



Monterey County

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Board Report

Legistar File Number: RES 17-093

June 27, 2017

Introduced: 6/16/2017

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Resolution

Adopt Resolution to:

- a. Authorize the Office of the Auditor-Controller to amend the FY 2016-17 Adopted Budget by increasing appropriations by \$936,560 in Appropriation Unit AUD001 (001-1110-8011), offset by a \$936,560 reduction to the appropriations in Contingencies Appropriation Unit CAO020 (001-1050-8034) (4/5th vote required); and
- b. Authorize the Office of the Auditor-Controller to amend the FY 2016-17 Adopted Budget by increasing appropriations by \$99,960 in Appropriation Unit AUD001 (001-1110-8011), funded by a release of Compensated Absences Assignment (001-3115) (4/5th vote required).

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RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Office of the Auditor-Controller to amend the FY 2016-17 Adopted Budget by increasing appropriations by \$936,560 in Appropriation Unit AUD001 (001-1110-8011), offset by a \$936,560 reduction to the appropriations in Contingencies Appropriation Unit CAO020 (001-1050-8034) (4/5th vote required); and
- b. Authorize the Office of the Auditor-Controller to amend the FY 2016-17 Adopted Budget by increasing appropriations by \$99,960 in Appropriation Unit AUD001 (001-1110-8011), funded by a release of Compensated Absences Assignment (001-3115) (4/5th vote required).

SUMMARY:

The Office of the Auditor-Controller is recommending an increase in appropriations by \$936,560 due to the delay in staging of anticipated Auditor-Controller staff resources needed on the Enterprise Resource Planning (ERP) upgrade project work resulting in a decrease in reimbursements to General Fund units for staff time. The delay occurred as a result of the required change of contracted Project Management.

The Office of the Auditor-Controller is also recommending increasing appropriation by \$99,960 for unbudgeted compensated absences.

DISCUSSION:

The Office of the Auditor-Controller (AC) has undertaken the Enterprise Resource Planning (ERP) Project for the upgrade of the "Official System of Record" for the County, namely CGI Technologies Advantage software. The AC appropriation unit (AUD001) budgeted reimbursement from the ERP appropriation unit (AUD008), has not materialized to its full extent due to the delay in the upgrade project work. The budgeted reimbursement from ERP was based on the estimated hours AC personnel were to spend on the ERP upgrade project in FY2016-17.

During Fiscal Year 2016-17 budget preparation, the Board declined to accept and approve the emergency steps and recommendations of the AC around Project Management of the ERP project. Therefore, the AC was forced to begin an RFP process to select a new project management team. As anticipated, the selection and on-boarding of the new team, Plante Moran, caused significant delays in the original planned project work and thus, delays in the planned staging of internal AC human resources budgeted for the project. Consequently, the AC staff spent fewer hours than budgeted for on the upgrade project work and therefore the ability to bill the project for those services was diminished. That work has been re-staged for FY2017-18.

Due to these circumstances, the ERP unit experienced less staffing cost than anticipated and the AC unit experienced less reimbursement than anticipated. This caused an appropriation excess in the ERP unit and appropriation shortfall in the AC unit of \$936,560 for which the use of General Fund Operational Contingencies is being requested.

A transfer of appropriation from ERP fund/unit to AC fund/unit to align both with the actual cost experience, resolves the appropriation deficiency in the Auditor-Controller's budget. However, due to the lack of an identified funding source in the ERP fund/unit as adopted by the Board of Supervisors in the Budget Hearings for FY 2016-17, the CAO/Budget Office recommends the Contingency Appropriation be used as the funding source for the \$936,560 requested increase.

As previously stated, the department had unbudgeted compensated absences due to both vacation-buy-backs and retirements. Therefore, AC is requesting funding in the amount of \$99,960 from the Compensated Absences Assignment.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office has reviewed and supports the recommended action.

FINANCING:

The CAO-Budget Office recommends use of the General Fund Contingency Appropriation (\$936,560) and Compensated Absences Assignment (\$99,960) for the requested funding. The approval of this action will bring the balance of Operational Contingencies to \$2,887,170.

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Attachments:

Resolution