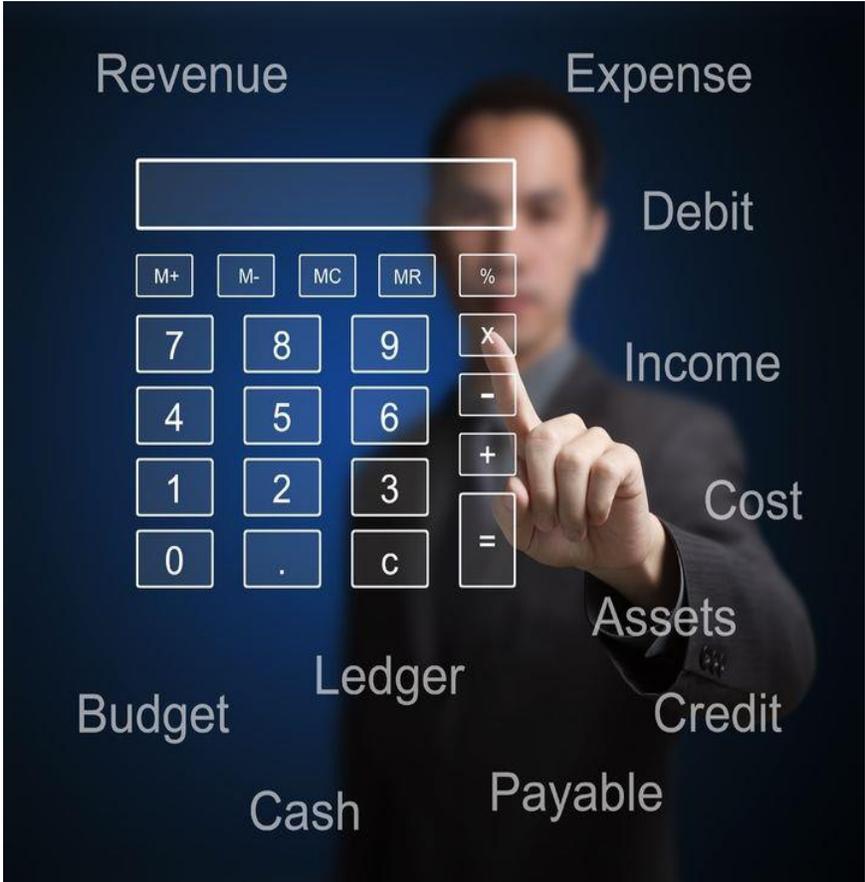
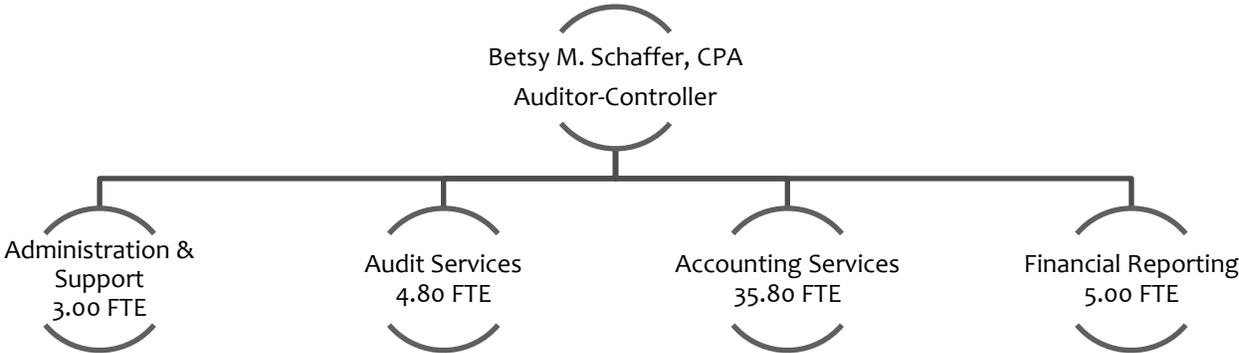


Auditor-Controller



RECOMMENDED BUDGET & STAFFING SUMMARY & BUDGET PROGRAMS CHART

Operating	\$ 9,158,900
Capital	\$ 30,000
FTEs	48.60



Auditor-Controller

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 and 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 2019-20 OBJECTIVES

- Participate in the Executive Information Technology Committee, IT Policy Committee, and Information Technology Standards Committee as part of Renew '22.
- Assist with a countywide business applications needs assessment (BANA) to review the current status and needs of the County's business systems: HR, FIN, Payroll, etc.
- Continue a comprehensive review of Auditor-Controller fiscal and accounting policies with the aim to update and differentiate policy from procedure.
- Continue activities to strengthen and reinforce the culture of customer service and teamwork.
- Continued concerted outreach to departments through the audit plan, internal control reviews, Renew '22 participation, and other engagements.
- Through Renew '22, we will identify best practices for paperless initiatives, i.e. electronic Form W-2s.
- Maintain and enhance the 70 applications in the A-C that serve multiple departments and County agencies.
- Distribute an estimated \$950 to \$990 million in property taxes to local agencies annually.
- Manage biweekly payroll process for approximately 4,580 employees.
- Validate and record 102,000 transactional documents, an average of 400 per day, which include claim payments, vendor changes, general ledger transactions, budget entries, deposit entries, and journal entries.

