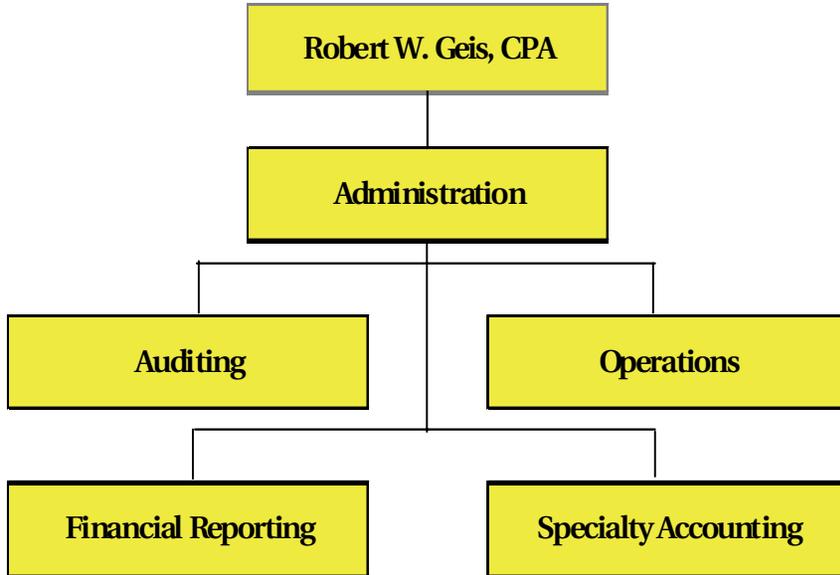
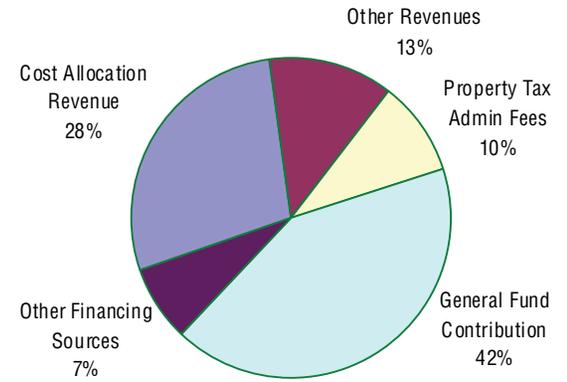


AUDITOR-CONTROLLER

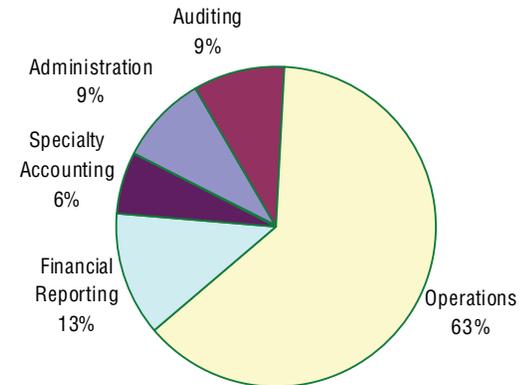
Budget & Positions (FTEs)	
Operating \$	5,507,010
Capital	10,000
Positions	44.6 FTEs



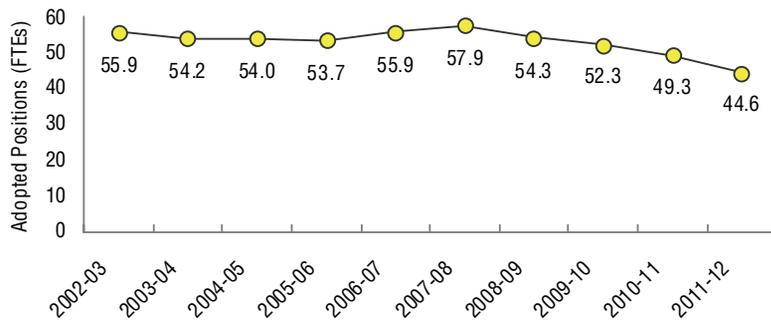
SOURCE OF FUNDS



USE OF FUNDS



STAFFING TREND



AUDITOR-CONTROLLER
Department Summary

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Use of Funds Summary				
<i>Operating Expenditures</i>				
Administration	\$ 719,664	\$ 775,956	\$ 698,864	\$ 708,236
Auditing	546,146	811,850	599,258	697,824
Operations	4,246,564	4,720,207	4,353,836	4,806,658
Financial Reporting	994,134	1,024,656	1,041,090	964,107
Specialty Accounting	454,917	389,306	467,783	476,146
Operating Sub-Total	6,961,425	7,721,975	7,160,831	7,652,971
Less: Intra-County Revenues	(2,810,083)	(2,713,643)	(2,981,889)	(2,145,961)
Operating Total	4,151,342	5,008,332	4,178,942	5,507,010
<i>Non-Operating Expenditures</i>				
Capital Assets	7,637	10,000	10,000	10,000
Expenditure Total	4,158,979	5,018,332	4,188,942	5,517,010
<i>Other Financing Uses</i>				
Operating Transfers	5,326	5,328	5,328	-
Designated for Future Uses	--	--	295,813	-
Department Total	\$ 4,164,305	\$ 5,023,660	\$ 4,490,083	\$ 5,517,010

Character of Expenditures

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Operating Expenditures</i>				
Regular Salaries	\$ 4,353,604	\$ 4,647,253	\$ 4,422,495	\$ 4,464,050
Overtime	1,206	2,000	4,000	3,000
Extra Help	127,666	160,000	90,000	120,000
Benefits	1,708,412	2,030,067	1,934,487	2,181,691
Salaries & Benefits Sub-Total	6,190,888	6,839,320	6,450,982	6,768,741
Services & Supplies	770,537	882,655	709,849	884,230
Operating Sub-Total	6,961,425	7,721,975	7,160,831	7,652,971
Less: Intra-County Revenues	(2,810,083)	(2,713,643)	(2,981,889)	(2,145,961)
Operating Total	4,151,342	5,008,332	4,178,942	5,507,010
<i>Non-Operating Expenditures</i>				
Capital Assets	7,637	10,000	10,000	10,000
Expenditure Total	\$ 4,158,979	\$ 5,018,332	\$ 4,188,942	\$ 5,517,010

Source of Funds Summary

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Departmental Revenues</i>				
Federal & State Revenues	\$ 22,714	\$ --	\$ 2,799	\$ --
Cost Allocation Revenue	2,653,104	2,867,149	2,867,149	2,160,726
Property Tax Admin Fees	763,924	734,900	741,003	750,500
Other Charges for Services	216,397	159,800	268,740	265,740
Miscellaneous Revenue	155,247	20,000	30,000	725,000
Revenue Sub-Total	3,811,386	3,781,849	3,909,691	3,901,966
Less: Intra-County Revenues	(2,810,083)	(2,713,643)	(2,981,889)	(2,145,961)
Revenue Total	1,001,303	1,068,206	927,802	1,756,005
<i>General Fund Contribution</i>				
	3,163,002	3,562,281	3,562,281	3,191,726
<i>Other Financing Sources</i>				
Use of Prior Fund Balances	--	393,173	--	569,279
Department Total	\$ 4,164,305	\$ 5,023,660	\$ 4,490,083	\$ 5,517,010

Position Summary

	Actual FY 09-10		Adopted FY 10-11		Est. Actual FY 10-11		Recommended FY 11-12	
	Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
<i>Permanent</i>								
Administration	4.0	2.4	3.0	2.5	3.0	2.3	3.0	2.2
Auditing	7.0	4.5	8.0	7.0	8.0	4.9	9.0	5.0
Operations	35.3	30.6	35.3	30.6	35.3	30.5	37.3	29.2
Financial Reporting	7.0	6.6	8.0	6.3	8.0	6.2	7.0	5.1
Specialty Accounting	6.0	3.4	5.0	2.9	5.0	3.6	3.0	3.1
Total Permanent	59.3	47.5	59.3	49.3	59.3	47.5	59.3	44.6
<i>Non-Permanent</i>								
Extra Help	--	3.5	--	--	--	2.5	--	--
Total Positions	59.3	51.0	59.3	49.3	59.3	50.0	59.3	44.6

Note: FTE and position totals may not sum correctly due to rounding.

