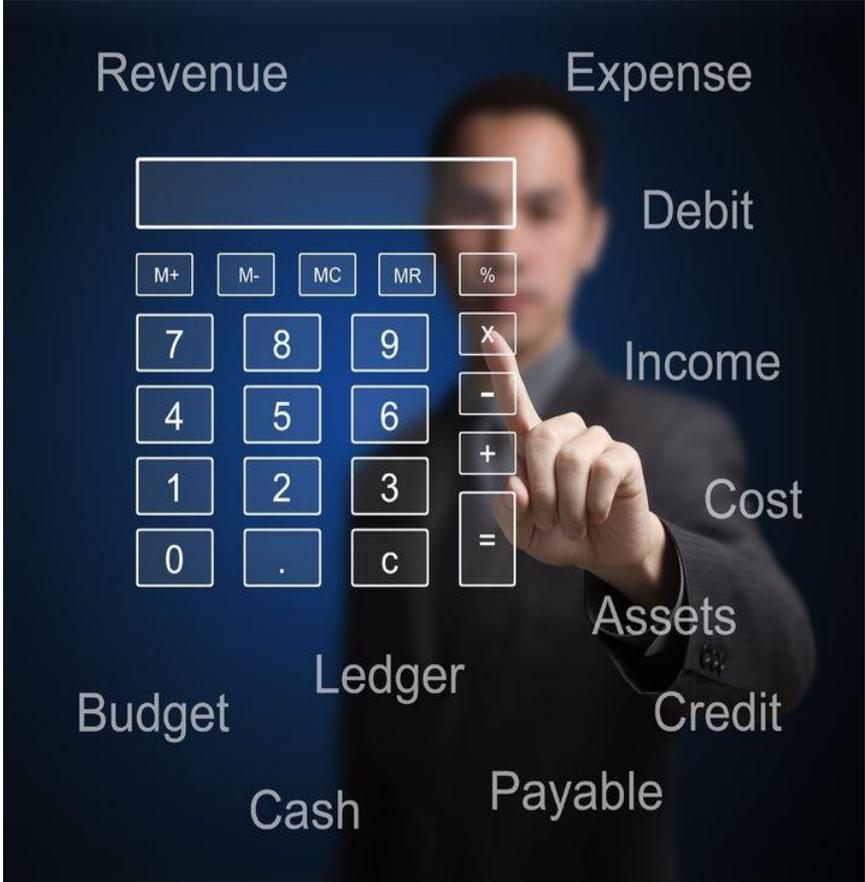
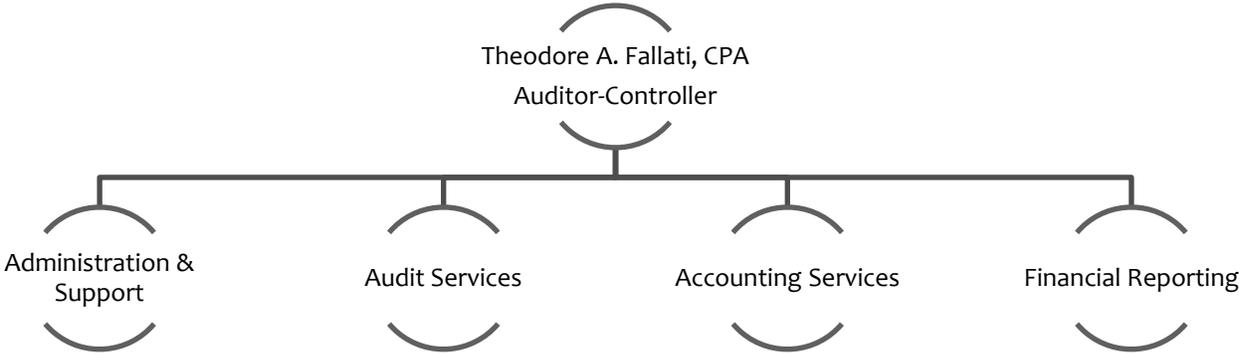


Auditor-Controller



BUDGET & FULL-TIME EQUIVALENTS SUMMARY & BUDGET PROGRAMS CHART

| | |
|-----------|--------------|
| Operating | \$ 8,929,000 |
| Capital | \$ 15,000 |
| FTEs | 49.00 |



Auditor-Controller

Department

MISSION STATEMENT

To ensure the financial integrity of the County of Santa Barbara by providing superior financial services, maintaining the public trust, and promoting governmental efficiency, effectiveness, and accountability.

DEPARTMENT DESCRIPTION

The Department is the leading financial information resource of the County and its long-term vision includes a well-run, financially sound County, an informed public, and a model County Department with a knowledgeable and effective staff. Governed by the overriding principles of fiscal integrity, objectivity, customer service, and continuous improvement, the Auditor-Controller's (A-C) Department:

- Maintains accounts and records of the financial transactions for all departments and agencies whose funds are kept in the County Treasury in accordance with California Statutes and Generally Accepted Accounting Principles (GAAP).
- Provides reports and systems necessary to manage the County's financial operations utilizing modern financial applications as part of the Controller function.
- Levies, apportions, and distributes property taxes to the County, Schools, Cities, Special Districts, and Redevelopment Successor Agencies as part of the Auditor function.
- Furnishes customer focused financial decision support to the Board of Supervisors, the County Executive Officer, and Department Directors to advance the strategic goals and principles of the organization.
- Provides independent, objective, and cost-effective audit services.
- Performs advanced and specialty accounting services to Departments, Schools, and Special Districts.