Auditor-Controller

HIGHLIGHTED RENEW '22 INITIATIVES

Already Underway

- Staff Development
 - Our office has had a long-standing and successful New Auditor Training and Development (NATD) program for newly hired Accountant-Auditors. In FY 2018-19, the 27th class of Accountant-Auditors was hired into the NATD program.
 - Support the fiscal responsibilities of County staff by providing fiscal, accounting, and internal control training development opportunities through (a) the newly established Chief Financial Officers (CFO) Consortium and (b) the development, with the CEO's Office, of a fiscal policies training course for all County management.
- Build Up Internal Audit
 - Initiate concerted outreach to departments through the audit plan, internal control reviews, Renew '22 participation, other engagements, and becoming a resource to other County departments.
- Enhance Cost Recovery Policies for Fees, Grants, and Revenue Contracts
 - Updating these policies will allow for (a) more alignment with Government Finance Officers Association best practices, (b) more streamlined and standardized review processes, and (c) to support full cost recovery.
- Support to Independent Agencies
 - Increase the self-reliance of special districts by providing training and tools to support their financial activities.
 - Provide staff support to the Countywide Redevelopment Agency (RDA) Oversight Board. Established on 7/1/18, this new board consolidated seven separate oversight boards into one and allows for cost recovery for staffing the oversight board.
- Paperless Initiatives
 - Purchased work paper software for the Internal Audit and Financial Reporting Divisions. The software for the Internal Audit Division is expected to be in use by December 2019. The implementation of the software for the Financial Reporting Division has been completed and is in use.
 - Implementing changes to Revenue and Taxation Code that eliminates the requirement of paper claim forms for certain property tax refunds.
- Collaboration with Other Departments
 - Assisting with a countywide business applications needs assessment (BANA) to review the current status and needs of the County's business systems: HR, FIN, Payroll, etc.
 - As a central service department, we are involved with many departments on their Renew '22 initiatives.

Implementation in FY 2019-20

- Staff Development
 - Coordinate and facilitate the 28th class of the NATD program.
 - Coordinate and facilitate Chief Financial Officers (CFO) Consortiums.

Auditor-Controller

HIGHLIGHTED RENEW '22 INITIATIVES (CONT'D)

Implementation in FY 2019-20 (Cont'd)

- Build Up Internal Audit
 - Recruit and hire an Audit Supervisor.
 - Continue being a resource to other County departments.
- Paperless Initiatives
 - Planning to provide Form W2s online through ESS+ versus printing and mailing them.
 - Encouraging vendors to receive their payments via ACH instead of paper warrants.
- Collaboration with Other Departments
 - As a central service department, we will continue to be involved with many departments on their Renew '22 initiatives.

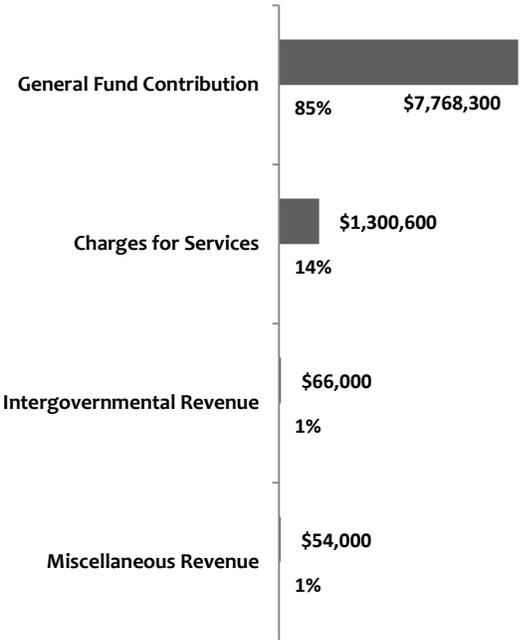
Future Year Implementation

- Staff Development
 - Continue facilitating the NATD program with our new Accountant-Auditors.
 - Continue facilitating CFO Consortiums.
- Paperless Initiatives
 - Our office will continue to go paperless as much as possible, feasible, and logical.
- Collaboration with Other Departments
 - As a central service department, we will be involved with many departments on their Renew '22 initiatives.