MISSION STATEMENT

The mission of the Auditor-Controller Department is to ensure the County's financial integrity and promote efficient, effective and accountable government.

Budget Organization

The divisions of the Auditor-Controller's department are Administration, Auditing, Operations, Financial Reporting and Specialty Accounting Services. Within the Operations division activities include accounting for payroll, general ledger, deposits and revenues, expenditure claims, budget revisions, advanced departmental support and a systems team that is a project-oriented technical team that designs and maintains the County's financial systems.

The elected Auditor function includes a significant financial relationship with the County treasury that accounts for the deposit of funds for the County, Schools and Special Districts. The Auditor levies, apportions and distributes property taxes to the County, Schools, Cities, Special Districts and Redevelopment Agencies. The Office of County Controller is held ex-officio by the County Auditor and the Controller is the Chief Accounting Officer for the County. The Controller exercises general supervision over the accounting and financial records of all offices, departments and funds. The County Controller shall audit the books, accounts, money and securities of any department, office, board or institution under the control of the Board of Supervisors. The Auditor-Controller shall develop and maintain accounting systems with appropriate internal controls and in accordance with Generally Accepted Accounting Principles (GAAP). The system must provide for accountability, financial reporting, compliance with the County budget act, internal controls, documentation and retention, legal and contractual restrictions, and adequate policies and procedures.

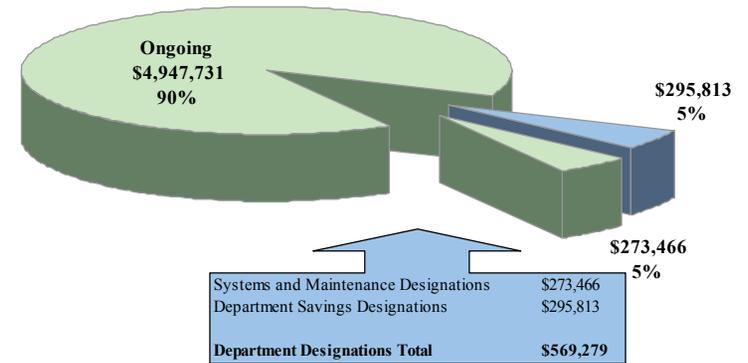
The Auditor-Controller has a projected staff of 45 employees with centralized operations in Santa Barbara and one satellite office in Santa Maria. As a result of the economic downturn the Auditor-Controller has dropped its budgeted staffing level over the last five years from 57.9 FTE in FY 07-08 to a proposed staffing level of 44.6 FTE in FY 11-12. Each of the past five years the department has held positions vacant, returned funds to the general fund balance at year end and reduced positions in the subsequent budget cycle to offset increases in salary, retirement and benefit costs. This has resulted in the reduction and unfunding of 13.3 FTE's or a 23% decrease in positions since FY 07-08.

This fiscal year the Auditor-Controller was requested to reduce the department general fund contribution by \$371,000, absorb \$335,000 of salary, retirement and benefit cost increases and incur additional property tax mainframe costs of \$108,000. To balance we propose to unfund three positions held vacant in FY 10-11 saving \$400,000, layoff and delete one filled position at \$111,000 and use FY 10-11 departmental savings of \$273,466 in FY 11-12. The department will also draw on \$295,813 of departmental system and maintenance designations.

AUDITOR-CONTROLLER

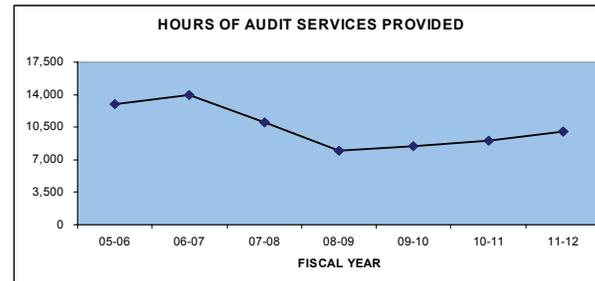
Department Summary (cont'd)

FY 2011-12 Funding Sources: Ongoing vs. One-time "Cliffs"

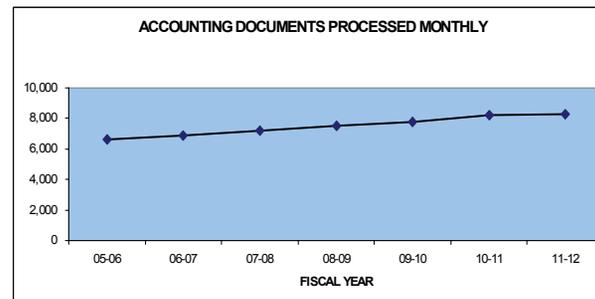


10% of the FY 2011-12 Recommended Budget is comprised of one-time funding sources. As a result of the use of one-time sources, the department will face a budget shortfall of \$569,279 in FY 2012-13 to maintain these services.

Activity Indicators



The number of audit hours demonstrates Internal Audit services provided over the fiscal year. Since FY 2008-09 staffing levels decreased.



Over the years there has been a slight increase in the number of accounting documents processed through Operations each year. It is projected that the number of documents processed will continue to increase through 2010-11 and into 2012.

AUDITOR-CONTROLLER

Department Summary (cont'd)

Significant Changes (FY 2010-11 Adopted to FY 2010-11 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures decreased by \$561,000 to \$7,161,000 from the Fiscal Year 2010-11 Adopted Budget of \$7,722,000. This 7% decrease is the result of:

- -\$388,000 – decrease in projected staffing, extra help staffing and related benefit costs due primarily to holding vacancies. One Accountant-Auditor and two Financial Systems Analysts from our Financial Reporting and Advanced Accounting Divisions were held vacant to generate savings and avoid layoffs; they are subsequently unfunded in FY 2011-12;
- -\$173,000 – decrease in services and supplies costs primarily due to \$26,000 less in FY 2010-11 hardware purchase deferrals and \$90,000 less for professional and special service deferrals, which are timing differences associated with the new Property Tax System. This decrease also includes \$20,000 less for training and travel, and decreases related to various services and supplies expenditures. The department held costs to create carryover savings in order to balance the FY 2011-12 budget.

The Fiscal Year 2010-11 Estimated Actual departmental revenues increased by \$128,000 to \$3,910,000 from the Fiscal Year 2010-11 Adopted Budget of \$3,782,000. This 3% increase is primarily a result of:

- +\$109,000 – increase in other charges for services to independent special districts for accounting system services;
- +\$13,000 – increase in unanticipated credit card program rebate revenue;
- +\$6,000 – increase in Property Tax Admin Fees.

