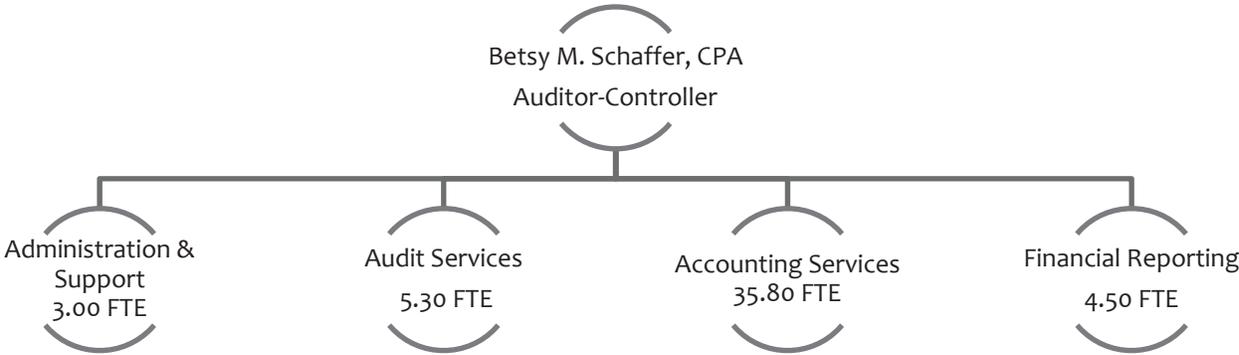


# Auditor-Controller



**RECOMMENDED BUDGET & STAFFING SUMMARY & BUDGET PROGRAMS CHART**

Operating	\$ 9,363,300
Capital	\$ 15,000
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 2020-21 OBJECTIVES**

- Lead and participate in the countywide business applications needs assessment (BANA) to review the current status and needs of the County's business systems: HR, FIN, Payroll, etc.
- Apply advanced analytical and audit procedures to county's disbursements.
- Continue activities to strengthen and reinforce the culture of customer service and teamwork.
- Continue a comprehensive review of Auditor-Controller fiscal and accounting policies with the aim to update and differentiate policy from procedure.
- Participate in the Executive Information Technology Committee, IT Policy Committee, and Information Technology Standards Committee as part of Renew '22.
- Continue 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.
- Distribute an estimated \$990 to \$1,050 million in property taxes to local agencies annually.
- Manage biweekly payroll process for approximately 4,540 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 2022 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 2019-20, the 28<sup>th</sup> 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.
  - Initiating a rotational training and development program for our office's Information Technology professionals.
- Build Up Internal Audit
  - Continue concerted outreach to departments through the audit plan, internal control reviews, Renew '22 participation, other engagements, and becoming a resource to other County departments.
- Support to Independent Agencies
  - To the extent possible, provide training and tools to support Special Districts' financial activities.
  - Continue providing staff support to the Countywide Redevelopment Agency (RDA) Oversight Board.
- Paperless Initiatives
  - Continue implementing changes to Revenue and Taxation Code that eliminates the requirement of paper claim forms for certain property tax refunds.
- Collaboration with Other Departments
  - Lead and develop project structure for the 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 2020-21**

- Staff Development
  - Coordinate and facilitate the 29<sup>th</sup> class of the NATD program.
  - Coordinate and facilitate Chief Financial Officers (CFO) Consortiums.
  - Host an officewide half-day Staff Training Retreat.
  - Continue the Information Technology professional training and development program.
  - Conduct third annual Division Chiefs' retreat.
  - Continue Deming Roundtable as part of the biweekly Division Chiefs' meeting.

# Auditor-Controller

## ***HIGHLIGHTED RENEW 2022 INITIATIVES (CONT'D)***

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### **Implementation in FY 2021-21 (Cont'd)**

- Build Up Internal Audit
  - 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.