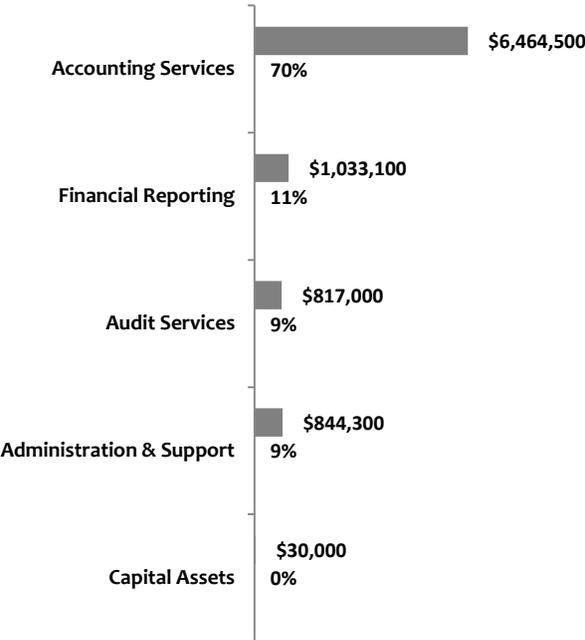
Auditor-Controller

RECOMMENDED SOURCES & USES OF FUNDS

Source of Funds - \$9,188,900

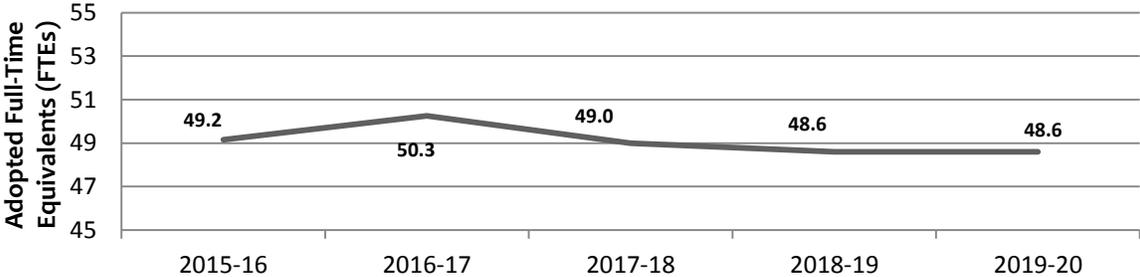


Use of Funds - \$9,188,900



STAFFING TREND

FTE counts include regular staff only, and do not include extra help and contractors-on-payroll.



Auditor-Controller

BUDGET OVERVIEW

Staffing Detail By Budget Program	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
Administration & Support	3.66	3.00	3.00	3.00	-
Audit Services	3.35	5.00	5.00	4.80	(0.20)
Accounting Services	31.85	35.60	35.60	35.80	0.20
Financial Reporting	4.90	5.00	5.00	5.00	-
Total	<u>43.76</u>	<u>48.60</u>	<u>48.60</u>	<u>48.60</u>	<u>-</u>
<hr/>					
Budget By Budget Program					
Administration & Support	\$ 846,500	\$ 682,400	\$ 955,300	\$ 844,300	\$ 161,900
Audit Services	738,067	787,300	667,400	817,000	29,700
Accounting Services	5,561,571	6,545,300	5,971,900	6,464,500	(80,800)
Financial Reporting	952,389	1,041,800	1,043,000	1,033,100	(8,700)
Total	<u>\$ 8,098,527</u>	<u>\$ 9,056,800</u>	<u>\$ 8,637,600</u>	<u>\$ 9,158,900</u>	<u>\$ 102,100</u>
<hr/>					
Budget By Categories of Expenditures					
Salaries and Employee Benefits	\$ 7,137,626	\$ 8,084,100	\$ 7,684,400	\$ 8,213,500	\$ 129,400
Services and Supplies	712,310	685,000	680,500	665,000	(20,000)
Other Charges	248,590	287,700	272,700	280,400	(7,300)
Total Operating Expenditures	<u>8,098,527</u>	<u>9,056,800</u>	<u>8,637,600</u>	<u>9,158,900</u>	<u>102,100</u>
Capital Assets	27,084	15,000	15,000	30,000	15,000
Increases to Fund Balances	8,882	-	-	-	-
Fund Balance Impact (+)	618,777	-	391,000	-	-
Total	<u>\$ 8,753,269</u>	<u>\$ 9,071,800</u>	<u>\$ 9,043,600</u>	<u>\$ 9,188,900</u>	<u>\$ 117,100</u>
<hr/>					
Budget By Categories of Revenues					
Intergovernmental Revenue	\$ 62,134	\$ 59,900	\$ 68,300	\$ 66,000	\$ 6,100
Charges for Services	1,007,580	991,200	1,268,900	1,300,600	309,400
Miscellaneous Revenue	100,955	30,000	127,300	54,000	24,000
Total Operating Revenues	<u>1,170,669</u>	<u>1,081,100</u>	<u>1,464,500</u>	<u>1,420,600</u>	<u>339,500</u>
Intrafund Expenditure Transfers (-)	3,500	-	-	-	-
Decreases to Fund Balances	-	411,600	-	-	(411,600)
General Fund Contribution	7,579,100	7,579,100	7,579,100	7,768,300	189,200
Total	<u>\$ 8,753,269</u>	<u>\$ 9,071,800</u>	<u>\$ 9,043,600</u>	<u>\$ 9,188,900</u>	<u>\$ 117,100</u>

FTE counts include regular staff only, and do not include extra help and contractors-on-payroll.

Auditor-Controller

CHANGES & OPERATIONAL IMPACT: 2018-19 ADOPTED TO 2019-20 RECOMMENDED

Staffing

- There are no FTE changes from 2018-19 Adopted to 2019-20 Recommended.
- The Department has a current projected staff of 48.6 FTE for FY 2019-20. The Department has centralized operations in Santa Barbara and also has one small satellite office in Santa Maria.