HIGHLIGHTS OF 2017-19 OBJECTIVES

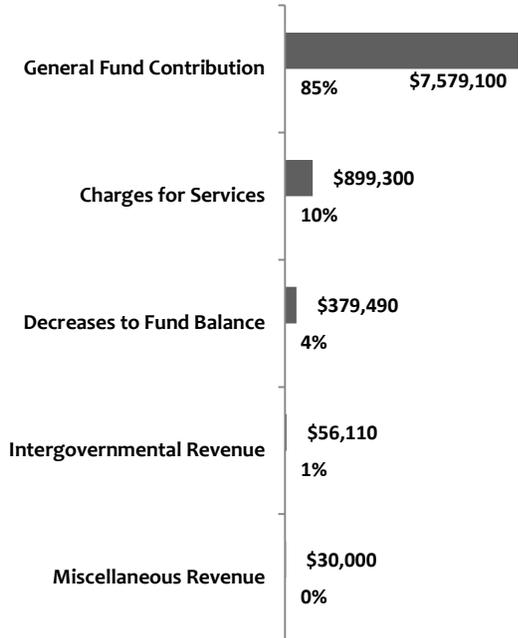
- The Department's top priority is to complete the implementation of the Property Tax System.
- Plan for the administration of the consolidated RDA Oversight Board (July 1, 2018) and RDA dissolution process.
- Provide support to the finance committee of the Northern Branch Jail project.
- Maintain and enhance the 67 applications in the A-C that serve multiple departments and County agencies.
- Distribute an estimated \$860 to \$885 million in property taxes to local agencies annually.
- Manage biweekly payroll process for approximately 4,870 employees.
- Validate and record 106,000 transactional documents, an average of almost 500 per day, which include claim payments, vendor changes, general ledger accounting transactions, budget entries, deposit entries, and journal entries.
- Perform projects listed in our Internal Audit Plan and mandatory engagements.

Auditor-Controller

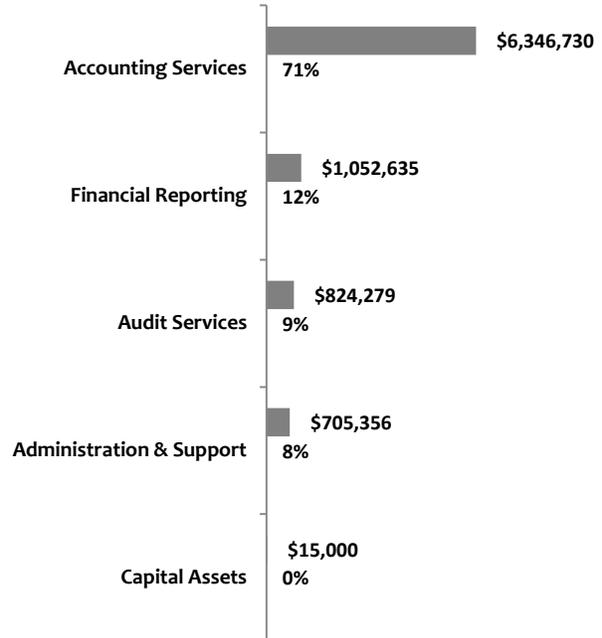
Department

RECOMMENDED SOURCES & USES OF FUNDS

Source of Funds - \$8,944,000

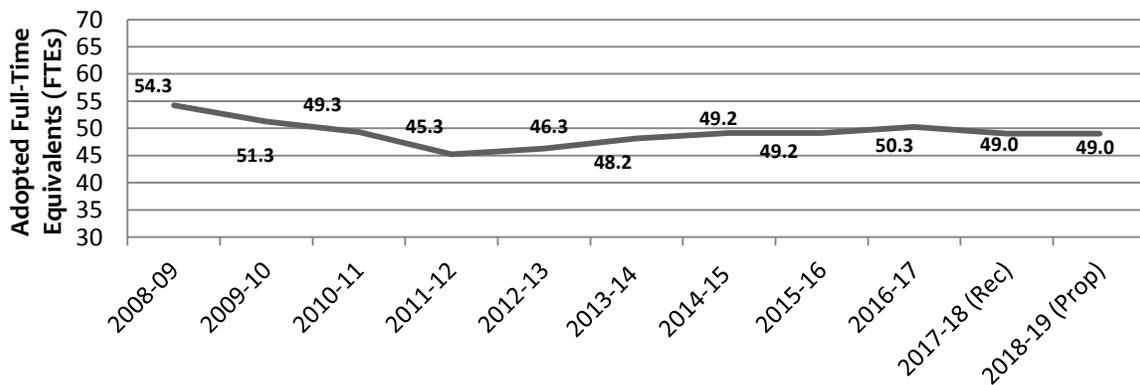


Use of Funds - \$8,944,000



STAFFING TREND

The staffing trend values will differ from prior year budget books in order to show amounts without the impact of any vacancy factors.