# Auditor-Controller

## **RENEW 2022 BIG PICTURE GOALS**

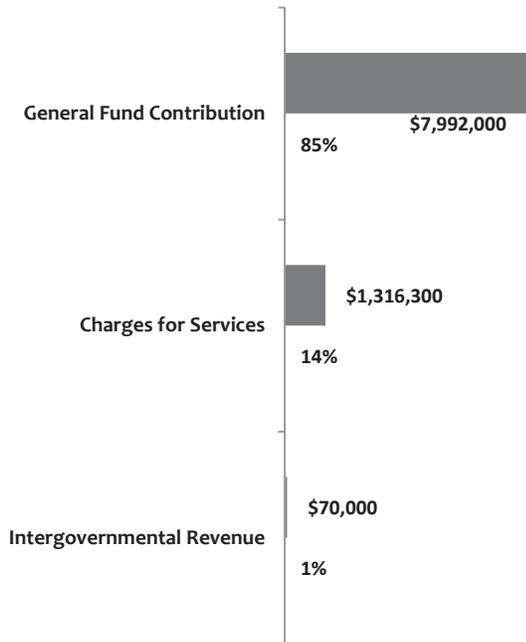
The Auditor-Controller will implement the following initiatives in FY 2020-21 to achieve the 6 countywide Big Picture Goals:

<b>Big Picture Goal</b>	<b>FY 2020-21 Initiatives</b>
<b>RE-DESIGN</b>	
Evaluate and migrate County services online	<ul style="list-style-type: none"><li>• Continue encouraging vendors to receive their payments via ACH instead of paper warrants</li><li>• Provide Form W2s online through the Employee Self-Service portal</li></ul>
Train County employees in the process improvement	<ul style="list-style-type: none"><li>• Staff member participated in first Cohort of County provided process improvement training</li><li>• Continue to participate in County provided process improvement training</li></ul>
<b>RE-BALANCE</b>	
Enhance financial resiliency	<ul style="list-style-type: none"><li>• Increase the self-reliance of special districts by providing training and tools to support their financial activities</li><li>• Coordinate and facilitate Chief Financial Officers (CFO) Consortiums</li></ul>
<b>RESPOND</b>	
Conduct an internal customer service survey	<ul style="list-style-type: none"><li>• Participate in biennial internal customer survey with CEO, Human Resources, General Services, and County Counsel</li></ul>
<b>RETAIN</b>	
Facilitate the participation of managers in a leadership development program	<ul style="list-style-type: none"><li>• Participate in Leadership Certificate Program as attendees and instructor</li><li>• Continue Annual Division Chief Retreat (to develop leadership skills and reinforce departmental goals and objectives)</li><li>• Continue Deming Roundtable as part of the biweekly Division Chiefs' meetings</li></ul>
Retain new employees during their first 5 years of employment	<ul style="list-style-type: none"><li>• Continue facilitating and developing the New Auditor Training and Development (NATD) program for our new Accountant-Auditors</li><li>• Coordinate and facilitate the Chief Financial Officers (CFO) Consortiums.</li></ul>