Expenditures

- Net operating expenditure increase of +\$102,100 due to:
 - +\$129,400 increase in Salaries and Employee Benefits primarily due to the negotiated increases of Regular Salaries and related Retirement Contributions.
 - -\$20,000 decrease in Services and Supplies primarily due to decreases in Professional & Special Service;
 - -\$7,300 decrease in Other Charges primarily due to decreases in Electricity, Information & Communication Technology, Water, and Motor Pool Charges, offset by an increase in Liability Insurance.
- Net non-operating expenditure increase of \$15,000 due to:
 - +\$15,000 increase in Capital Assets for computer equipment.

These changes result in recommended operating expenditures of \$9,158,900, non-operating expenditures of \$30,000, and total expenditures of \$9,188,900. Non-operating expenditures are for capital assets.

Revenues

- Net operating revenue increase of +\$339,500 primarily due to:
 - +\$6,100 increase in Intergovernmental Revenue–State due to increase in 2011 Local Realignment;
 - +\$309,400 increase in Charges for Services due to an increase in recoverable costs from Property Tax operations stemming from the 5-year amortization of the Property Tax System.
 - +\$24,000 increase in Miscellaneous Revenues.
- Net non-operating revenue decrease of -\$222,400 due to:
 - -\$411,600 decrease in the use of A-C Automation Committed Fund Balance due to offsetting Property Tax revenues.
 - +\$189,200 increase in General Fund Contribution for Salary & Benefit increases.

Although not reflected in the Auditor-Controller department budget, cost allocation revenue of \$3,239,130 for FY 2019-20 will be contributed as General Revenues (a policy change in FY 2011-12). This represents A-C cost reimbursement revenue from Federal and State programs and equates to 35% of the total A-C budget.

These changes result in recommended operating revenues of \$1,420,600, non-operating revenues of \$7,768,300, and total revenues of \$9,188,900. Non-operating revenues primarily include General Fund Contribution.

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

PERFORMANCE MEASURES

Description	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Estimated Actual	FY 2019-20 Recommend
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% 3/3	100% 3/3	100% 3/3	100% 3/3
Number of revenue allocations made legally, accurately, and timely - Distribution of Property Taxes to all taxing entities (Target: 30)	30	39	40	40
Number of revenue allocations made legally, accurately, and timely - Specialty & Advanced Accounting (Target: 350)	383	366	366	360
Percentage of annual payroll disbursements to employees through Direct Deposit (Target: 99%)	98% 4,662/4,740	99% 4,569/4,629	99% 4,535/4,580	99% 4,455/4,500
Percentage of employees using automated time entry system (Target: 95%)	93% 4,422/4,740	94% 4,366/4,629	95% 4,351/4,580	95% 4,275/4,500
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
Percentage of annual disbursements to County vendors through direct deposit (ACH) (Target: 65%)	57% 36K/63K	60% 37K/62K	60% 37K/62K	60% 37K/62K
Percentage of total dollar disbursements to County vendors paid through direct deposit (ACH), rather than Warrant (Target: 83%)	81% \$534M/\$656M	83% \$561M/\$673M	83% \$561M/\$673M	83% \$561M/\$673M
Number of published newsletters/surveys related to policy and training (Target: 4)	4	4	4	4
Number of SBC Accounting courses offered at EU (Target: 6)	6	6	6	6
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: 90)	86	91	91	91
Number of popular annual financial highlight reports produced timely. (Target: 5)	3	5	5	5

Auditor-Controller

PERFORMANCE MEASURES (CONT'D)

Description	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Estimated Actual	FY 2019-20 Recommend
Knowledgeable and Effective Staff: with the goal of investing in our employees				
Percentage of department budget expended on training (Target: 1%)	1% \$81K/\$8.1M	1% \$81K/\$8.1M	1% \$86K/\$8.6M	1% \$92K/\$9.2M
Percentage of staff with one or more professional licenses or designations (Target: 50%)	50% 22/44	49% 23/47	46% 21/46	46% 22/48
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%)	98% 42/43	100% 41/41	100% 46/46	100% 48/48
Maintain lost time at or below County average (Target: 5.2%)	5.6%	4.5%	4.0%	4.0%
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
Percentage of internal Computer Service Requests completed within the FY requested (Target: 93%)	93% 393/423	93% 114/122	93% 186/200	93% 186/200

Auditor-Controller

ADMINISTRATION & SUPPORT BUDGET PROGRAM

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	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
AUDITOR-CONTROLLER	1.00	1.00	1.00	1.00	-
ASST DIRECTOR	0.70	-	-	-	-
FINANCIAL OFFICE PRO	1.96	2.00	2.00	2.00	-
Total	3.66	3.00	3.00	3.00	-

FTE counts include regular staff only, and do not include extra help and contractors-on-payroll.