Auditor-Controller

Department

BUDGET OVERVIEW

| Staffing Detail By Budget Program | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|---|-------------------|--------------------|--|------------------------|---------------------|
| Administration & Support | 3.46 | 3.43 | (0.43) | 3.00 | 3.00 |
| Audit Services | 4.73 | 4.01 | 0.99 | 5.00 | 5.00 |
| Accounting Services | 35.88 | 36.60 | (1.60) | 35.00 | 35.00 |
| Financial Reporting | 5.83 | 6.20 | (0.20) | 6.00 | 6.00 |
| Total | 49.90 | 50.25 | (1.25) | 49.00 | 49.00 |
| <hr/> | | | | | |
| Budget By Budget Program | | | | | |
| Administration & Support | \$ 756,176 | \$ 880,496 | \$ (175,140) | \$ 705,356 | \$ 728,539 |
| Audit Services | 639,562 | 792,223 | 32,056 | 824,279 | 873,559 |
| Accounting Services | 5,799,343 | 6,198,931 | 147,799 | 6,346,730 | 6,590,070 |
| Financial Reporting | 993,258 | 1,129,350 | (76,715) | 1,052,635 | 1,095,832 |
| Total | \$ 8,188,338 | \$ 9,001,000 | \$ (72,000) | \$ 8,929,000 | \$ 9,288,000 |
| <hr/> | | | | | |
| Budget By Categories of Expenditures | | | | | |
| Salaries and Employee Benefits | \$ 7,316,568 | \$ 8,086,000 | \$ (85,000) | \$ 8,001,000 | \$ 8,348,000 |
| Services and Supplies | 647,907 | 642,000 | 27,000 | 669,000 | 669,000 |
| Other Charges | 223,863 | 273,000 | (14,000) | 259,000 | 271,000 |
| Total Operating Expenditures | 8,188,338 | 9,001,000 | (72,000) | 8,929,000 | 9,288,000 |
| Capital Assets | - | 15,000 | - | 15,000 | 15,000 |
| Increases to Fund Balances | 8,791 | - | - | - | - |
| Fund Balance Impact (+) | 352,449 | - | - | - | - |
| Total | \$ 8,549,577 | \$ 9,016,000 | \$ (72,000) | \$ 8,944,000 | \$ 9,303,000 |
| <hr/> | | | | | |
| Budget By Categories of Revenues | | | | | |
| Intergovernmental Revenue | \$ 87,443 | \$ 50,000 | \$ 6,110 | \$ 56,110 | \$ 56,110 |
| Charges for Services | 972,716 | 930,400 | (31,100) | 899,300 | 912,300 |
| Miscellaneous Revenue | 76,789 | 30,000 | - | 30,000 | 30,000 |
| Total Operating Revenues | 1,136,948 | 1,010,400 | (24,990) | 985,410 | 998,410 |
| Intrafund Expenditure Transfers (-) | 41,830 | - | - | - | - |
| Decreases to Fund Balances | - | 338,200 | 41,290 | 379,490 | 294,215 |
| General Fund Contribution | 7,370,800 | 7,667,400 | (88,300) | 7,579,100 | 7,482,200 |
| Fund Balance Impact (-) | - | - | - | - | 528,175 |
| Total | \$ 8,549,577 | \$ 9,016,000 | \$ (72,000) | \$ 8,944,000 | \$ 9,303,000 |

Auditor-Controller

Department

CHANGES & OPERATIONAL IMPACT: 2016-17 ADOPTED TO 2017-18 RECOMMENDED

Staffing

- There is a -1.25 FTE decrease from 2016-17 Adopted to 2017-18 recommended. Due to the projected fiscal imbalances in the upcoming years, the Department unfunded 2 positions (1.25 FTE) as a Service Level Reduction to make up the shortfall.
- The Department has a current projected staff of 49.0 FTE for FY 2017-18. The Department has centralized operations in Santa Barbara and one satellite office in Santa Maria.

As a result of the economic downturn, the Auditor-Controller has dropped its budgeted staffing level over the last nine years from 57.9 FTE in FY 2007-08 to a recommended staffing level of 49.0 FTE in FY 2017-18. During the economic recession for a period of nine years, the Department held positions vacant, returned funds to the General Fund at year end, and reduced or maintained positions to offset increases in salary, retirement, and benefit costs. This resulted in the reduction of 8.9 FTEs or a 15% decrease in positions since FY 2007-08.

Although not included in the recommended or proposed budget, for optimal long-term staffing, the office requires at least 52.0 FTEs which includes the restoration of the following positions:

- Financial Accounting Analyst for the Advanced and Specialty Accounting Division.
- Financial Systems Analyst for the Application Development and Systems Division.
- Accountant-Auditor for administration of the consolidated successor agency oversight board.

Expenditures

- Net operating expenditure decrease of -\$72,000 due to:
 - -\$85,000 decrease in Salaries and Employee Benefits due the elimination of funding for 1.25 FTE and a decrease in Unemployment Insurance Contribution;
 - +\$27,000 increase in Services and Supplies is primarily due to increases in Professional and Special Services and Transportation and Travel;
 - -\$14,000 decrease in Other Charges primarily due to decreases in Electricity and Motor Pool Charges.

These changes result in recommended operating expenditures of \$8,929,000, non-operating expenditures of \$15,000 and total expenditures of \$8,944,000. Non-operating expenditures are for capital assets.

Auditor-Controller

Department

CHANGES & OPERATIONAL IMPACT: 2016-17 ADOPTED TO 2017-18 RECOMMENDED (CONT'D)

Revenues

- Net operating revenue decrease of -\$25,000 primarily due to:
 - +\$6,000 increase in Intergovernmental Revenue – State due to increase in 2011 Local Realignment.
 - -\$31,000 decrease in Charges for Services due to a decrease in parcel tax collection fee on terminated special assessments.
- Net non-operating revenue decrease of -\$47,000 primarily due to:
 - +\$41,000 increase in the use of A-C Automation Committed Fund Balance;
 - -\$88,000 decrease in General Fund Contribution for Salary and Employee Benefit increases.

Although not reflected in the Auditor-Controller department budget, cost allocation for Auditor services, recorded as General Revenues (a policy change in FY 2011-12), will contribute \$3,206,000 in FY 2017-18. This represents A-C cost reimbursement from Federal and State programs and equates to 36% of the total A-C budget.