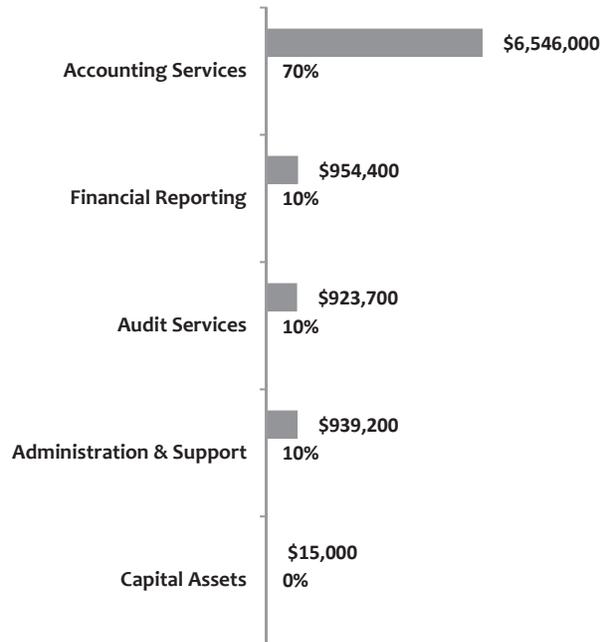
# Auditor-Controller

## RECOMMENDED SOURCES & USES OF FUNDS

Source of Funds - \$9,378,300

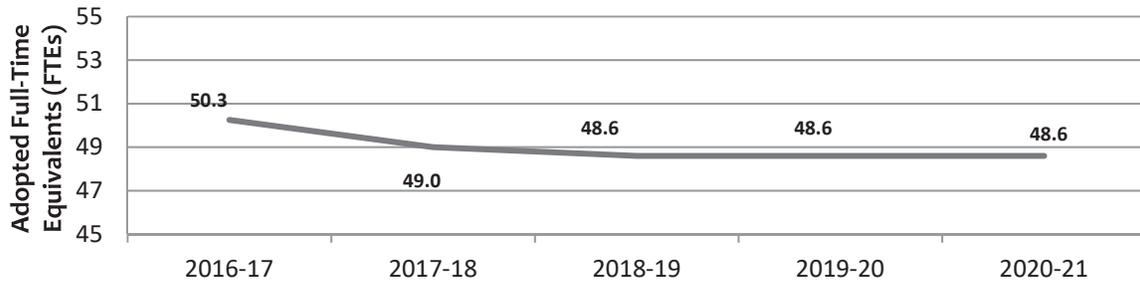


Use of Funds - \$9,378,300



## 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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
Administration & Support	3.30	3.00	3.00	3.00	-
Audit Services	4.08	4.80	4.80	5.30	0.50
Accounting Services	32.17	35.80	35.80	35.80	-
Financial Reporting	4.70	5.00	5.00	4.50	(0.50)
Total	<u>44.24</u>	<u>48.60</u>	<u>48.60</u>	<u>48.60</u>	<u>-</u>
<b>Budget By Budget Program</b>					
Administration & Support	\$ 879,180	\$ 844,300	\$ 869,526	\$ 939,200	\$ 94,900
Audit Services	689,009	817,000	799,955	923,700	106,700
Accounting Services	5,815,319	6,464,500	6,163,019	6,546,000	81,500
Financial Reporting	993,578	1,033,100	990,246	954,400	(78,700)
Unallocated	2	-	94,045	-	-
Total	<u>\$ 8,377,089</u>	<u>\$ 9,158,900</u>	<u>\$ 8,916,791</u>	<u>\$ 9,363,300</u>	<u>\$ 204,400</u>
<b>Budget By Categories of Expenditures</b>					
Salaries and Employee Benefits	\$ 7,496,519	\$ 8,213,500	\$ 7,967,317	\$ 8,261,500	\$ 48,000
Services and Supplies	608,872	665,000	667,076	759,200	94,200
Other Charges	271,698	280,400	282,398	342,600	62,200
Total Operating Expenditures	<u>8,377,089</u>	<u>9,158,900</u>	<u>8,916,791</u>	<u>9,363,300</u>	<u>204,400</u>
Capital Assets	-	30,000	30,000	15,000	(15,000)
Fund Balance Impact (+)	734,646	-	295,404	-	-
Total	<u>\$ 9,111,735</u>	<u>\$ 9,188,900</u>	<u>\$ 9,242,195</u>	<u>\$ 9,378,300</u>	<u>\$ 189,400</u>
<b>Budget By Categories of Revenues</b>					
Intergovernmental Revenue	\$ 68,180	\$ 66,000	\$ 83,541	\$ 70,000	\$ 4,000
Charges for Services	1,374,944	1,300,600	1,303,290	1,316,300	15,700
Miscellaneous Revenue	89,511	54,000	87,064	-	(54,000)
Total Operating Revenues	<u>1,532,635</u>	<u>1,420,600</u>	<u>1,473,895</u>	<u>1,386,300</u>	<u>(34,300)</u>
General Fund Contribution	7,579,100	7,768,300	7,768,300	7,992,000	223,700
Total	<u>\$ 9,111,735</u>	<u>\$ 9,188,900</u>	<u>\$ 9,242,195</u>	<u>\$ 9,378,300</u>	<u>\$ 189,400</u>

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

# Auditor-Controller

## **CHANGES & OPERATIONAL IMPACT: 2019-20 ADOPTED TO 2020-21 RECOMMENDED**

### Staffing

- There are no FTE changes from 2019-20 Adopted to 2020-21 Recommended.
- The Department has a current projected staff of 48.6 FTE for FY 2020-21. The Department has centralized operations in Santa Barbara and also has one small satellite office in Santa Maria.