Significant Changes (FY 2010-11 Estimated Actual to FY 2011-12 Recommended)

The Fiscal Year 2011-12 Recommended Budget operating expenditures will increase by \$492,000 to \$7,653,000 from the Fiscal Year 2010-11 Estimated Actual of \$7,161,000. This 7% increase is the result of:

- +\$318,000 – this net increase in salaries and benefits is due to anticipated retirement rate increases, step increases, cost-of-living adjustments of \$335,000, extra help of \$30,000, one-half year cost of mid year Accountant-Auditor vacancy of \$64,000 offset by the layoff and unfunding of the mainframe system computer operator of \$111,000;
- +\$174,000 – increase in services and supplies primarily due to the new FY 2011-12 mainframe operational cost payable to the Treasurer and various other deferred FY 2010-11 services and supplies expenditures of \$66,000.

The Fiscal Year 2011-12 Recommended Budget departmental revenues will decrease by \$8,000 to \$3,902,000 from the Fiscal Year 2010-11 Estimated Actual of \$3,910,000. This less than 1% decrease is mainly the net result of:

- -\$706,000 – decrease in cost allocation revenue services;
- +\$692,000 – increase in escheated property tax revenue;

- +\$9,000 – increase in property tax administration fees;
- -\$3,000 – decrease in other charges for accounting services

Departmental Priorities and Their Alignment With County Goals

The County Auditor-Controller's strategic actions align primarily with the following adopted Strategic Goals and Principles:

Goal 1: Efficient and Responsive Government: An Efficient, Professionally Managed Government Able to Anticipate and Effectively Respond to the Needs of the Community; and

Goal 5: Citizen Involvement: A County Government that is Accessible, Open, and Citizen Friendly.

Each division provides certain core services reflected in our performance measures. The Auditor-Controller's management strategy includes projects that improve service delivery and are linked to the goals stated above. This is achieved by focusing on two areas: (1) using technology to improve work processes and to make information more available to the community and (2) by enhancing the financial accountability and integrity of County government. The projects generally span multiple years and are discussed below:

Financial Information System Expansion Project – Update the Financial Information Network (FIN) posting and editing engine with new technology to enable online processing and implement departmental self-service claim payments. The Phase I programming of the posting and editing engine was completed in January 2005. The Report Phase of the project was rolled out in December 2008. The web enabled transaction processing phase of the project was completed in FY 2010-11.

Current Year (FY 10-11) Accomplishment:

- The Auditor's Office rolled out online transaction processing of claims and other financial transaction processes County-Wide in November and December 2009. The project team added functionality to FIN Web for additional transaction types, chart of accounts maintenance, controlled disbursements, uploading of excel and other file types for automated transaction preparation, enhanced vendor maintenance, and improved board contract tracking.

Proposed Strategic Action :

- The project team plans to add functionality to FIN Web for travel claim data capture and processing, budget revision request processing, vendor claims initiation, and enhanced data search capabilities.

Property Tax System Project – Implement new billing and collection systems to replace 30-year old mainframe system; this includes a new vendor system and supporting in-house systems. The new systems will automate additional property tax functions, resulting in more efficient processing of property taxes for the County with better quality and controls.

AUDITOR-CONTROLLER
Department Summary (cont'd)

Current Year (FY 10-11) Accomplishment:

- The Treasurer-Tax Collector executed a contract to implement a vendor product to replace the 30-year old mainframe property tax billing and collection system. The Auditor-Controller is working with the Treasurer-Tax Collector on this project. The departments are participating in a gap analysis as part of the vendor contract to identify what changes will need to be made to the vendor product for Santa Barbara County. The Auditor-Controller does not believe that it will achieve all the functionality it requires exclusively through the vendor product and will be required to supplement functionality with in-house development.

Proposed Strategic Action:

- In FY 2011-12, the Auditor-Controller will continue to participate in all areas of the project, including data conversion, system interfaces, functional design, and user testing. The Department will also work on development of related in-house systems to further support the necessary processes. This project will also need to integrate to the new Property Tax Assessment System being installed by the Clerk-Recorder-Assessor.

Payroll Division – Operate, maintain and enhance County-wide financial and payroll systems, properly train employees, and pay all employees in a timely manner.

Current Year (FY 10-11) Accomplishment:

- The division successfully created a new payroll accounting processing manual documenting all necessary steps for processing the County's biweekly payroll. This document ensures consistent practices, and can be used as both a training tool for payroll staff and as a resource in disaster recovery/business continuity. The department assisted the Human Resource department in completing Phase I of the new ePersonality system that interfaces to the payroll accounting system.

Proposed Strategic Action:

- The division will continue to automate payroll processes by utilizing database management and development of enhancements to existing automated systems, and continue to maintain the integrity of payroll system data with consideration of new system interfaces.

Payroll Project – The division will maintain and enhance the County's internally developed payroll system. This includes the core applications and two subsidiary web-based applications: one to enable employees to access their own payroll information and another for departmental payroll staff to access their departmental information. Both of these applications are heavily used by County employees; over 4,000 employees access them regularly. The Payroll Division will continue to seek out improved efficiencies and controls in all remaining manual processes.

Computer Infrastructure Project – Develop computer server infrastructure to provide a high level of computing redundancy in Santa Barbara and Santa Maria by constantly backing up applications, files and databases needed for business continuity.

Current Year (FY 10-11) Accomplishment:

- The systems team migrated additional servers to new virtual infrastructure environment and decommissioned old servers to reduce maintenance overhead.

Proposed Strategic Action:

- In FY 2011-12, the systems team plans to continue migrating a few remaining servers onto the new server infrastructure. Hardware that becomes available as a result of this project will be redirected as new disaster recovery and backup servers.

Internal Audit Division – Complete mandated audits on a timely basis. Increase presence throughout County government.

Current Year (FY 10-11) Accomplishment:

- Completed all mandated audits on a timely basis, including completion of the FY 2009-10 Single Audit and the Tax Redemption Officer Audit. Updated the County-wide cash handling manual and distributed to departments. Performed departmental cash counts. Provided continuing support to Alcohol, Drug and Mental Health Services for ongoing committee meetings. Performed an audit of the Sheriff's Parolee Re-entry Program.

Proposed Strategic Action:

- Continue to provide mandated audit services. Provide training to departments on cash handling to reduce risk of susceptibility of these assets to misappropriation.

Implemented Efficiencies in FY 2010-11 and Efficiency Goals from Key Projects in FY 2011-12:

Application Development:

Efficiencies gained by full implementation of online transaction processing in FIN Web include: faster transaction processing and claims payments, processing with fewer errors, controlled disbursements resulting in potential interest earnings, and reduction of paper storage.

Efficiencies to be gained by implementation of 11-12 actions: data for travel analysis readily available to management and executives, improved budget revision processing, quicker claims processing with fewer errors, greater availability of financial data for management and executives.

AUDITOR-CONTROLLER
Department Summary (cont'd)

Systems and Property Tax:

Implemented Efficiencies in FY 2010-11 – All virtual servers are now hosted on the same platform software. Certain older physical servers were decommissioned. Less staff time and vendor support dollars are spent to maintain these servers in this new environment.