These changes result in recommended operating revenues of \$985,410, non-operating revenues of \$7,958,590 and total revenues of \$8,944,000. Non-operating revenues primarily include General Fund Contribution and decreases to fund balances.

CHANGES & OPERATIONAL IMPACT: 2017-18 RECOMMENDED TO 2018-19 PROPOSED

The FY 2018-19 proposed expenditures reflect a \$359,000 increase over the FY 2017-18 recommended budget that is primarily the result of:

- +\$347,000 increase in salaries, retirement contributions and other benefits;
- +\$12,000 increase in Other Charges for Utilities costs.

RELATED LINKS

For more information on the Auditor-Controller's Office, refer to the Web site at <http://www.countyofsb.org/auditor/default.aspx>.

Auditor-Controller

Department

PERFORMANCE MEASURES

| Description | FY 2014-15 Actual | FY 2015-16 Actual | FY 2016-17 Estimated Actual | FY 2017-18 Recommend | FY 2018-19 Proposed |
|--|----------------------|----------------------|-----------------------------------|-------------------------|------------------------|
| A Well-Run County: with goals of maintaining independence and objectivity, and constantly improving processes | | | | | |
| Percentage of A-C mandatory audits completed by legal due date (Target: 100%) | 100% 5/5 | 100% 3/3 | 100% 4/4 | 100% 4/4 | 100% 3/3 |
| Number of revenue allocations made legally, accurately, and timely - Distribution of Property Taxes to all taxing entities (Target: 35) | 25 | 35 | 35 | 35 | 35 |
| Number of revenue allocations made legally, accurately, and timely - Specialty & Advanced Accounting (Target: 350) | 337 | 348 | 350 | 350 | 350 |
| Percentage of annual payroll disbursements to employees through Direct Deposit (Target: 100%) | 98% 4,130/4,392 | 98% 4,790/4,870 | 99% 4,752/4,823 | 100% 4,870/4,870 | 100% 4,870/4,870 |
| Percentage of employees using automated time entry system (Target: 95%) | 88% 3,837/4,376 | 93% 4,519/4,870 | 94% 4,532/4,823 | 95% 4,627/4,870 | 95% 4,627/4,870 |
| A Financially Sound County: with goals of providing high-quality financial services and support of the County's financial infrastructure | | | | | |
| Complete the County's Comprehensive Annual Financial Report within 60 days and receive the GFOA Certificate of Excellence in Financial Reporting (Target: Yes) | Yes | Yes | Yes | Yes | Yes |
| Percentage of annual disbursements to County vendors through direct deposit (ACH) (Target: 60%) | 57% 66K/116K | 59% 70K/118K | 59% 70K/118K | 60% 71K/118K | 60% 71K/118K |
| Percentage of total dollar disbursements to County vendors paid through direct deposit (ACH), rather than Warrant (Target: 83%) | 82% \$480K/\$587K | 82% \$499K/\$607K | 82% \$499K/\$607K | 83% \$504K/\$607K | 83% \$504K/\$607K |

Auditor-Controller

Department

PERFORMANCE MEASURES (CONT'D)

| Description | FY 2014-15 Actual | FY 2015-16 Actual | FY 2016-17 Estimated Actual | FY 2017-18 Recommend | FY 2018-19 Proposed |
|--|----------------------|----------------------|-----------------------------------|-------------------------|------------------------|
| Number of published newsletters/surveys related to policy and training (Target: 8) | 3 | 4 | 7 | 8 | 8 |
| An Informed Public: with goals of providing useful and timely information and increase access and awareness | | | | | |
| Number of financial reports viewable by interested parties (Public/County employees) that will increase transparency of the County's fiscal position and availability of financial information. (Target: 87) | 68 | 80 | 87 | 87 | 87 |
| Number of popular annual financial highlight reports produced timely. (Target: 5) | 4 | 3 | 5 | 5 | 5 |
| Knowledgeable and Effective Staff: with the goal of investing in our employees | | | | | |
| Percentage of department budget expended on training (Target: 1%) | 1% \$82K/\$8.2M | 1% \$82K/\$8.2M | 1% \$85K/\$8.5M | 1% \$90K/\$9.0M | 1% \$93K/\$9.3M |
| Percentage of staff with one or more professional licenses or designations (Target: 50%) | 50% 24/48 | 54% 26/48 | 53% 26/49 | 53% 26/49 | 57% 28/49 |
| Model County Department: with the goal of managing the Auditor-Controller's office effectively | | | | | |
| Percentage of departmental Employee Performance Reviews (EPRs) completed by the due date (Target: 100%) | 94% 45/48 | 100% 48/48 | 100% 49/49 | 100% 49/49 | 100% 49/49 |
| Maintain lost time at or below County average (Target: 5.6%) | 4.3% | 4.1% | 5.1% | 4.5% | 4.5% |
| Percentage of technical disaster recovery plans for mission critical systems updated per year (Target: 100%) | 100% 1/1 | 100% 1/1 | 100% 1/1 | 100% 1/1 | 100% 1/1 |
| Percentage of internal Computer Service Requests (CSR's) completed within the FY requested (Target: 92%) | 95% 481/508 | 95% 482/509 | 92% 460/500 | 92% 460/500 | 92% 460/500 |

Auditor-Controller



Auditor-Controller

Program

ADMINISTRATION & SUPPORT

Advise the Board of Supervisors and County management regarding financial matters. Provide leadership and direction to the Department. Provide department employees with support, training, equipment and facilities.