### Expenditures

- Net operating expenditure increase of +\$204,400 due to:
  - +\$48,000 increase in Salaries and Employee Benefits primarily due to the negotiated increases of Regular Salaries and related Retirement Contributions.
  - \$94,200 increase in Services and Supplies primarily due to increases in Professional & Special Service;
  - \$62,200 increase in Other Charges primarily due to increases in Electricity, Information & Communication Technology, Water, and Motor Pool Charges.
- Net non-operating expenditure decrease of \$15,000 due to:
  - -\$15,000 decrease in Capital Assets for computer equipment.

These changes result in recommended operating expenditures of \$9,363,300, non-operating expenditures of \$15,000, and total expenditures of \$9,378,300. Non-operating expenditures are for capital assets.

### Revenues

- Net operating revenue decrease of -\$34,300 primarily due to:
  - +\$4,000 increase in Intergovernmental Revenue–State due to increase in 2011 Local Realignment;
  - +\$15,700 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.
  - -\$54,000 decrease in Miscellaneous Revenues due to the reclassification of Flex spending and credit card rebate monies to Department 991.
- Net non-operating revenue increase of +223,700 due to:
  - +\$223,700 increase in General Fund Contribution, primarily, for Salary & Benefit increases.

Although not reflected in the Auditor-Controller department budget, cost allocation revenue of \$3,960,000 for FY 2020-21 will be contributed as General Revenues. This represents A-C cost reimbursement revenue from Federal and State programs and equates to 42% of the total A-C budget.

These changes result in recommended operating revenues of \$1,386,300, non-operating revenues of \$7,992,000, and total revenues of \$9,378,300. 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 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Estimated Actual	FY 2020-21 Recommend
<b>A Well-Run County: with goals of maintaining independence and objectivity, and constantly improving processes</b>				
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)	39	40	40	40
Number of revenue allocations made legally, accurately, and timely - Specialty & Advanced Accounting (Target: 350)	366	366	366	360
Percentage of annual payroll disbursements to employees through Direct Deposit (Target: 99%)	99% 4,569/4,629	99% 4,529/4,573	99% 4,535/4,580	100% 4,500/4,500
Percentage of employees using automated time entry system (Target: 95%)	94% 4,366/4,629	95% 4,119/4,580	95% 4,351/4,540	95% 4,275/4,500
<b>A Financially Sound County: with goals of providing high-quality financial services and support of the County's financial infrastructure</b>				
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%)	60% 37K/62K	60% 37K/62K	64% 40K/63K	64% 40K/63K
Percentage of total dollar disbursements to County vendors paid through direct deposit (ACH), rather than Warrant (Target: 83%)	83% \$561M/\$673M	83% \$561M/\$673M	84% \$619M/\$734M	84% \$619M/\$734M
Number of published newsletters/surveys related to policy and training (Target: 4)	4	4	2	4
Number of SBC Accounting courses offered at EU (Target: 6)	6	6	6	6
<b>An Informed Public: with goals of providing useful and timely information and increase access and awareness</b>				
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 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Estimated Actual	FY 2020-21 Recommend
<b>Knowledgeable and Effective Staff: with the goal of investing in our employees</b>				
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% 21/45	46% 21/45
<b>Model County Department: with the goal of managing the Auditor-Controller's office effectively</b>				
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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
AUDITOR-CONTROLLER	1.00	1.00	1.00	1.00	-
ASST DIRECTOR	0.63	-	-	-	-
BUSINESS MANAGER	-	-	-	1.00	1.00
FINANCIAL OFFICE PRO	1.67	2.00	2.00	1.00	(1.00)
Total	3.30	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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
Salaries and Employee Benefits	\$ 762,159	\$ 594,000	\$ 669,500	\$ 639,500	\$ 45,500
Services and Supplies	64,075	193,600	145,600	234,200	40,600
Other Charges	52,946	56,700	52,900	65,500	8,800
Total Operating Expenditures	879,180	844,300	868,000	939,200	94,900
Total Expenditures	\$ 879,180	\$ 844,300	\$ 868,000	\$ 939,200	\$ 94,900
<b>Budget By Categories of Revenues</b>					
Miscellaneous Revenue	31,899	26,500	26,600	-	(26,500)
Total Operating Revenues	31,899	26,500	26,600	-	(26,500)
General Fund Contribution	664,200	817,800	817,800	939,200	121,400
Total Revenues	\$ 696,099	\$ 844,300	\$ 844,400	\$ 939,200	\$ 94,900

