

Auditor-Controller

FY 2024-25

Budget Workshop

Organizational Structure

- Elected position with mandated responsibilities serving 25 departments and over 5,000 employees of the County.
- Structure/Duties (excluding temporary resources/funding for ERP System Upgrade Project):
 1. Disbursement Division:

Divided into three sections with One Division Chief overseeing all three sections:

 - a) Property Tax (4 positions):

Duties - Responsible for the County's approx. \$1 billion Property Tax Roll calculation and distribution to 200 agencies county-wide, a major source of discretionary revenue including our County.
 - b) Vendor Payments/AP (4 positions):

Duties - Responsible for processing timely payments to approx. 2,200 vendors providing various services to the County.
 - c) Payroll (12 Positions):

Duties - Responsible for processing bi-weekly payroll of over 5,000 employees of the County.

Organizational Structure Con't.

2. General Accounting Division (11 Positions):

Duties - Responsible for producing County's annual financial report, creating County's accounting policy in compliance with GAAP and GASB standards, training department staff; preparing County-wide Cost Allocation Plan enabling the County to recover tens of millions in cost annually.

3. Systems Division (6 positions):

Duties - Responsible for the County's Financial, HR/Payroll, and budgeting system applications maintenance, processing, and support for use by the County team.

4. Internal Audit Division (2 Positions):

Duties - Providing independent, objective assurance, advice designed to add value, save costs, and improve County's processes.

Resource Structure

- Resources in the ACO have not kept pace with County's operational growth, expanded programs/service need over the last decade.
- In FY 2013-14, the County's total budget was 1 billion. ACO's position count at that time was 46.
- While County's operation has doubled in size today to 2 billion, ACO's resource structure has declined to 44.5 positions from 46 positions 11 years ago.
- Last six years ACO Position Count:

FY 2018-19	44.5
FY 2019-20	44.0
FY 2020-21	43.0
FY 2021-22	43.0
FY 2022-23	44.0
FY 2023-24	44.5

Internal Audit Background

- In 2019, Board approved the ACO's IA Charter and Operations Manual.
- Vacant for almost two years, the Chief Internal Auditor was hired at the end of 2021. ACO's plan has been to rebuild and gradually add resources to IA function.
- In May 2022, Board approved a risk-based Audit Work Plan for FYs 23&24 based on a limited resource structure. The two-member IA team has been diligently working to accomplish the Work Plan.
- In Nov. 2023, Board was updated on IA activity progress and accomplishments.
 - ❖ Audits have recouped over \$600,000 with another future recovery possibility of \$2M; recommended improved processes; and achieved cost savings countywide.
 - ❖ Provided guidance and oversight of external audits for Public Works, Water Resources, and Emergency Management.

Internal Audit Augmentation Request

- Internal Audit plays an important role in establishing proper checks and balances. County requires a capable IA function that can consistently improve County efficiencies, and respond to high-risk, sensitive matters.
- However, the two-member IA team is not adequately equipped to handle the level of audit work expected for a county of this size and complexity, as well as emerging requests for compliance monitoring and audit support services.
- ACO submitted augmentation request for two additional positions in FY24-25, but given budget constraints, even one new position will be a meaningful shift forward.
- IA's accomplishments, thus far, illustrate that the benefits far outweigh the cost of additional resources to the IA function.

ACO Augmentation Request

Division	Position Title	FTE	Request Information	Requested Amount	Cost at Step 7
Internal Audit	Internal Auditor II	1	Requested at Step 5 with estimated 09/01/2024 start date	\$137,255	\$160,608
Internal Audit	Internal Auditor III	1	Requested at Step 5 with estimated 09/01/2024 start date	\$165,809	\$195,990
Disbursements	Accounting Technician	1	Requested at Step 7 with estimated 07/01/2024 start date	\$124,362	\$124,362
				<u>\$427,426</u>	<u>\$480,960</u>

Questions?