Staffing

| Staffing Detail By Budget Program | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|-----------------------------------|-------------------|--------------------|--|------------------------|---------------------|
| AUDITOR-CONTROLLER | 1.00 | 1.00 | - | 1.00 | 1.00 |
| ASST DIRECTOR | 0.34 | 0.43 | (0.43) | - | - |
| FINANCIAL SYS ANALYST | 0.01 | - | - | - | - |
| FINANCIAL OFFICE PRO | 1.71 | 2.00 | - | 2.00 | 2.00 |
| EXTRA HELP | 0.41 | - | - | - | - |
| Total | 3.46 | 3.43 | (0.43) | 3.00 | 3.00 |

Revenue & Expenditures

| Budget By Categories of Expenditures | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|---|-------------------|--------------------|--|------------------------|---------------------|
| Salaries and Employee Benefits | \$ 648,805 | \$ 666,945 | \$ (90,287) | \$ 576,658 | \$ 596,492 |
| Services and Supplies | 53,228 | 132,232 | (65,714) | 66,518 | 66,518 |
| Other Charges | 54,143 | 81,319 | (19,139) | 62,180 | 65,529 |
| Total Operating Expenditures | 756,176 | 880,496 | (175,140) | 705,356 | 728,539 |
| Total Expenditures | \$ 756,176 | \$ 880,496 | \$ (175,140) | \$ 705,356 | \$ 728,539 |
| Budget By Categories of Revenues | | | | | |
| Miscellaneous Revenue | 48,838 | - | - | - | - |
| Total Operating Revenues | 48,838 | - | - | - | - |
| General Fund Contribution | 678,089 | 880,496 | (175,140) | 705,356 | 728,539 |
| Total Revenues | \$ 726,927 | \$ 880,496 | \$ (175,140) | \$ 705,356 | \$ 728,539 |

2016-17 Anticipated Accomplishments

- Hired and trained a permanent front office position (FOP I) to provide administrative and fiscal support to department managers and provide service to clients and citizens.
- Successfully transitioned executive leadership after the retirement of Auditor-Controller with 25 years of service as the elected Auditor.
- Conducted recruitment and provided training for a new class of four Accountant-Auditors for the New Auditor Training and Development Program.
- Implemented new County credit card program policies and procedures.

Auditor-Controller

Program

ADMINISTRATION & SUPPORT (CONT'D)

2017-19 Objectives

- Manage the A-C office effectively by submission of timely budgets that include the resources necessary to carry out the duties of the office.
- Recruit and hire well-qualified staff.
- Encourage staff performance.
- Support staff training.
- Provide modern technology.
- Promote employee health, wellness, and quality of life.
- Work with General Services on replacement of office carpet.
- Participate in countywide Rebalancing and Resiliency Project.

Auditor-Controller

Program

AUDIT SERVICES

Assist the management of the County by providing professional audit services such as: attestation services (financial, grant & compliance audits), internal control reviews, performance reviews (effectiveness/efficiency), fraud/loss investigations, consulting, and special projects.

Staffing

| Staffing Detail By Budget Program | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|-----------------------------------|-------------------|--------------------|--|------------------------|---------------------|
| ASST DIRECTOR | 0.01 | 0.01 | (0.01) | - | - |
| AUDIT MANAGER | 1.00 | 1.00 | - | 1.00 | 1.00 |
| AUDIT SUPERVISOR | 1.00 | 1.00 | - | 1.00 | 1.00 |
| COST ANALYST | 1.00 | 1.00 | - | 1.00 | 1.00 |
| ACCOUNTANT-AUDITOR | 1.39 | 1.00 | 1.00 | 2.00 | 2.00 |
| EXTRA HELP | 0.33 | - | - | - | - |
| Total | 4.73 | 4.01 | 0.99 | 5.00 | 5.00 |

Revenue & Expenditures

| Budget By Categories of Expenditures | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|---|-------------------|--------------------|--|------------------------|---------------------|
| Salaries and Employee Benefits | \$ 600,292 | \$ 692,525 | \$ 81,811 | \$ 774,336 | \$ 823,404 |
| Services and Supplies | 34,200 | 92,586 | (50,019) | 42,567 | 42,567 |
| Other Charges | 5,069 | 7,112 | 264 | 7,376 | 7,588 |
| Total Operating Expenditures | 639,562 | 792,223 | 32,056 | 824,279 | 873,559 |
| Total Expenditures | \$ 639,562 | \$ 792,223 | \$ 32,056 | \$ 824,279 | \$ 873,559 |
| Budget By Categories of Revenues | | | | | |
| Charges for Services | 17,500 | 7,500 | - | 7,500 | 7,500 |
| Total Operating Revenues | 17,500 | 7,500 | - | 7,500 | 7,500 |
| Intrafund Expenditure Transfers (-) | 1,740 | - | - | - | - |
| General Fund Contribution | 711,109 | 904,820 | (88,041) | 816,779 | 866,059 |
| Total Revenues | \$ 730,349 | \$ 912,320 | \$ (88,041) | \$ 824,279 | \$ 873,559 |

2016-17 Anticipated Accomplishments

- Transitioned Internal Audit from performing primarily financial statement audits of Special Districts to performing internal audits of departments while maintaining beneficial training opportunities for new staff.
- Ensured that legally mandated audits/reviews of the County Treasury and Tax Redemption Officer were completed.
- Performed investigations of departments reporting lost or stolen property to the Auditor-Controller's Office as required by the County Fraud Policy.