### 2019-20 Anticipated Accomplishments

#### Staffing and Organizational Development

- Conducted recruitment and provided training for the 28<sup>th</sup> New Auditor Training and Development Program.
- Successful recruitments to fill the Financial Reporting Division Chief, Business Manager, Internal Audit Supervisor, Cost Analyst, Accountant-Auditor III, and Financial Office Professional positions, which are key positions in the Department.
- Continued regular executive committee meetings with Division managers in the Internal Audit, Financial Applications & Systems Development, Advanced Revenue and Tax Accounting, Payroll, Financial Accounting & Customer Support, Advanced 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.

# Auditor-Controller

## **ADMINISTRATION & SUPPORT BUDGET PROGRAM (CONT'D)**

### **2019-20 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.
- Successfully activated our Continuity of Operations Plan (COOP) in response to the countywide COVID-19 pandemic response with 93% (50/54) of staff members, including Extra Help employees, working remotely during this period.

### 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.
- 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.

### **2020-21 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.
- Continue to participate in future County provided process improvement trainings

# 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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
ASST DIRECTOR	0.06	-	-	-	-
AUDIT MANAGER	0.58	0.80	0.80	0.80	-
AUDIT SUPERVISOR	0.52	1.00	1.00	1.00	-
FINANCIAL SYS ANALYST SR-R	-	-	-	1.00	1.00
FINANCIAL SYS ANALYST	-	-	-	0.50	0.50
FINANCIAL ACCT ANALYST	0.15	-	-	-	-
COST ANALYST	0.93	1.00	1.00	-	(1.00)
ACCOUNTANT-AUDITOR	1.85	2.00	2.00	2.00	-
Total	4.08	4.80	4.80	5.30	0.50

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

### Revenue & Expenditures

Budget By Categories of Expenditures	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
Salaries and Employee Benefits	\$ 613,936	\$ 777,500	\$ 760,000	\$ 880,400	\$ 102,900
Services and Supplies	66,327	29,700	37,000	31,800	2,100
Other Charges	8,745	9,800	9,300	11,500	1,700
Total Operating Expenditures	689,009	817,000	806,300	923,700	106,700
Total Expenditures	\$ 689,009	\$ 817,000	\$ 806,300	\$ 923,700	\$ 106,700
<b>Budget By Categories of Revenues</b>					
Charges for Services	7,500	7,500	6,300	7,500	-
Total Operating Revenues	7,500	7,500	6,300	7,500	-
General Fund Contribution	779,800	809,500	809,500	916,200	106,700
Total Revenues	\$ 787,300	\$ 817,000	\$ 815,800	\$ 923,700	\$ 106,700

### 2019-20 Anticipated Accomplishments

- 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 Supervisor.
- Refocused the Division to operational audits, internal control reviews, and Renew '22 initiatives.
- Continued concerted outreach to departments through the audit plan, internal control reviews, Renew '22 participation, and other engagements.

# Auditor-Controller

## **AUDIT SERVICES BUDGET PROGRAM (CONT'D)**

### **2019-20 Anticipated Accomplishments (cont'd)**

- Updated Whistleblower Hotline policies and procedures to comprehensively represent the operations and administration of the program by implementing best practices of other government.
- Developed internal control process for county credit card administration.
- 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.
- 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.

