



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: BC 23-004

January 25, 2023

Introduced: 1/11/2023

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Support amending the Auditor-Controller Adopted Budget (001-1110-8374-AUD001) to reallocate one (1) 1.0 FTE Auditor-Controller Analyst I to one (1) 1.0 FTE Auditor-Controller Analyst II as indicated in Attachment A; and
- b. Support authorizing the County Administrative Office and the Auditor-Controller to incorporate the approved changes in the FY 2022-23 Adopted Budget.

RECOMMENDATION:

It is recommended that the Budget Committee support the following actions:

- a. Amend the Auditor-Controller Adopted Budget (001-1110-8374-AUD001) to reallocate one (1) 1.0 FTE Auditor-Controller Analyst I (20B24) to one (1) 1.0 FTE Auditor-Controller Analyst II (20B25) as indicated in Attachment A; and
- b. Authorize the County Administrative Office and the Auditor-Controller to incorporate the approved position changes in the FY 2022-23 Adopted Budget.

SUMMARY/DISCUSSION:

The Auditor-Controller's Office (ACO) is requesting the reallocation of an Auditor-Controller Analyst I position to Auditor-Controller Analyst II to address the increasing workload and complexity of operations in the General Accounting (GA) Division.

As vacancies occur in the Office, the ACO takes each as an opportunity to assess the existing structure and make positive changes that contribute to the sustainability and long-term efficiency of the Office and its Divisions. The recent vacancy of an Auditor-Controller Analyst I position has created an opportunity to reorganize the GA Division to a more sustainable, efficient, and effective long-term structure.

GA Division's workload has increased in volume and complexity, due to new Governmental Accounting Standards Board (GASB) pronouncements, and other factors and is expected to continue to increase in the coming years. Each GASB standard has an ongoing cumulative effect on the accounting and financial reporting of the County. This cumulative effect progressively increases the complexity and the size of the Annual Comprehensive Financial Report (ACFR) each year. It is critical to comply with the deadlines provided by the GASB. Consequences of missing GASB deadlines or implementing with errors could cause difficulties with the completion of the Annual County Financial Report (ACFR) and the County-wide Cost Allocation Plan (Cost Allocation Plan).

In the past several years, the Division has been progressively experiencing a longer fiscal year-end close process, and delays in financial report (ACFR, Cost Allocation Plan, and other reports)

preparation, and audit season. For example, the financial reporting season was extended by four months last year and is expected to be extended again this year due to workload complexity. A prolonged financial reporting season impacts all other deadlines/projects that are due after the financial reporting season. Late completion of the ACFR and Cost Allocation Plan impacts the Budget Office’s timelines County-wide for the recommended budget development as audited fund balances are needed for certain calculations. The delays in ACFR preparation and its audit also places the County at risk of losing the “Excellence in Financial Reporting Award”. This award is important for the County’s good credit rating. A delayed ACFR has a ripple effect, causing delays in the Single Audit (a federally mandated grant compliance audit). Delays to the Single Audit, could create issues with grant compliance and lead to the potential loss of Federal and State funding County-wide. Planning, coordinating, and overseeing GASB and ACFR activities are critical to keeping projects timely and to prevent negative consequences County-wide. Furthermore, the implementation of the new lease accounting standard (GASB 87) workload to the GA Team and ongoing compliance and maintenance will have a significant impact going forward. The GA Team is now responsible for the analysis of County lease agreements that are submitted by County Departments in the LeaseQuery system and must ensure that all County leases are calculated and accounted for in compliance with GASB 87.

It is critical that the appropriate classification is allocated to perform the complex accounting and financial analysis job duties of this position.

OTHER AGENCY INVOLVEMENT:

The Human Resources Department has reviewed and approved the Request to Classify (RTC).

FINANCING:

The estimated annualized salary and benefit increase for reallocation of Auditor-Controller Analyst I to Auditor-Controller Analyst II is \$13,830. The anticipated difference of \$5,319 for the remainder of FY 2022-23 will be absorbed by the Auditor-Controller’s FY2022-23 Adopted Budget. Future years financing will be incorporated into the baseline budget development process.

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 Approved by: Rupa Shah, CPA, Auditor-Controller, 755-5084

Attachments:
 Attachment A

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