Efficiency Goals in FY 2011-12 – A database warehouse storing all historical mainframe data used by interfacing systems will be upgraded this year; this upgrade will enhance reporting and other capabilities of interfacing systems, as well as reduce staff overhead to maintain it. The new system is not scheduled to be implemented until FY 2012-13.

Efficiency Goals in FY 2011-12 – The division will provide more robust backup servers which will reduce disaster recovery times, and conform to new virtual server standards (which reduce staff training and maintenance hours).

Payroll:

During FY 2010-11, payroll ensured proper tracking and usage of imposed County-wide “Paid Time Off”. Controls were created to eliminate ongoing County expenditures for health premiums of separated employees. Payroll also moved administration of Flexible Spending to a new third party administrator (TPA), thereby reducing fees to the County by approximately \$75,000/year. Procedures were created for processing workers’ compensation data through payroll using new TPA per Risk Management.

In FY 2011-12, the division will document all ancillary processes of payroll to ensure current efficiencies and disaster recovery. Labor adjustment/labor suspense processes will be created at the department level to eliminate key entry in the Auditor-Controller department. Payroll will train and assist special districts to process required journal entries for their specific payrolls, eliminating payroll division accounting and FINWEB input duties in that area.

Internal Audit:

Internal Audit utilizes a risk based approach to determine where to deploy resources depending on resources available. The division is focusing on dissemination of information to reduce risks at departments. During fiscal year 2010-11, the division wrote a cash handling manual to provide information to departments on internal controls and standard cash handling procedures. By distributing this document and informing departments on proper cash handling procedures, the risk of misappropriation at departments should decrease and result in fewer audits.

In fiscal year 2011-12, the division will focus on audit planning to streamline the audit process to accomplish mandates. Although there will be fewer staff than previous years, the division anticipates that by streamlining procedures, it will be able to perform franchise fee audits of the cable companies which have not been completed by the department since 1997.

Financial Reporting and Specialty Accounting:

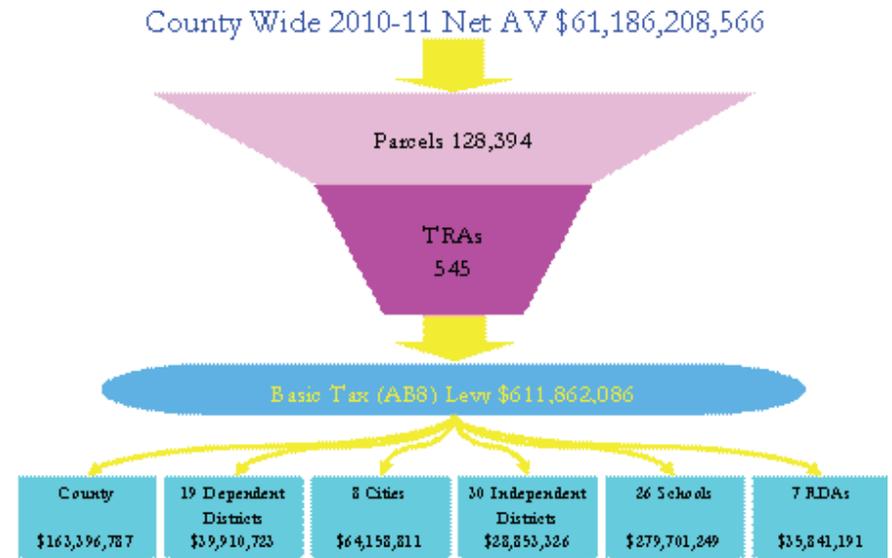
Earned the Government Finance Officers’ Association (GFOA) Award for Excellence in Financial Reporting for the County’s Comprehensive Annual Financial Report (CAFR), for the twentieth consecutive year and the GFOA Award for Outstanding Achievement for the County’s Annual Financial Highlights publication, for the fourteenth consecutive year.

To keep the public informed on matters concerning public finances, the department has published and distributed concise, reader-friendly publications on numerous financial topics:

- Financial Highlights
- Annual Transient Occupancy Tax Report
- Property Tax Highlights
- Annual Retail Sales & Use Tax Report

These reports are available on our website: www.countyofsb.org/auditor

Property Tax



The graph above shows the distribution under Proposition 13 of property taxes that were collected countywide to the categories of those local governments that benefit from these revenues.

AUDITOR-CONTROLLER

Administration

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Use of Funds Summary				
<i>Operating Expenditures</i>				
Office of the Auditor Controller	\$ 316,830	\$ 312,088	\$ 338,465	\$ 301,152
Administrative Support	402,834	463,868	360,399	407,084
Operating Sub-Total	719,664	775,956	698,864	708,236
Less: Intra-County Revenues	(17,912)	(9,375)	(11,672)	(11,262)
Operating Total	701,752	766,581	687,192	696,974
<i>Non-Operating Expenditures</i>				
Capital Assets	--	10,000	--	--
Expenditure Total	701,752	776,581	687,192	696,974
<i>Other Financing Uses</i>				
Operating Transfers	5,326	5,328	5,328	--
Designated for Future Uses	--	--	295,813	--
Division Total	\$ 707,078	\$ 781,909	\$ 988,333	\$ 696,974

Character of Expenditures

<i>Operating Expenditures</i>				
Regular Salaries	347,616	333,829	358,133	308,307
Overtime	--	401	--	--
Extra Help	40,801	46,514	2,774	38,351
Benefits	172,604	188,752	195,939	197,007
Salaries & Benefits Sub-Total	561,021	569,496	556,846	543,665
Services & Supplies	158,643	206,460	142,018	164,571
Operating Sub-Total	719,664	775,956	698,864	708,236
Less: Intra-County Revenues	(17,912)	(9,375)	(11,672)	(11,262)
Operating Total	701,752	766,581	687,192	696,974
<i>Non-Operating Expenditures</i>				
Capital Assets	--	10,000	--	--
Expenditure Total	\$ 701,752	\$ 776,581	\$ 687,192	\$ 696,974

Source of Funds Summary

<i>Departmental Revenues</i>				
Other Charges for Services	\$ 21,891	\$ 10,714	\$ 11,672	\$ 11,262
Miscellaneous Revenue	146,487	15,289	--	--
Revenue Sub-Total	168,378	26,003	11,672	11,262
Less: Intra-County Revenues	(17,912)	(9,375)	(11,672)	(11,262)
Revenue Total	150,466	16,628	--	--
<i>General Fund Contribution</i>				
Division Total	\$ 707,078	\$ 781,909	\$ 988,333	\$ 696,974

Actual FY 09-10		Adopted FY 10-11		Est. Actual FY 10-11		Recommended FY 11-12	
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
Position Summary							
<i>Permanent</i>							
Office of the Auditor Controller	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Support	3.0	1.4	2.0	1.5	2.0	1.3	2.0
Total Permanent	4.0	2.4	3.0	2.5	3.0	2.3	3.0
<i>Non-Permanent</i>							
Extra Help	--	1.0	--	--	--	1.1	--
Total Positions	4.0	3.4	3.0	2.5	3.0	3.3	2.2

Significant Changes (FY 2010-11 Adopted to FY 2010-11 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures decreased by \$77,000 to \$699,000 from the Fiscal Year 2010-11 Adopted Budget of \$776,000. This 10% decrease is the result of:

- -\$64,000 – decrease primarily due to reduced FY 2010-11 software maintenance, equipment and IT purchase costs;
- -\$13,000 – decrease in salaries primarily due to reduced FY 2010-11 Extra Help staff in the division.