### **2020-21 Objectives**

- Continue to 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.
- Continue to provide internal control overview at monthly county-wide New Employee Orientation (NEO).
- 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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
ASST DIRECTOR	0.26	1.00	1.00	1.00	-
DIVISION CHIEF	4.96	5.00	5.00	5.00	-
AUDIT MANAGER	0.01	-	-	-	-
CHIEF DEPUTY CONTROLLER	0.96	1.00	1.00	1.00	-
FINANCIAL SYS ANALYST SR-R	5.33	6.00	6.00	4.00	(2.00)
FINANCIAL SYS ANALYST	4.26	4.80	4.80	3.80	(1.00)
FINANCIAL ACCT ANALYST	3.49	4.00	4.00	7.00	3.00
COST ANALYST	2.93	3.00	3.00	1.00	(2.00)
FINANCIAL OFFICE PRO	1.30	1.00	1.00	1.00	-
EDP OFFICE AUTO COORD SR	1.00	1.00	1.00	1.00	-
ACCOUNTANT-AUDITOR	3.67	5.00	5.00	8.00	3.00
FINANCIAL OFFICE PRO SR-RES	2.00	2.00	2.00	2.00	-
FINANCIAL OFFICE PRO SR	2.00	2.00	2.00	1.00	(1.00)
Total	32.17	35.80	35.80	35.80	-

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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
Salaries and Employee Benefits	\$ 5,294,667	\$ 5,965,900	\$ 5,606,100	\$ 5,940,500	\$ (25,400)
Services and Supplies	318,840	295,100	348,700	353,200	58,100
Other Charges	201,813	203,500	210,000	252,300	48,800
Total Operating Expenditures	5,815,319	6,464,500	6,164,800	6,546,000	81,500
Capital Assets	-	30,000	30,000	15,000	(15,000)
Total Expenditures	\$ 5,815,319	\$ 6,494,500	\$ 6,194,800	\$ 6,561,000	\$ 66,500
<b>Budget By Categories of Revenues</b>					
Intergovernmental Revenue	68,180	66,000	59,200	70,000	4,000
Charges for Services	1,367,444	1,293,100	1,297,000	1,308,800	15,700
Miscellaneous Revenue	57,612	27,500	60,500	-	(27,500)
Total Operating Revenues	1,493,236	1,386,600	1,416,700	1,378,800	(7,800)
General Fund Contribution	5,093,300	5,107,900	5,107,900	5,182,200	74,300
Total Revenues	\$ 6,586,536	\$ 6,494,500	\$ 6,524,600	\$ 6,561,000	\$ 66,500

### 2019-20 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.
- Continued implementing improved security by formalizing system and access policies, strengthening password requirements, and user administration processes to address external audit recommendations.
- Continued working with Information Communication Technology (ICT) to migrate the office's workstations to the County (CO) domain.
- Refactored payroll calculation engine in a more modern and flexible programming language.

#### Advanced Revenue and Tax Administration

- Timely processed tax roll corrections for properties damaged or destroyed in the fire and debris flow disasters.
- Administered the distribution of \$960 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.
- Continued implementation of the multi-year tax exchange agreement between the County and the Fire Protection District.

# Auditor-Controller

## ***ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)***

### **2019-20 Anticipated Accomplishments (cont'd)**

- Collaborated with the Treasurer-Tax Collector to continue to implement solutions to challenge areas remaining with the Aumentum property tax system. However, further development using A-C applications will be required outside the scope of the current Aumentum vendor product.

#### Payroll Operations

- Timely and accurately processed approximately 121,000 County payroll payments.
- Timely and accurately processed annual wage reporting (W-2 and W-3).
- Timely and accurately processed 34 total federal and state Quarterly payroll tax returns and 82 total payroll tax deposits to federal and state authorities.
- Conducted training series for Department Payroll Administrators (DPA), one year-end training and a basics/refresher training.
- Implemented IRS 2020 Form W-2 update.
- Facilitated new employee relations provisions, as negotiated.
- Implemented year-end related systematic process improvements.

#### Financial Accounting and Customer Support

- Validated and recorded approximately 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.

#### Advanced Accounting

- Filled the Division Chief vacancy to focus on accounting policies and structure, implementation of new accounting announcements, and to support County departments with complex accounting issues.
- Continued to assist the Sheriff with recovering the costs of providing Contract Law Enforcement services by developing a cost recovery model which added stability and objectivity to the cost recovery method.
- Developed and deployed, with the CEO's Office, a fiscal policies training course for all County management.
- Provided extensive support and coordination for the countywide business applications needs assessment (BANA) project.
- Assisted with countywide cost analysis and recovery for COVID-19 pandemic response.