Auditor-Controller

Program

AUDIT SERVICES (CONT'D)

2016-17 Anticipated Accomplishments (cont'd)

- Performed departmental cash counts to increase Auditor presence and to test internal controls as theft deterrence measures.
- Continued enhanced reporting to the Board of Supervisors with reports on External Monitoring of County Departments, Lost Property, and Vendors Paid Amounts Greater than \$100,000.
- Completed a compliance audit of an external contractor to increase contract monitoring.
- Completed the following audits/consulting engagements:
 - The Sheriff's allocation methodology for distributing dispatch center costs to other departments and agencies.
 - The Public Administrator/Guardian's internal controls.
 - Concessionaire revenue audit.
- Participated in a successful recruitment for Accountant-Auditors and continued to develop engaging materials (brochures, etc.) to attract applicants.
- Provided an audit plan to the Board of Supervisors as required under Internal Audit standards.

2017-19 Objectives

- Increase assistance to departments and collaboratively improve processes and reduce overall risk. Our currently anticipated projects include:
 - Reviewing processes over assets held on behalf of others.
 - Review of internal controls over Information Technology processes.
 - Provide internal control trainings to departments.
 - Franchise fee audits
 - Overtime and time code assessment
 - Internal controls over medication held in County facilities
 - Provide assistance to the rebalancing and resiliency project on cost-saving measures and analysis
 - As resources exist, perform audits to increase contractor monitoring
 - Provide ongoing monitoring of credit cards, petty cash, and vendor payments
- Continue enhanced reporting to the Board of Supervisors with reports on External Monitoring of County Departments, Lost Property, and Vendors Paid Amounts Greater than \$100,000.
- Perform mandatory engagements, including:
 - Cash and Investment Reviews
 - Tax Redemption Officer Audits
 - County Fraud/Loss Activities
 - Social Security Truncation program review
- Follow up audits:
 - Sheriff vehicle audit
 - Housing and Community Development audit

Auditor-Controller

Program

ACCOUNTING SERVICES

The Accounting Services budget program represents the core operations of the Department and provides many varied services to the County, Independent Special Districts, cities and schools as listed below.

- Prepares accurate, complete, and timely financial records
- Operates, maintains and enhances Countywide financial and payroll systems
- Pays all employees in a timely manner
- Controls disbursements to vendors
- Records the deposit of funds
- Manages the County's cash position
- Provides revenue distribution services
- Continuously improves customer service to County Departments and other agencies by utilizing new technologies to enhance processes, improve accuracy, and timeliness
- Allocates and distributes property taxes to all County tax agencies within established timelines
- Provides professional service assistance for general accounting, disaster accounting, budgeting, systems, and fiscal advisory services
- Provides regular and updated accounting and payroll training for employees throughout the organization

Staffing

| Staffing Detail By Budget Program | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|-----------------------------------|-------------------|--------------------|--|------------------------|---------------------|
| ASST DIRECTOR | 0.39 | 0.50 | 0.50 | 1.00 | 1.00 |
| DIVISION CHIEF | 5.77 | 6.91 | (0.91) | 6.00 | 6.00 |
| CHIEF DEPUTY CONTROLLER | 0.87 | 1.00 | - | 1.00 | 1.00 |
| FINANCIAL SYS ANALYST SR-R | 6.00 | 6.00 | - | 6.00 | 6.00 |
| FINANCIAL ACCT ANALYST | 3.50 | 3.00 | - | 3.00 | 3.00 |
| FINANCIAL SYS ANALYST | 4.89 | 5.94 | 0.06 | 6.00 | 6.00 |
| COST ANALYST | 1.08 | 1.00 | - | 1.00 | 1.00 |
| FINANCIAL OFFICE PRO | 1.10 | 1.00 | - | 1.00 | 1.00 |
| EDP OFFICE AUTO COORD SR | 1.00 | 1.00 | - | 1.00 | 1.00 |
| ACCOUNTANT-AUDITOR | 4.97 | 6.25 | (1.25) | 5.00 | 5.00 |
| FINANCIAL OFFICE PRO SR | 2.00 | 2.00 | - | 2.00 | 2.00 |
| FINANCIAL OFFICE PRO SR-RES | 2.00 | 2.00 | - | 2.00 | 2.00 |
| EXTRA HELP | 2.31 | - | - | - | - |
| Total | 35.88 | 36.60 | (1.60) | 35.00 | 35.00 |

Auditor-Controller

Program

ACCOUNTING SERVICES (CONT'D)

Revenue & Expenditures

| Budget By Categories of Expenditures | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|---|-------------------|--------------------|--|------------------------|---------------------|
| Salaries and Employee Benefits | \$ 5,193,851 | \$ 5,714,326 | \$ 18,198 | \$ 5,732,524 | \$ 5,967,663 |
| Services and Supplies | 446,518 | 306,867 | 126,295 | 433,162 | 433,162 |
| Other Charges | 158,974 | 177,738 | 3,306 | 181,044 | 189,245 |
| Total Operating Expenditures | 5,799,343 | 6,198,931 | 147,799 | 6,346,730 | 6,590,070 |
| Capital Assets | - | 15,000 | - | 15,000 | 15,000 |
| Increases to Fund Balances | 8,791 | - | - | - | - |
| Total Expenditures | \$ 5,808,134 | \$ 6,213,931 | \$ 147,799 | \$ 6,361,730 | \$ 6,605,070 |
| Budget By Categories of Revenues | | | | | |
| Intergovernmental Revenue | 87,443 | 50,000 | 6,110 | 56,110 | 56,110 |
| Charges for Services | 955,216 | 922,900 | (31,100) | 891,800 | 904,800 |
| Miscellaneous Revenue | 27,951 | 30,000 | - | 30,000 | 30,000 |
| Total Operating Revenues | 1,070,610 | 1,002,900 | (24,990) | 977,910 | 990,910 |
| Decreases to Fund Balances | - | 338,200 | 41,290 | 379,490 | 294,215 |
| General Fund Contribution | 4,836,354 | 4,793,234 | 211,096 | 5,004,330 | 4,791,770 |
| Total Revenues | \$ 5,906,964 | \$ 6,134,334 | \$ 227,396 | \$ 6,361,730 | \$ 6,076,895 |

2016-17 Anticipated Accomplishments

Applications Development and Systems

- Maintained 67 departmental and Countywide financial applications and related support hardware.
 - Continued to implement the Auditor-Controller's functionality in the new property tax system for roll corrections, supplemental billing, and distribution;
 - Implemented new equipment and workstation sharing policies to better accommodate telecommuting and alternative work schedules, while using resources efficiently;
 - Added new features and edit controls to the web-based time capture system.
- Relocated Auditor server infrastructure to the Emergency Operations Center in order to provide a more stable environment for mission critical systems.