Revenue & Expenditures

Budget By Categories of Expenditures	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
Salaries and Employee Benefits	\$ 725,896	\$ 573,700	\$ 797,300	\$ 594,000	\$ 20,300
Services and Supplies	68,242	41,800	103,800	193,600	151,800
Other Charges	52,362	66,900	54,200	56,700	(10,200)
Total Operating Expenditures	846,500	682,400	955,300	844,300	161,900
Total Expenditures	\$ 846,500	\$ 682,400	\$ 955,300	\$ 844,300	\$ 161,900
Budget By Categories of Revenues					
Miscellaneous Revenue	49,661	18,200	100,700	26,500	8,300
Total Operating Revenues	49,661	18,200	100,700	26,500	8,300
General Fund Contribution	705,356	664,200	854,600	817,800	153,600
Total Revenues	\$ 755,017	\$ 682,400	\$ 955,300	\$ 844,300	\$ 161,900

2018-19 Anticipated Accomplishments

Staffing and Organizational Development

- Conducted recruitment and provided training for the 27th New Auditor Training and Development Program.
- Successful recruitments to fill the Assistant Auditor-Controller, Chief Deputy Controller, Internal Audit Chief, Financial Reporting Division Chief, Financial Accounting Analyst, and Financial Systems Analyst positions, which are key positions in the Department.
- Maintain continuity of office operations during transition of executive leadership after retirement of prior Auditor-Controller in January 2019.
- Continued regular executive committee meetings with Division managers in the Internal Audit, Financial Applications & Systems Development, Property Tax, Payroll, Financial Accounting & Customer Support, Advanced & Specialty Accounting, and Financial Reporting Divisions in order to provide direction, support, and facilitate the goals of the office.
- Prepared for succession planning through staff development, training, and cultural shifts.
- Preparing for systems upgrades by dedicating a Financial Accounting Analyst resource as a project manager.

Auditor-Controller

ADMINISTRATION & SUPPORT BUDGET PROGRAM (CONT'D)

2018-19 Anticipated Accomplishments (cont'd)

- Many activities have been initiated to strengthen and enforce the culture of customer service and teamwork, such as quarterly staff engagement lunches, an annual off-site Division Chief retreat, one-on-one lunches with staff, biannual Division Chief lunches, and the introduction of an organizational wellness liaison (OWL).
- Facilitated and hosted several countywide continuing professional education events for County Certified Public Accountants.

Program and Project Initiatives

- Improving countywide credit card program oversight by coordinating responsibilities throughout the department, updating procedures and policies, and performing analytical reviews of credit card usage.
- Worked with the CEO's office and CliftonLarsonAllen, LLP to update several financial policies and present them to the Board of Supervisors by end of June 2019.
- Participated on the Tajiguas Resource Recovery Project finance team with the Treasurer-Tax Collector, Public Works Department, CEO's Office and County Counsel.
- Participated in the Executive Information Technology Committee, Information Technology Policy Committee, and Information Technology Standards Committee as part of Renew '22.

Ex-Officio Responsibilities

- The role of Auditor-Controller is a member of many countywide committees, such as:
- Affordable Housing Loan Committee which helps access applicant qualifications for restricted income housing programs.
- Capital Loan Committee which approves funding for various community development programs.
- Debt Advisory Committee which approves and provides guidance on potential debt to be issued by the County.
- Deferred Compensation Oversight Committee which monitors the performance of the investment funds and reviews and evaluates the communication and education programs supporting the County's Deferred Compensation Plan.
- Staff to Santa Barbara Finance Corporation which facilitates financing for the County and other public entities.
- Legislation Program Committee which provides guidance on prioritized legislative principles, specific issues, projects and programs (priorities).

2019-20 Objectives

In the spirit of continuous improvement and in alignment with our office's principles and values, our efforts will be focused in the following areas:

- Leading and managing the A-C office effectively to carry out the duties of the office.
- Recruiting and hiring well-qualified staff.
- Encouraging staff performance and supporting staff training.
- Promoting employee health, wellness, and quality of life.
- Providing modern technology.
- Participating in countywide Renew '22 project.
- Partnering with County departments to help them achieve their goals.
- Providing training and resources that facilitate sound and controlled fiscal practices for the County.

Auditor-Controller

AUDIT SERVICES BUDGET PROGRAM

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	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
ASST DIRECTOR	0.07	-	-	-	-
AUDIT MANAGER	0.50	1.00	1.00	0.80	(0.20)
DIVISION CHIEF	0.07	-	-	-	-
AUDIT SUPERVISOR	0.54	1.00	1.00	1.00	-
COST ANALYST	-	-	-	1.00	1.00
ACCOUNTANT-AUDITOR	2.16	3.00	3.00	2.00	(1.00)
Total	3.35	5.00	5.00	4.80	(0.20)

FTE counts include regular staff only, and do not include extra help and contractors-on-payroll.

Revenue & Expenditures

Budget By Categories of Expenditures	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
Salaries and Employee Benefits	\$ 525,095	\$ 751,500	\$ 579,800	\$ 777,500	\$ 26,000
Services and Supplies	205,014	27,000	78,800	29,700	2,700
Other Charges	7,958	8,800	8,800	9,800	1,000
Total Operating Expenditures	738,067	787,300	667,400	817,000	29,700
Total Expenditures	\$ 738,067	\$ 787,300	\$ 667,400	\$ 817,000	\$ 29,700
Budget By Categories of Revenues					
Charges for Services	7,500	7,500	7,500	7,500	-
Total Operating Revenues	7,500	7,500	7,500	7,500	-
Intrafund Expenditure Transfers (-)	3,500	-	-	-	-
General Fund Contribution	816,779	779,800	659,900	809,500	29,700
Total Revenues	\$ 827,779	\$ 787,300	\$ 667,400	\$ 817,000	\$ 29,700