Significant Changes (FY 2010-11 Estimated Actual to FY 2011-12 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will increase by \$9,000 to \$708,000 from the Fiscal Year 2010-11 Estimated Actual of \$699,000. This 1% increase is the result of:

- +\$22,000 – increase in services various services and supplies expenditures;
- -\$13,000 – decrease in salary costs partly due to Administration staff working in other divisions.

AUDITOR-CONTROLLER

Auditing

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Use of Funds Summary				
<i>Operating Expenditures</i>				
Internal Audits	\$ 411,755	\$ 481,716	\$ 458,707	\$ 595,522
External Audits	134,391	330,134	140,551	102,302
Operating Sub-Total	546,146	811,850	599,258	697,824
Less: Intra-County Revenues	(253,410)	(71,234)	(215,628)	(139,469)
Division Total	<u>\$ 292,736</u>	<u>\$ 740,616</u>	<u>\$ 383,630</u>	<u>\$ 558,355</u>

Character of Expenditures

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Operating Expenditures</i>				
Regular Salaries	380,494	557,047	384,361	458,831
Overtime	279	352	926	695
Extra Help	--	153	28,763	--
Benefits	149,118	242,615	170,135	221,046
Salaries & Benefits Sub-Total	529,891	800,167	584,185	680,572
Services & Supplies	16,255	11,683	15,073	17,252
Operating Sub-Total	546,146	811,850	599,258	697,824
Less: Intra-County Revenues	(253,410)	(71,234)	(215,628)	(139,469)
Expenditure Total	<u>\$ 292,736</u>	<u>\$ 740,616</u>	<u>\$ 383,630</u>	<u>\$ 558,355</u>

Source of Funds Summary

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 249,480	\$ 213,888	\$ 213,888	\$ 139,525
Other Charges for Services	35,730	37,740	36,740	36,740
Miscellaneous Revenue	238	--	46	1,109
Revenue Sub-Total	285,448	251,628	250,674	177,374
Less: Intra-County Revenues	(253,410)	(71,234)	(215,628)	(139,469)
Revenue Total	32,038	180,394	35,046	37,905
<i>General Fund Contribution</i>				
Division Total	<u>\$ 292,736</u>	<u>\$ 740,616</u>	<u>\$ 383,630</u>	<u>\$ 558,355</u>

Actual FY 09-10		Adopted FY 10-11		Est. Actual FY 10-11		Recommended FY 11-12		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Internal Audits	7.0	3.3	5.0	3.9	5.0	4.0	9.0	4.2
External Audits	--	1.3	3.0	3.1	3.0	1.0	--	0.8
Total Positions	<u>7.0</u>	<u>4.5</u>	<u>8.0</u>	<u>7.0</u>	<u>8.0</u>	<u>4.9</u>	<u>9.0</u>	<u>5.0</u>

Significant Changes (FY 2010-11 Adopted to FY 2010-11 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures decreased by \$213,000 to \$599,000 from the Fiscal Year 2010-11 Adopted Budget of \$812,000. This 26% decrease is a result of:

- -\$216,000 – net decrease in salaries and benefits primarily due to Accountant-Auditor vacancies in the division resulting from rotation in the New Auditor Training and Development Program;
- +\$3,000 – increase in various services and supplies expenditures.

Significant Changes (FY 2010-11 Estimated Actual to FY 2011-12 Recommended)

The Fiscal Year 2011-12 Recommended Budget operating expenditures will increase by \$99,000 to \$698,000 from the Fiscal Year 2010-11 Estimated Actual of \$599,000. This 17% increase is the result of:

- +\$97,000 – increase in salaries and benefits due to anticipated retirement rate increases, step increases and cost-of-living increases;
- +\$2,000 – increase in various services and supplies expenditures.

SERVICE DESCRIPTION

To assist the management of the County and Special Districts in carrying out their responsibilities 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.

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Recurring Performance Measures				
Internal Audits				
Perform 75% of the audit work as delineated in the Audit Plan.	100%	75%	75%	75%
	80	5,505	5,976	6,756
	80	7,360	7,968	9,008
Complete 50% of discretionary audits.	100%	60%	54%	50%
	75	840	700	700
	75	1,400	1,300	1,400
Complete 100% of mandatory audits by legal due date.	100%	100%	100%	100%
	100	11	10	10
	100	11	10	10
Complete 100% of the 7 Special District Audits by the legal due date.	100%	100%	100%	100%
	100	7	7	7
	100	7	7	7
External Audits				
Provide 500 hours for the Single Audit.	100%	100%	100%	100%
	100	1,000	1,000	500
	100	1,000	1,000	500

AUDITOR-CONTROLLER

Auditing (cont'd)

	Actual FY 09-10 Pos.	Adopted FY 10-11 Pos.	Est. Actual FY 10-11 Pos.	Recommended FY 11-12 Pos.
Position Detail				
Internal Audits				
Audit Manager	1.0	1.0	1.0	1.0
Financial Audit Supervisor	1.0	--	--	1.0
Accountant-Auditor	5.0	4.0	4.0	7.0
Sub-Division Total	7.0	5.0	5.0	9.0
External Audits				
Financial Audit Supervisor	--	1.0	1.0	--
Accountant-Auditor	--	2.0	2.0	--
Sub-Division Total	--	3.0	3.0	--
Division Total	7.0	8.0	8.0	9.0



AUDITOR-CONTROLLER
Operations

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Use of Funds Summary				
<i>Operating Expenditures</i>				
Financial Accounting	\$ 2,736,530	\$ 3,027,067	\$ 2,739,034	\$ 2,905,424
Payroll	810,281	877,216	880,272	907,071
Customer Support	72,317	75,934	75,576	78,572
Property Tax	627,436	739,990	658,954	915,591
Operating Sub-Total	4,246,564	4,720,207	4,353,836	4,806,658
Less: Intra-County Revenues	(1,868,991)	(1,705,147)	(1,767,674)	(1,306,692)
Operating Total	2,377,573	3,015,060	2,586,162	3,499,966
<i>Non-Operating Expenditures</i>				
Capital Assets	7,637	--	10,000	10,000
Division Total	\$ 2,385,210	\$ 3,015,060	\$ 2,596,162	\$ 3,509,966
Character of Expenditures				
<i>Operating Expenditures</i>				
Regular Salaries	2,724,774	2,889,202	2,761,521	2,862,867
Overtime	927	921	3,074	2,305
Extra Help	66,026	111,595	57,838	62,063
Benefits	1,036,389	1,226,588	1,173,264	1,364,325
Salaries & Benefits Sub-Total	3,828,116	4,228,306	3,995,697	4,291,560
Services & Supplies	418,448	491,901	358,139	515,098
Operating Sub-Total	4,246,564	4,720,207	4,353,836	4,806,658
Less: Intra-County Revenues	(1,868,991)	(1,705,147)	(1,767,674)	(1,306,692)
Operating Total	2,377,573	3,015,060	2,586,162	3,499,966
<i>Non-Operating Expenditures</i>				
Capital Assets	7,637	--	10,000	10,000
Expenditure Total	\$ 2,385,210	\$ 3,015,060	\$ 2,596,162	\$ 3,509,966
Source of Funds Summary				
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 1,820,268	\$ 1,710,300	\$ 1,710,300	\$ 1,343,192
Property Tax Admin Fees	763,924	734,900	741,003	750,500
Other Charges for Services	54,130	57,410	57,374	1,326
Miscellaneous Revenue	14,104	2,364	32,753	723,891
Revenue Sub-Total	2,652,426	2,504,974	2,541,430	2,818,909
Less: Intra-County Revenues	(1,868,991)	(1,705,147)	(1,767,674)	(1,306,692)
Revenue Total	783,435	799,827	773,756	1,512,217
<i>General Fund Contribution</i>	1,601,775	1,822,060	1,822,406	1,428,470
<i>Other Financing Sources</i>				
Use of Prior Fund Balances	--	393,173	--	569,279
Division Total	\$ 2,385,210	\$ 3,015,060	\$ 2,596,162	\$ 3,509,966

