

CITY AUDITOR

The mission of the City Auditor's Office is to protect the public's interest and assets; ensure City resources are used to provide optimum benefits to the City's residents; enable the public's trust in City financial information; and, improve the quality of, and confidence in, City decision making.

Department Goals

Goal 1 Protect the public interest and promote good government

Program

Analytic Analysis

Apply professional audit services to the City that enhance revenues and identify efficiency improvements. This program includes the following services:

- Economic Analysis of significant transactions and business deals
- Financial Auditing
- Fraud Investigations
- Internal Control Reviews
- Operational Audits
- Revenue Audits
- Strategic Planning

Goal 2 Audit all disbursements as required by the City Charter

Program

Audit all pending payment vouchers for compliance with City policies and regulations

Strive to provide next day approval on all payment vouchers submitted

Goal 3 Audit cash and investments as required by the City Charter

Program

Audit the City treasury once each quarter as required by the City Charter

Goal 4 Perform the Annual Financial Audits as required by the City Charter

Program

Perform the annual financial audit of the City and its financial component units

Fiscal Year 2005 Accomplishments

Business Growth and Workforce Development

- For the first nine months of Fiscal Year 2005:
 - Published 33 audit reports resulting in recommendations and claims of approximately \$8 million for the City and \$20 million for the State of California
 - Provided professional advisory and consulting services to the City Council and management
 - Contributed hundreds of hours in professional staff time to participate on optimization committees
- For the first nine months of FY 05, audited 88,672 payment vouchers totaling \$327 million and issued 352 audit exceptions totaling \$4.5 million
- Audited the City's \$1.3 billion treasury each quarter to ensure the City's investments are in compliance with the State Government Code and City investment policy to ensure they were properly safeguarded with no exceptions noted
- Audited the City's Comprehensive Annual Financial Report and 13 component unit financial statements and found no material misstatements of financial information presented by management

Challenges and Opportunities

Opportunities

- Annually, the City Auditor's recommendations and claims for outstanding revenue exceed the cost of the Office several times over. Expanding the number of auditors has traditionally increased the recoveries and efficiencies. Auditing pays.

Challenges

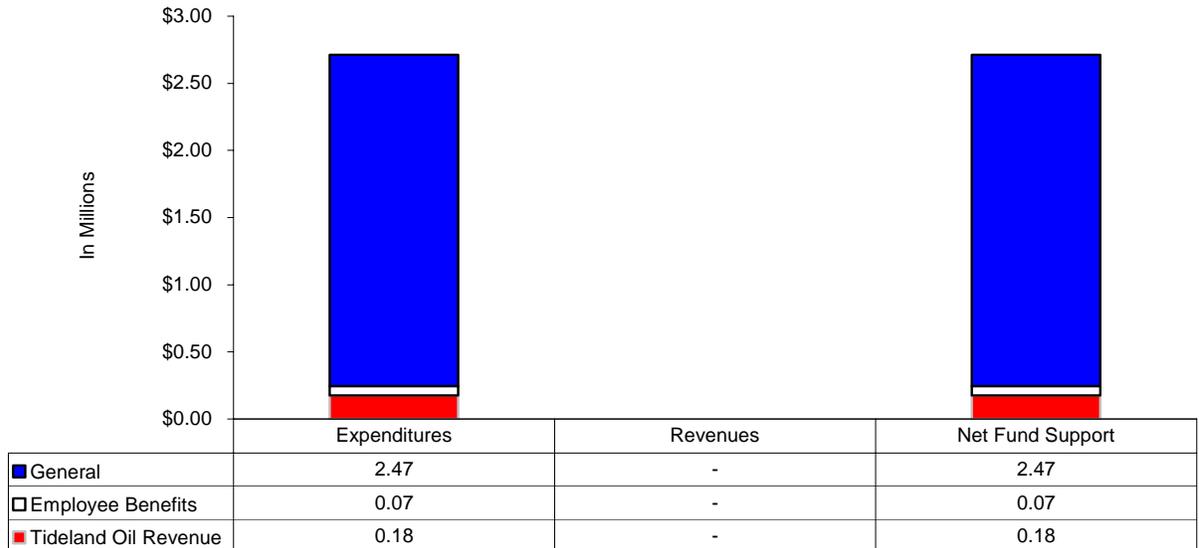
- As organizations are downsized and struggle with change and financial hard times, the risk that error or misappropriation occurs and that it could go undetected increases.

Notes

- The City Auditor is independently elected and is, by City Charter, not under the authority of the City Manager or City Council. All audits are conducted based on the professional judgment of the City Auditor and his professional staff in accordance with Generally Accepted Auditing Standards.

Summary by Character of Expense

Adopted* FY 06 Budget by Fund



	Actual FY 04	Adopted* FY 05	Adjusted FY 05	Year End** FY 05	Adopted* FY 06
Expenditures:					
Salaries, Wages and Benefits	1,781,567	2,142,749	2,142,749	1,980,209	2,271,624
Materials, Supplies and Services	148,788	320,000	370,294	257,573	340,294
Internal Support	111,258	109,241	109,241	110,096	99,537
Capital Purchases	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-
Prior Year Encumbrance	-	-	-	-	-
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Total Expenditures	2,041,612	2,571,990	2,622,285	2,347,878	2,711,455
Revenues:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	-	-	-	-	-
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	(381)	-
Other Revenues	250	-	-	-	-
Interfund Services - Charges	-	-	-	-	-
Intrafund Services - GP Charges	-	-	-	-	-
Harbor P/R Revenue Transfers	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Transfers	-	-	-	-	-
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Total Revenues	250	-	-	(381)	-
Personnel (Full-time Equivalents)	22.00	22.00	22.00	22.00	22.00

Note: The City Auditor has committed to leaving 3 of the 22 FY 06 budgeted staff positions vacant to assist with the City's budget crisis.

* Amounts exclude all-years carryover. See budget ordinance in the front section of this document.

** Unaudited

Key Contacts

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