# Auditor-Controller

## ***ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)***

### **2020-21 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.

#### Advanced Revenue and Tax Administration

- Distribute an estimated \$990 to \$1,050 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.
- 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.

#### Payroll Operations

- Manage biweekly payroll process for approximately 4,540 employees.
- Provide an option for electronic only Internal Revenue Service Forms W-2 (Paperless W2's).
- Timely and accurately processed payments and annual wage reporting to Election Workers of two County Election Cycles.
- 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.
- Initiate the development of employee electronic payroll forms.

# Auditor-Controller

## ***ACCOUNTING SERVICES BUDGET PROGRAM (CONT'D)***

### **2020-21 Objectives (cont'd)**

#### Financial Accounting and Customer Support

- Apply advanced analytical and audit procedures to county's disbursements.
- 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 Accounting

- Continue to participate and provide support and coordination for the countywide business applications needs assessment (BANA) project.
- Provide support to the finance committee of the Northern Branch Jail project and the Tajiguas Resource Recovery Project.
- 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.
- Continue to assist with countywide cost analysis and recovery for COVID-19 pandemic response

# 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	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
ASST DIRECTOR	0.05	-	-	-	-
DIVISION CHIEF	0.89	1.00	1.00	1.00	-
CHIEF DEPUTY CONTROLLER	0.04	-	-	-	-
AUDIT SUPERVISOR	0.50	0.50	0.50	0.50	-
FINANCIAL SYS ANALYST	0.35	-	-	1.00	1.00
FINANCIAL ACCT ANALYST	2.10	2.50	2.50	-	(2.50)
COST ANALYST	0.07	-	-	2.00	2.00
ACCOUNTANT-AUDITOR	0.70	1.00	1.00	-	(1.00)
Total	4.70	5.00	5.00	4.50	(0.50)

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

### Revenue & Expenditures

Budget By Categories of Expenditures	2018-19 Actual	2019-20 Adopted	2019-20 Estimated Actual	2020-21 Recommended	Change From FY19-20 Ado to FY20-21 Rec
Salaries and Employee Benefits	\$ 825,755	\$ 876,100	\$ 837,700	\$ 801,100	\$ (75,000)
Services and Supplies	159,630	146,600	108,500	140,000	(6,600)
Other Charges	8,194	10,400	10,200	13,300	2,900
Total Operating Expenditures	993,578	1,033,100	956,400	954,400	(78,700)
Total Expenditures	\$ 993,578	\$ 1,033,100	\$ 956,400	\$ 954,400	\$ (78,700)
<b>Budget By Categories of Revenues</b>					
General Fund Contribution	1,041,800	1,033,100	1,033,100	954,400	(78,700)
Total Revenues	\$ 1,041,800	\$ 1,033,100	\$ 1,033,100	\$ 954,400	\$ (78,700)

### 2019-20 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.
- Eliminated direct charges from the Cost Allocation Plan (CAP) for use in FY 2020-21.
- Implemented Governmental Accounting Standards Board (GASB) Statement 84, Fiduciary Activities.
- Submitted the FY 2018-19 Financial Transactions Report (FTR) to the California State Controller.
- Established successful working relationship with new external audit firm.

# Auditor-Controller

## ***FINANCIAL REPORTING BUDGET PROGRAM (CONT'D)***

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### **2020-21 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.
- Publish and distribute the FY 2019-20 annual Financial Highlights publication.
- Earn the GFOA Award for Excellence in Financial Reporting for the County's FY 2019-20 CAFR and the GFOA Award for Outstanding Achievement for the County's FY 2019-20 Financial Highlights publication
- Earn the GFOA Award for the FY 2020-21 County Budget.
- Compile the FY 2019-20 Schedule of Expenditures of Financial Awards (SEFA) as a component of the annual Single Audit.
- Provide the Board of Supervisors, CEO, and management with the financial information necessary to make decisions that impact services to the community.
- Implement GASB Statement 87, Leases.
- Develop guidelines for departmental Fee Reviews and Indirect Cost Rate Proposals.
- Submit the FY 2019-20 FTR to the California State Controller.
- Develop a Countywide Fee Review plan and schedule.

# Auditor-Controller