2018-19 Anticipated Accomplishments

- Developed and adopted an Internal Audit Charter.
- Developed county-wide internal control policy and framework for Board adoption.
- Developed an annual Audit Plan risk assessment.
- Provided a risk-based annual internal audit plan to the Board of Supervisors to include risk-based engagements, required engagements, annual contract audit, training, investigations, and other relevant activities.
- Successfully recruited new Internal Audit Chief.
- Refocused the Division to operational audits, internal control reviews, and Renew '22 initiatives.
- Initiated concerted outreach to departments through the audit plan, internal control reviews, Renew '22 participation, and other engagements.
- Evaluated replacement electronic work paper software to house audit documentation and enhance auditor engagement and project management.

Auditor-Controller

AUDIT SERVICES BUDGET PROGRAM (CONT'D)

2018-19 Anticipated Accomplishments (cont'd)

- Implemented and administered County Fraud Hotline.
- Developed internal control process for county credit card administration.
- Assisted departments through the use of internal control frameworks to evaluate and report on the effectiveness of the County's system of internal control.
- Provided ad-hoc support to management for special projects as resources allow.
- 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.
- Developed and implemented department head transfer of assets program.
- Performed mandatory engagements, including:
 - Cash and Investment Reviews
 - Tax Redemption Officer Audits
 - County Fraud/Loss Activities
- Performed internal controls review of certain agency funds, including consideration of GASB 84 requirements.
- Performed investigations of departments reporting lost or stolen property to the Auditor-Controller's Office as required by the County Fraud Policy.
- Performed departmental cash counts to increase Auditor presence and to test internal controls as theft deterrence measures.

2019-20 Objectives

- Recruit Internal Audit Supervisor.
- Provide an updated risk-based annual internal audit plan to the Board of Supervisors to include risk-based engagements, required engagements, annual contract audit, training, investigations, and other relevant activities.
- Develop multi-year comprehensive training plan for Internal Audit staff.
- Provide internal control overview at monthly county-wide New Employee Orientation (NEO).
- Continue department head transfer of assets program.
- Develop tracking report for management action plans on future audit report findings, and sample prior audits to determine if recommendations have been implemented.
- Implement replacement electronic work paper software to house audit documentation and enhance auditor engagement and project management.
- Update Internal Audit Division manual.
- Provide ad-hoc support to management for special projects as resources allow.
- 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.
- Annual report to the Board of Supervisors of County Fraud Hotline activity.
- Perform mandatory engagements, including:
 - Cash and Investment Reviews
 - Tax Redemption Officer Audits
 - County Fraud/Loss Activities

Auditor-Controller

ACCOUNTING SERVICES BUDGET PROGRAM

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	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
ASST DIRECTOR	0.14	1.00	1.00	1.00	-
DIVISION CHIEF	4.87	6.00	6.00	5.00	(1.00)
CHIEF DEPUTY CONTROLLER	1.00	1.00	1.00	1.00	-
FINANCIAL SYS ANALYST SR-R	4.38	6.00	6.00	6.00	-
FINANCIAL SYS ANALYST	5.62	5.60	5.60	4.80	(0.80)
FINANCIAL ACCT ANALYST	3.29	3.00	3.00	4.00	1.00
COST ANALYST	0.12	1.00	1.00	3.00	2.00
FINANCIAL OFFICE PRO	1.00	1.00	1.00	1.00	-
EDP OFFICE AUTO COORD SR	1.00	1.00	1.00	1.00	-
ACCOUNTANT-AUDITOR	6.43	6.00	6.00	5.00	(1.00)
FINANCIAL OFFICE PRO SR-RES	2.00	2.00	2.00	2.00	-
FINANCIAL OFFICE PRO SR	2.00	2.00	2.00	2.00	-
Total	31.85	35.60	35.60	35.80	0.20

FTE counts include regular staff only, and do not include extra help and contractors-on-payroll.

Auditor-Controller

ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)

Revenue & Expenditures

Budget By Categories of Expenditures	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
Salaries and Employee Benefits	\$ 5,081,922	\$ 5,873,200	\$ 5,418,800	\$ 5,965,900	\$ 92,700
Services and Supplies	299,706	470,200	352,500	295,100	(175,100)
Other Charges	179,942	201,900	200,600	203,500	1,600
Total Operating Expenditures	5,561,571	6,545,300	5,971,900	6,464,500	(80,800)
Capital Assets	27,084	15,000	15,000	30,000	15,000
Increases to Fund Balances	8,882	-	-	-	-
Total Expenditures	\$ 5,597,537	\$ 6,560,300	\$ 5,986,900	\$ 6,494,500	\$ (65,800)
Budget By Categories of Revenues					
Intergovernmental Revenue	62,134	59,900	68,300	66,000	6,100
Charges for Services	1,000,080	983,700	1,261,400	1,293,100	309,400
Miscellaneous Revenue	51,294	11,800	26,600	27,500	15,700
Total Operating Revenues	1,113,508	1,055,400	1,356,300	1,386,600	331,200
Decreases to Fund Balances	-	411,600	-	-	(411,600)
General Fund Contribution	5,004,330	5,093,300	5,021,600	5,107,900	14,600
Total Revenues	\$ 6,117,838	\$ 6,560,300	\$ 6,377,900	\$ 6,494,500	\$ (65,800)