Actual FY 09-10		Adopted FY 10-11		Est. Actual FY 10-11		Recommended FY 11-12		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Financial Accounting	24.3	18.6	24.8	18.8	24.8	18.4	25.8	17.3
Payroll	5.0	6.1	5.5	5.9	5.5	6.1	6.5	5.8
Customer Support	1.0	0.8	--	0.8	--	0.7	--	0.8
Property Tax	5.0	5.2	5.0	5.2	5.0	5.3	5.0	5.3
Total Permanent	35.3	30.6	35.3	30.6	35.3	30.5	37.3	29.2
<i>Non-Permanent</i>								
Extra Help	--	2.0	--	--	--	1.4	--	--
Total Positions	35.3	32.6	35.3	30.6	35.3	31.9	37.3	29.2

Significant Changes (FY 2010-11 Adopted to FY 2010-11 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures decreased by \$366,000 to \$4,354,000 from the Fiscal Year 2010-11 Adopted Budget of \$4,720,000. This 8% decrease is due to:

- -\$232,000 – decrease in salaries and benefits due primarily to vacancies of two Financial Systems Analyst positions;
- -\$134,000 – decrease in services and supplies costs primarily due to \$26,000 in FY 2010-11 hardware purchase deferrals and \$90,000 for professional and special service deferrals, which are timing differences associated with the new Property Tax System, and decreases related to various other services and supplies expenditures.

Significant Changes (FY 2010-11 Estimated Actual to FY 2011-12 Recommended)

The Fiscal Year 2011-12 Recommended Budget operating expenditures will increase by \$453,000 to \$4,807,000 from the Fiscal Year 2010-11 Estimated Actual of \$4,354,000. This 10% increase is due to:

- +\$296,000 – net increase in salaries and benefits costs due to cost-of-living adjustments, step increases and increased retirement costs offset by the layoff and deletion of the mainframe computer operator;
- +\$157,000 – increase in services and supplies expenditures, primarily due to the new FY 2011-12 mainframe operational cost payable to the Treasurer.

SERVICE DESCRIPTION

Prepare accurate, complete and timely financial records; operate, maintain and enhance County-Wide financial and payroll systems and properly train County employees, pay all employees in a timely manner; control disbursements and deposits for accuracy, timeliness and cash management; continuously improve customer service to County departments, agencies and vendors by utilizing new technologies to enhance process efficiency, accuracy and timeliness; allocate and distribute property taxes to all County agencies within established timelines.

	<u>Actual FY 09-10</u>	<u>Adopted FY 10-11</u>	<u>Est. Actual FY 10-11</u>	<u>Recommended FY 11-12</u>
Recurring Performance Measures				
Financial Accounting				
Maintain an overall 90% user satisfaction level, based on a customer survey, for significant Countywide financial applications.	90%	90%	96%	90%
Make at least 60% of the 135,000 annual disbursements to vendors through direct deposit.	100.0% 60.0	60.2% 80,000.0	60.1% 79,256.0	60.2% 80,000.0
	60.0	133,000.0	131,948.0	133,000.0
Payroll				
Increase the number of employees receiving online earnings statements (instead of paper) to 90% or 3,675 of the total 4,900.	89%	90%	90%	90%
Customer Support				
At least 95% of County departments rate general ledger information as timely and accurate and assistance from the Auditor Help Desk as satisfactory in an annual survey of departmental users.	90%	95%	96%	95%
Property Tax				
Complete 100% of the three major Property Tax distributions within 20 days of the installment due dates to approximately 100 affected taxing entities.	100%	100%	100%	100%
Publish the popular report "Property Tax Highlights" by October 15th.	Yes	Yes	No	Yes

AUDITOR-CONTROLLER

Operations (cont'd)

	<u>Actual FY 09-10 Pos.</u>	<u>Adopted FY 10-11 Pos.</u>	<u>Est. Actual FY 10-11 Pos.</u>	<u>Recommended FY 11-12 Pos.</u>
Position Detail				
Financial Accounting				
Assistant Auditor-Controller	1.0	1.0	1.0	1.0
Chief Deputy Controller	0.8	0.8	0.8	0.8
Audit Manager	1.0	1.0	1.0	1.0
Division Chief	3.0	2.0	2.0	2.0
Financial Systems Analyst	8.5	8.0	8.0	9.0
Office Automation Coordinator	3.0	3.0	3.0	3.0
Financial Account Analyst	2.0	2.0	2.0	2.0
Financial Office Pro	4.0	5.0	5.0	5.0
Accountant-Auditor	1.0	2.0	2.0	2.0
Sub-Division Total	<u>24.3</u>	<u>24.8</u>	<u>24.8</u>	<u>25.8</u>
Payroll				
Division Chief	--	1.0	1.0	1.0
Financial Systems Analyst	2.0	1.5	1.5	2.5
Financial Account Analyst	1.0	1.0	1.0	1.0
Financial Office Pro	2.0	2.0	2.0	2.0
Sub-Division Total	<u>5.0</u>	<u>5.5</u>	<u>5.5</u>	<u>6.5</u>
Customer Support				
Financial Office Pro	1.0	--	--	--
Sub-Division Total	<u>1.0</u>	<u>--</u>	<u>--</u>	<u>--</u>
Property Tax				
Division Chief	1.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	1.0	1.0	1.0
Financial Account Analyst	1.0	1.0	1.0	1.0
Accountant-Auditor	2.0	2.0	2.0	2.0
Sub-Division Total	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Division Total	<u>35.3</u>	<u>35.3</u>	<u>35.3</u>	<u>37.3</u>

AUDITOR-CONTROLLER
Financial Reporting

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Use of Funds Summary				
<i>Operating Expenditures</i>				
Financial Reports	\$ 653,904	\$ 719,851	\$ 686,383	\$ 651,026
Budget Reporting	181,734	113,855	190,212	166,306
Cost Accounting	158,496	190,950	164,495	146,775
Operating Sub-Total	994,134	1,024,656	1,041,090	964,107
Less: Intra-County Revenues	(617,562)	(899,838)	(977,174)	(679,139)
Division Total	<u>\$ 376,572</u>	<u>\$ 124,818</u>	<u>\$ 63,916</u>	<u>\$ 284,968</u>

Character of Expenditures

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Operating Expenditures</i>				
Regular Salaries	598,538	607,273	606,884	536,280
Overtime	--	108	--	--
Extra Help	104	--	--	97
Benefits	230,164	258,172	260,853	254,379
Salaries & Benefits Sub-Total	828,806	865,553	867,737	790,756
Services & Supplies	165,328	159,103	173,353	173,351
Operating Sub-Total	994,134	1,024,656	1,041,090	964,107
Less: Intra-County Revenues	(617,562)	(899,838)	(977,174)	(679,139)
Expenditure Total	<u>\$ 376,572</u>	<u>\$ 124,818</u>	<u>\$ 63,916</u>	<u>\$ 284,968</u>