Property Tax Administration

- Administered the distribution of \$837 million in taxes to 8 cities, the County, 24 schools, 49 special districts, and 7 RDA successor agencies.
- Continued the long-term implementation of the Redevelopment Dissolution Act that dissolves Redevelopment Agencies (RDA), pays down their outstanding debt obligations, and reallocates property tax dollars to other local tax agencies.

Auditor-Controller

Program

ACCOUNTING SERVICES (CONT'D)

2016-17 Anticipated Accomplishments (cont'd)

- Continued the implementation of the multi-year tax exchange agreement between the County and the Fire Protection District
- Worked jointly with the Treasurer-Tax Collector to complete the last phases of implementation of a new vendor purchased property tax system (Aumentum) that went live in early FY 2014-15. Worked on reducing backlogs of transactions caused by the implementation of the new tax system. Five FTE Systems Development staff are dedicated to this effort. The A-C applications within this vendor system will have to be supplemented with additional subsystem components or require further development within Aumentum outside the scope of the current project.

Payroll Operations

- Timely and accurately processed approximately 124,767 County payroll payments, annual wage reporting, 34 total federal and state Quarterly payroll tax returns and 82 total payroll tax deposits to federal and state authorities.
- Timely and accurately processed payments and annual wage reporting to Election Workers of two County Election Cycles.
- Continued to meet the Affordable Care Act payroll reporting requirements.
- Continued to review countywide compliance of the Fair Labor Standards Act overtime laws.
- Published Catastrophic Leave Donation Program.
- Implemented changes mandated by 7 new union negotiated MOU contracts.
- Developed automated payroll adjustment feature which will eliminate hours of manual calculations by departmental and A-C payroll staff.
- Published comprehensive index-linked New Hire Form for Countywide use.

Financial Accounting and Customer Support

- Validated and recorded 106,000 transactional documents, which included claim payments, vendor changes, general ledger accounting transactions, budget entries, deposit entries, and journal entries.
- Provided full time customer support to both internal and external customers through the Auditor Help Desk, assisting with a wide range of system, claim, and reporting related questions.
- Automated the update of vendor data from Payroll to FIN.
- Implemented and utilized a new 1099 reporting database.
- Improved employee vendor data maintenance process, as well as automated the direct deposit change notification, resulting in considerable time savings and improved internal controls.
- Provided multiple trainings to FIN users, including Introduction to FIN, Travel Claim reimbursement training, Fiscal Year-end training and many department-specific trainings.

Advanced and Specialty Accounting

- Generated, reconciled, and managed the expense reimbursement process for the Refugio Oil Spill.
- Managed a variety of complex revenue and tax distributions throughout the year including Public Safety Realignment 2011 and continued changes to realignment distributions.

Auditor-Controller

Program

ACCOUNTING SERVICES (CONT'D)

2016-17 Anticipated Accomplishments (cont'd)

- Conducted an internal review of the workflow and internal control processes for reviewing Board Letters, Grants, Contracts, and Leases for A-C concurrence prior to submission for Board action.

2017-19 Objectives

Applications Development and Systems

- Completing the implementation of the Property Tax System will be the Department's top priority.
- Develop additional controls and capabilities (e.g. overtime and leave management) for the time capture system deployed in January 2016.
- Extend our current strategic plan for application maintenance and development to 5 and 10 year periods.
- Maintain and enhance the 67 applications in the A-C that serve multiple departments and County agencies.
- Implement a process and system to maintain documentation for Auditor systems.

Property Tax Administration

- Distribute an estimated \$860 to \$885 million in property taxes to local agencies annually.
- Plan for the administration of the consolidated RDA Oversight Board (July 1, 2018) and the RDA dissolution process.
- Eliminate any remaining transaction backlogs caused by the implementation of the new system.
- Implement necessary subsystems to better interface with the new core Aumentum property tax system and create more efficient processing.

Payroll Operations

- Manage biweekly payroll process for approximately 4,870 employees.
- Continue to work with the Human Resources Benefits Division to review the evolving requirements of the Affordable Care Act (ACA); aide eligibility determination reporting and fulfil reporting requirements.
- Participate in constant improvement of technology supporting new-hire onboarding, employee changes, payroll cost accounting, payroll calculations, and reporting.
- Continue publishing periodic newsletters for up-to-date Payroll compliance, training and policy compliance.
- Provide Countywide department-level training to HR/Payroll administrators for accuracy, efficiency, and compliance with MOUs, employment laws, and Civil Service Rules.
- Division cross-training and rotation of duties for enhanced internal controls.
- Collaborate with Applications Development Division to enhance time capture system improvements.

Financial Accounting and Customer Support

- Provide additional FIN training offerings utilizing expanded platforms.
- Finalize changes to the new 1099 reporting database.