2018-19 Anticipated Accomplishments

Applications Development and Systems

- Maintained approximately 70 departmental and countywide financial applications and related hardware support.
 - Continued to implement the Auditor-Controller's functionality in the new property tax system for annual and supplemental billing, roll corrections, and distribution;
 - Implemented additional transaction approval controls in FIN Web to improve error and fraud prevention.
 - Implemented additional controls in FIN Web related to segregation of duties for granting user access and user approvals.
- Upgraded and reconfigured FIN, Pay, and Property Tax SQL servers to improve performance, provide enhanced testing capabilities, and provide for disaster recovery.
- Implemented improved security by formalizing system and access policies, strengthening password requirements, and user administration processes to address external audit recommendations.
- Worked with Information Communication Technology (ICT) to migrate the office's workstations to the County (CO) domain.
- Worked with ICT to implement Identity and Access Management using CO Domain account credentials for authentication.
- Refactored payroll calculation engine in a more modern and flexible programming language.

Property Tax Administration

- Timely processed tax roll corrections for properties damaged or destroyed in the fire and debris flow disasters.
- Administered the distribution of \$915 million in taxes to 8 cities, the County, 24 schools, 49 special districts, and 7 RDA successor agencies.

Auditor-Controller

ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)

2018-19 Anticipated Accomplishments (cont'd)

- 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.
- Continued implementation of the multi-year tax exchange agreement between the County and the Fire Protection District.
- Worked jointly with the Treasurer-Tax Collector to implement solutions to challenge areas remaining with the Aumentum property tax system that went live in early FY 2014-15. However, further development using A-C applications will be required outside the scope of the current Aumentum vendor product.
- Reduced backlog of assessment roll corrections, escape assessments, and supplemental assessments from approximately 8,670 to below 300.

Payroll Operations

- Timely and accurately processed approximately 119,164 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 review countywide compliance of the Fair Labor Standards Act overtime laws.
- Implemented countywide conversion of Unit Cash allowance into base pay for 26 of 28 bargaining units.
- Implemented countywide pension cost sharing provisions for all bargaining units, rolled out at different increments due to various negotiated timing requirements.
- Implemented eight new earnings codes in line with HR Strategic goals, new policies, initiatives, and negotiations.
- Facilitated new provisions in line with HR Strategic goals for the following:
 - voluntary early separation incentive payments
 - retention incentive payments
 - various other incentive payments
 - lump sum payments to managers at the top of their salary class

Financial Accounting and Customer Support

- Validated and recorded 102,000 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.
- Assisted with the ongoing improvements to FIN, including additional internal controls and user interface enhancements.
- Analyzed the current recording, tracking, and reconciliations procedures in order to determine what system modifications may be required in order to properly record and track cannabis revenues and expenditures.
- Analyzed, prepared, and mailed out 1,400 Internal Revenue Service Forms 1099.
- Provided multiple trainings, including Employee University classes, Introduction to FIN, travel claim reimbursement training, fiscal year-end training, and various department specific trainings.

Auditor-Controller

ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)

2018-19 Anticipated Accomplishments (cont'd)

Advanced and Specialty Accounting

- Provided coordinator and staffing for the finance section of the Emergency Operations Center.
- Provided essential cost recovery and accounting support for the Thomas Fire and Debris Flow incidents.
- Managed the budget, the revenue distribution, and the forecasting analysis of the County general revenues.
- Performed a variety of complex revenue and tax allocations for county departments and external entities including Realignment and Public Safety revenue.
- Delivered accounting, budgeting, and financial reporting assistance to Special Districts.
- Collaborated with the Independent Special Districts to ensure the timely reporting of the legally mandated audited financials and budgets.
- Timely completion of Special Districts Financial Transaction Reports as mandated by the State.
- Developed the administrative support for newly implemented Countywide Oversight Board which oversees the winding-down of the Successor Agencies redevelopment activities.
- Provided administrative support to the Countywide Oversight Board on the Successor Agencies Dissolution process.
- Initiated the collaboration with Hinderliter, de Llamas and Associates (HDL) to provide sales tax economic analysis and the corrections of misallocated Sales Tax in favor of the County.

2019-20 Objectives

Applications Development and Systems

- Refocus our long term strategic IT plan to position our office so that we may better serve our customers.
- Implement and test a Disaster Recovery and Business Continuity Plan.
- Maintain and strategically enhance the 70 applications in the A-C that serve multiple departments and County agencies.
- Improve user access control and account management to provide increased security for our data and systems.
- Improve the processes and systems to enhance the documentation for Auditor systems.
- Improve processes and interfaces related to the Property Tax System.
- Develop additional controls and capabilities for the County's Employee Self Service and Time Capture system.
- Upgrade and reconfigure non-SQL servers to improve performance, increase backup capabilities, and provide for disaster recovery.

Property Tax Administration

- Distribute an estimated \$950 to \$990 million in property taxes to local agencies annually.
- Administration of the RDA successor agency 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.
- Publish popular annual Property Tax Highlights Report.