Source of Funds Summary

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 583,356	\$ 942,961	\$ 942,961	\$ 678,009
Other Charges for Services	19,307	14,197	129,708	172,644
Revenue Sub-Total	602,663	957,158	1,072,669	850,653
Less: Intra-County Revenues	(617,562)	(899,838)	(977,174)	(679,139)
Revenue Total	(14,899)	57,320	95,495	171,514
<i>General Fund Contribution</i>				
Division Total	<u>\$ 376,572</u>	<u>\$ 124,818</u>	<u>\$ 63,916</u>	<u>\$ 284,968</u>

Actual FY 09-10		Adopted FY 10-11		Est. Actual FY 10-11		Recommended FY 11-12		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Financial Reports	5.0	3.9	6.0	4.0	6.0	3.1	5.0	3.1
Budget Reporting	--	1.4	1.0	0.9	1.0	1.6	1.0	1.1
Cost Accounting	2.0	1.3	1.0	1.4	1.0	1.5	1.0	1.0
Total Permanent	7.0	6.6	8.0	6.3	8.0	6.2	7.0	5.1
<i>Non-Permanent</i>								
Extra Help	--	--	--	--	--	0.0	--	--
Total Positions	7.0	6.6	8.0	6.3	8.0	6.2	7.0	5.1

Significant Changes (FY 2010-11 Adopted to FY 2010-11 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures increased by \$16,000 to \$1,041,000 from the Fiscal Year 2010-11 Adopted Budget of \$1,025,000. This 2% increase is the result of:

- +\$14,000 – increase in various services and supplies expenditures;
- +\$2,000 – increase in salaries and benefits primarily due to step increases and cost of living adjustments.

Significant Changes (FY 2010-11 Estimated Actual to FY 2011-12 Recommended)

The Fiscal Year 2011-12 Recommended Budget operating expenditures will decrease by \$77,000 to \$964,000 from the Fiscal Year 2010-11 Estimated Actual of \$1,041,000. This 7% decrease is the result of:

- -\$77,000 – decrease in salaries and benefits due to the vacancy and unfunding of an Accountant-Auditor in the division.

SERVICE DESCRIPTION

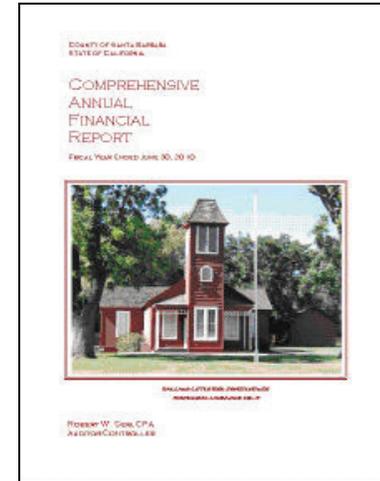
Provide meaningful and timely financial reports and cost analyses to management, the Board of Supervisors, and the public. Comply with State and Federal reporting requirements and generally accepted accounting principles. Operate, maintain, enhance and support the County's budget development system.

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Recurring Performance Measures				
Financial Reports				
Receive unqualified opinion and the Government Finance Officers Association (GFOA) Award for Excellence on the County's Comprehensive Annual Financial Report.	Yes	Yes	Yes	Yes
Issue a reader-friendly Financial Highlights Report within 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Publish the County's Comprehensive Annual Financial Report within 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Budget Reporting				
Enter the adopted budget into the County's financial accounting system prior to closing the first month of the Fiscal Year.	No	Yes	No	Yes

AUDITOR-CONTROLLER

Financial Reporting (cont'd)

	Actual FY 09-10 Pos.	Adopted FY 10-11 Pos.	Est. Actual FY 10-11 Pos.	Recommended FY 11-12 Pos.
Position Detail				
Financial Reports				
Division Chief	1.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	2.0	2.0	1.0
Cost Analyst	2.0	2.0	2.0	2.0
Accountant-Auditor	1.0	1.0	1.0	1.0
Sub-Division Total	5.0	6.0	6.0	5.0
Budget Reporting				
Accountant-Auditor	--	1.0	1.0	1.0
Sub-Division Total	--	1.0	1.0	1.0
Cost Accounting				
Cost Analyst	1.0	1.0	1.0	1.0
Accountant-Auditor	1.0	--	--	--
Sub-Division Total	2.0	1.0	1.0	1.0
Division Total	7.0	8.0	8.0	7.0



Award Winning CAFR

AUDITOR-CONTROLLER
Specialty Accounting

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
Use of Funds Summary				
<i>Operating Expenditures</i>				
County Fiscal Services	\$ 273,283	\$ 261,696	\$ 266,149	\$ 295,571
Advanced Accounting	181,634	127,610	201,634	180,575
Operating Sub-Total	454,917	389,306	467,783	476,146
Less: Intra-County Revenues	(52,208)	(28,049)	(9,741)	(9,399)
Division Total	\$ 402,709	\$ 361,257	\$ 458,042	\$ 466,747

Character of Expenditures

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Operating Expenditures</i>				
Regular Salaries	302,182	259,902	311,596	297,765
Overtime	--	218	--	--
Extra Help	20,735	1,738	625	19,489
Benefits	120,137	113,940	134,296	144,934
Salaries & Benefits Sub-Total	443,054	375,798	446,517	462,188
Services & Supplies	11,863	13,508	21,266	13,958
Operating Sub-Total	454,917	389,306	467,783	476,146
Less: Intra-County Revenues	(52,208)	(28,049)	(9,741)	(9,399)
Expenditure Total	\$ 402,709	\$ 361,257	\$ 458,042	\$ 466,747

Source of Funds Summary

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
<i>Departmental Revenues</i>				
Federal & State Revenues	\$ 17,132	\$ --	\$ --	\$ --
Other Charges for Services	85,339	39,739	33,246	43,768
Miscellaneous Revenue	--	2,347	--	--
Revenue Sub-Total	102,471	42,086	33,246	43,768
Less: Intra-County Revenues	(52,208)	(28,049)	(9,741)	(9,399)
Revenue Total	50,263	14,037	23,505	34,369
<i>General Fund Contribution</i>				
Division Total	\$ 402,709	\$ 361,257	\$ 458,042	\$ 466,747

Actual FY 09-10		Adopted FY 10-11		Est. Actual FY 10-11		Recommended FY 11-12		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
County Fiscal Services	6.0	2.1	3.0	2.0	3.0	2.3	2.0	2.1
Advanced Accounting	--	1.3	2.0	0.8	2.0	1.4	1.0	1.0
Total Permanent	6.0	3.4	5.0	2.9	5.0	3.6	3.0	3.1
<i>Non-Permanent</i>								
Extra Help	--	0.5	--	--	--	--	--	--
Total Positions	6.0	3.9	5.0	2.9	5.0	3.6	3.0	3.1

Significant Changes (FY 2010-11 Adopted to FY 2010-11 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures increased by \$79,000 to \$468,000 from the Fiscal Year 2010-11 Adopted Budget of \$389,000. This 20% increase is due to:

- +\$70,000 – increase in salaries and benefits due primarily to the rotation of one Accountant-Auditor from Internal Audit;
- +\$9,000 – increase in various services and supplies expenditures.