Auditor-Controller

Program

ACCOUNTING SERVICES (CONT'D)

2017-19 Objectives (cont'd)

- Continue to seek out improved efficiencies and controls in the processing of claims and general ledger transactions.
- Validate, process, and record all annual general ledger accounting transactions including a high volume of deposit entries, journal entries, and claim payments.
- Respond to customer service requests in a timely and efficient manner.
- Contact the frequently used vendors in order to sell them on direct deposit.
- Work with Purchasing to develop a Request for Proposal (RFP) for a new integrated purchasing system including document workflow.

Advanced and Specialty Accounting

- Support and enhance the County's contract review process.
- Assist departments and agencies in the complex allocations of inter-agency revenues and taxes.
- Report timely and accurate information on Sales Tax, TOT, and financial information to the State for Special Districts.
- Work to improve revenue forecasts and predictions for Sales Taxes, Transient Occupancy Taxes and Realignment Revenues.
- Support cost recovery for disasters and extraordinary incidents and implement procedures that allow for more timely reporting and claiming for such events.
- Provide support to the finance committee of the Northern Branch Jail project.

Auditor-Controller

Program

FINANCIAL REPORTING

Provide meaningful and timely financial reports and cost analysis to management, the Board of Supervisors, and the public. Comply with State and Federal reporting requirements and generally accepted accounting principles. Operate, maintain, enhance, and support the County's budget development system.

Staffing

| Staffing Detail By Budget Program | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|-----------------------------------|-------------------|--------------------|--|------------------------|---------------------|
| ASST DIRECTOR | 0.07 | 0.06 | (0.06) | - | - |
| DIVISION CHIEF | 1.05 | 1.09 | (0.09) | 1.00 | 1.00 |
| AUDIT SUPERVISOR | 0.50 | 0.50 | - | 0.50 | 0.50 |
| ENTERPRISE LDR-GEN | 0.27 | - | - | - | - |
| FINANCIAL ACCT ANALYST | 1.23 | 1.50 | - | 1.50 | 1.50 |
| FINANCIAL SYS ANALYST | 0.54 | 1.06 | (1.06) | - | - |
| COST ANALYST | 1.00 | 1.00 | - | 1.00 | 1.00 |
| ACCOUNTANT-AUDITOR | 0.71 | 1.00 | 1.00 | 2.00 | 2.00 |
| EXTRA HELP | 0.46 | - | - | - | - |
| Total | 5.83 | 6.20 | (0.20) | 6.00 | 6.00 |

Revenue & Expenditures

| Budget By Categories of Expenditures | 2015-16 Actual | 2016-17 Adopted | Change from FY16-17 Ado to FY17-18 Rec | 2017-18 Recommended | 2018-19 Proposed |
|---|-------------------|--------------------|--|------------------------|---------------------|
| Salaries and Employee Benefits | \$ 873,620 | \$ 1,012,204 | \$ (94,722) | \$ 917,482 | \$ 960,441 |
| Services and Supplies | 113,960 | 110,315 | 16,438 | 126,753 | 126,753 |
| Other Charges | 5,677 | 6,831 | 1,569 | 8,400 | 8,638 |
| Total Operating Expenditures | 993,258 | 1,129,350 | (76,715) | 1,052,635 | 1,095,832 |
| Total Expenditures | \$ 993,258 | \$ 1,129,350 | \$ (76,715) | \$ 1,052,635 | \$ 1,095,832 |
| Budget By Categories of Revenues | | | | | |
| Intrafund Expenditure Transfers (-) | 40,090 | - | - | - | - |
| General Fund Contribution | 1,145,248 | 1,088,850 | (36,215) | 1,052,635 | 1,095,832 |
| Total Revenues | \$ 1,185,338 | \$ 1,088,850 | \$ (36,215) | \$ 1,052,635 | \$ 1,095,832 |

2016-17 Anticipated Accomplishments

- Earned the twenty-sixth consecutive Government Finance Officers' Association (GFOA) Award for Excellence in Financial Reporting for the County's Comprehensive Annual Financial Report (CAFR) and the twenty-second consecutive GFOA Award for Outstanding Achievement for the County's Annual Financial Highlights publication.
- Maintained a commitment to keep the public informed on matters concerning public finances by publishing and distributing the following concise, reader-friendly publications:
 - Financial Highlights
 - Annual Retail Sales & Use Tax Report
 - Annual Transient Occupancy Tax (TOT) Report

Auditor-Controller

Program

FINANCIAL REPORTING (CONT'D)

2016-17 Anticipated Accomplishments (cont'd)

- Special District Annual Compliance Report
- Property Tax Highlights
- Received the GFOA award for the County Budget.
- Continued working with the CEO on making improvements to budget development processes, tools, and policies.
- Conducted beginning, intermediate, and advanced accounting courses at the Employee University.
- Continued the projects to transform the budget process with the CEO to include:
 - budget workshops;
 - a five-year financial forecast;
 - a two-year operational plan; and
 - a one-year legally required adopted budget.
- Designed, developed, and implemented a new database to streamline preparation of the County's Annual Cost Allocation Plan.
- Developed and migrated CAFR reporting tools into the County's Financial Information Network (FIN).

2017-19 Objectives

- Prepare timely and accurate financial documents that include the County's Comprehensive Annual Financial Report, County Budget, Cost Allocation Plan, and a variety of financial reporting and compliance documents to State Agencies.
- Provide the Board of Supervisors, CEO, and management with the financial information necessary to make decisions that impact services to the community.
- Implement significant new GASB reporting pronouncements, including Other Post Employment Benefits (OPEB).
- Publish a Capital Asset Manual and provide technical assistance to departments to improve capital asset accounting.