Auditor-Controller

ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)

2019-20 Objectives (cont'd)

Payroll Operations

- Manage biweekly payroll process for approximately 4,580 employees.
- Participate in constant improvement of technology supporting new-hire onboarding, employee changes, payroll cost accounting, payroll calculations, and reporting.
- Publish 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.
- Enhance internal controls by cross-training and rotating duties within the Division.
- Collaborate with Applications Development Division to enhance time capture system improvements and the payroll system enhancement project.
- Initiate the development of employee electronic payroll forms.
- Provide an option for electronic only Internal Revenue Service Forms W-2.

Financial Accounting and Customer Support

- Provide additional FIN training offerings utilizing expanded platforms.
- Continue making improvements to the 1099 reporting database and continue to make improvements to our 1099 reporting process.
- 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 promote direct deposit.
- Work with Internal Audit to perform reviews of departmental credit card documentation and procedures.

Advanced and Specialty Accounting

- Improve support for disasters and extraordinary incidents to allow for more timely reporting and claim reimbursement for such events and participate in the cost recovery efforts.
- Document revenue streams and develop tools to improve the budget, revenue distribution and forecasting analysis of the Sales Taxes, Transient Occupancy Taxes (TOT), Realignment, and Public Safety Revenues.
- Provide support to departments and agencies with complex allocations of inter-agency revenues and taxes including Realignment and Public Safety revenue.
- Ensure the accurate and timely allocation of revenues to departments and other entities.
- Develop an efficient process to timely complete and ensure the information is accurate and relevant on the Special District Compliance Report, Sales Tax Highlights and TOT Annual Report.
- Provide support to the finance committee of the Northern Branch Jail project and the Tajiguas Resource Recovery Project.
- Document and improve the Court Revenues process to ensure that Court Fines and Fees are remitted to the State timely and accurately.

Auditor-Controller

ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)

2019-20 Objectives (cont'd)

- Continue the administrative support for the newly implemented Countywide Oversight Board which oversees the winding-down of the Successor Agencies redevelopment activities.
- Continue a comprehensive review of Auditor-Controller fiscal and accounting policies with the aim to update and differentiate policy from procedure.

Auditor-Controller

FINANCIAL REPORTING BUDGET PROGRAM

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 (GAAP). Operate, maintain, enhance, and support the County's budget development system.

Staffing

Staffing Detail By Budget Program	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
ASST DIRECTOR	0.09	-	-	-	-
DIVISION CHIEF	1.06	1.00	1.00	1.00	-
AUDIT SUPERVISOR	0.50	0.50	0.50	0.50	-
FINANCIAL SYS ANALYST	0.03	-	-	-	-
FINANCIAL ACCT ANALYST	1.90	2.50	2.50	2.50	-
ACCOUNTANT-AUDITOR	1.33	1.00	1.00	1.00	-
Total	4.90	5.00	5.00	5.00	-

FTE counts include regular staff only, and do not include extra help and contractors-on-payroll.

Revenue & Expenditures

Budget By Categories of Expenditures	2017-18 Actual	2018-19 Adopted	2018-19 Estimated Actual	2019-20 Recommended	Change From FY18-19 Ado to FY19-20 Rec
Salaries and Employee Benefits	\$ 804,713	\$ 885,700	\$ 888,500	\$ 876,100	\$ (9,600)
Services and Supplies	139,348	146,000	145,400	146,600	600
Other Charges	8,328	10,100	9,100	10,400	300
Total Operating Expenditures	952,389	1,041,800	1,043,000	1,033,100	(8,700)
Total Expenditures	\$ 952,389	\$ 1,041,800	\$ 1,043,000	\$ 1,033,100	\$ (8,700)
Budget By Categories of Revenues					
General Fund Contribution	1,052,635	1,041,800	1,043,000	1,033,100	(8,700)
Total Revenues	\$ 1,052,635	\$ 1,041,800	\$ 1,043,000	\$ 1,033,100	\$ (8,700)

2018-19 Anticipated Accomplishments

- Earned the Government Finance Officers' Association (GFOA) Award for Excellence in Financial Reporting for the County's Comprehensive Annual Financial Report (CAFR) and the GFOA Award for Outstanding Achievement for the County's Annual Financial Highlights publication, both of which have been achieved annually since 1991 and 1998 respectively.
- Maintained a commitment to keep the public informed on matters concerning public finances by publishing and distributing the popular Financial Highlights Report.
- Received the GFOA award for the County Budget.
- Continued working with the CEO on making improvements to budget development processes, tools, and policies.
- Conducted intermediate and advanced accounting courses at the Employee University.
- Continued to assist the Sheriff with recovering the costs of providing Contract Law Enforcement services.
- Implemented electronic work paper software to replace hardcopy files for departmental fee reviews, indirect cost rate proposals, and other reoccurring projects.
- Drafted an updated Fee Policy for Board of Supervisors adoption.

Auditor-Controller

FINANCIAL REPORTING BUDGET PROGRAM (CONT'D)

2019-20 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 Governmental Accounting Standards Board (GASB) Statement 84, Fiduciary Activities.
- Develop guidelines for departmental Fee Reviews and Indirect Cost Rate Proposals.

Auditor-Controller