Significant Changes (FY 2010-11 Estimated Actual to FY 2011-12 Recommended)

The Fiscal Year 2011-12 Recommended Budget operating expenditures will increase by \$8,000 to \$476,000 from the FY 2010-11 Estimated Actual of \$468,000. This 2% increase is due to:

- +\$15,000 – increase in salaries and benefits due primarily to cost-of-living adjustments and increased retirement costs;
- -\$7,000 – decrease in various services and supplies expenditures.

SERVICE DESCRIPTION

To provide accounting and revenue distribution services to County departments, special districts and other agencies by offering and delivering professional assistance in general accounting, disaster accounting, budgeting, systems and fiscal advisory services.

Recurring Performance Measures

County Fiscal Services

On a quarterly basis, review sales tax information from the State Board of Equalization and file a timely report to recover misallocated sales tax due to the County.

Issue a reader-friendly Sales and Use Tax Report within 150 days if fiscal year-end.

Issue a reader-friendly Transient Occupancy Tax Highlights Report within 150 days of fiscal year-end.

Advanced Accounting

Review all contracts within 48 hours of receipt.

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
--	--------------------	---------------------	-------------------------	-------------------------

Yes Yes Yes Yes

Yes Yes Yes Yes

Yes Yes Yes Yes

Yes Yes Yes Yes

AUDITOR-CONTROLLER

Specialty Accounting (cont'd)

	Actual FY 09-10	Adopted FY 10-11	Est. Actual FY 10-11	Recommended FY 11-12
	Pos.	Pos.	Pos.	Pos.

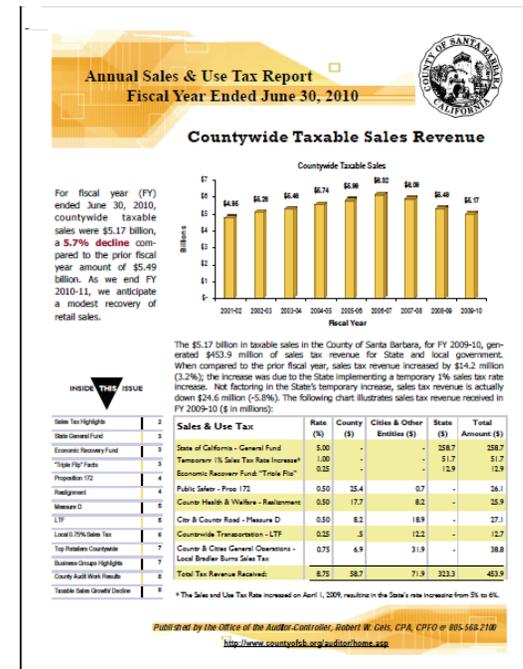
Position Detail

County Fiscal Services

Division Chief	2.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	--	--	--
Accountant-Auditor	3.0	2.0	2.0	1.0
Sub-Division Total	6.0	3.0	3.0	2.0

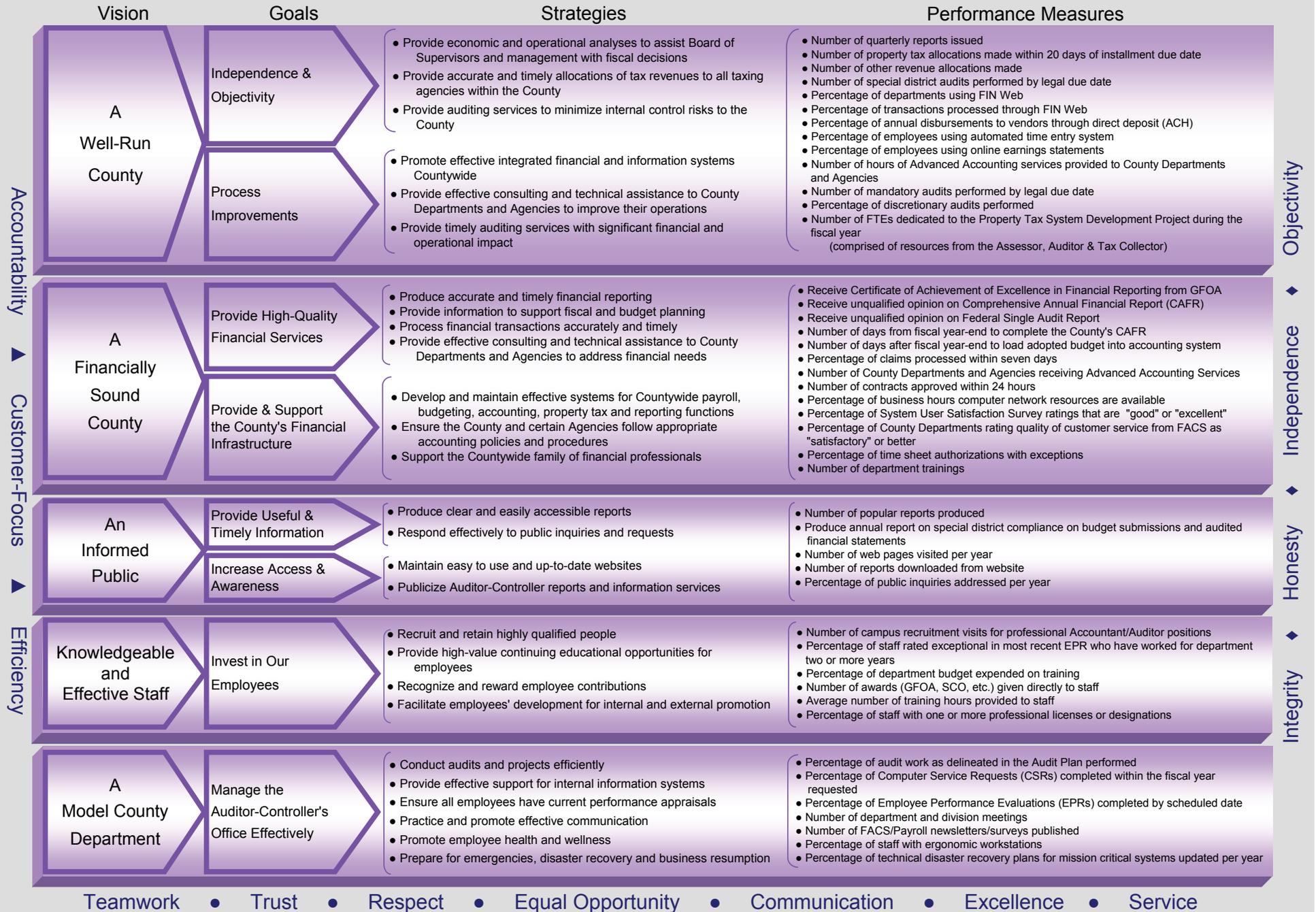
Advanced Accounting

Division Chief	--	1.0	1.0	1.0
Financial Systems Analyst	--	1.0	1.0	--
Sub-Division Total	--	2.0	2.0	1.0
Division Total	6.0	5.0	5.0	3.0



Sample of Annual Report of Major Revenue

Our Mission: *We ensure the County's financial integrity and promote efficient, effective and accountable government*



Teamwork • Trust • Respect • Equal Opportunity • Communication • Excellence • Service

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