

Office of the City Auditor City of San Diego

Fiscal Year 2012 Budget Presentation

Audit Committee Meeting, May 2, 2011



Introduction

- Under City Charter, the Audit Committee recommends to the City Council the annual compensation of the City Auditor and annual budget for the Office of the City Auditor.
- To facilitate the Audit Committee's deliberation, I am presenting the City Auditor FY 2012 budget information for consideration.

Accomplishments

- The Office of the City Auditor has an integral role in providing accountability and oversight of City operations, programs, and performance.
- As described in our accomplishments report, since the establishment of the Office we have identified a cumulative \$13.4 million in potential savings.
- Our benefit ratio is \$2.75 to \$1.00 spent on audit costs.

Fiscal Year 2012 Proposed Budget

	FY 2011 Budget	Proposed FY 2012 Budget	Change
Positions (FTE)	18.5	19.0	.5
Salaries and Wages	\$1,633,127	\$1,670,426	\$37,299
Fringe Benefits	1,010,510	836,887	(173,623)
Subtotal	2,643,637	2,507,313	(136,324)
Non-Personnel	175,169	209,263	34,094
Subtotal	2,818,806	2,716,576	(102,230)
Annual CAFR Audit Expense	942,374	793,739	(148,635)
Total	\$3,761,180	\$3,510,315	(\$250,865)

Fiscal Year 2012 Proposed Budget

- Includes an .5 FTE increase with a salary cost of \$37,299 to annualize the prior year approved position.
- FM calculated a fringe benefits cost decrease of (\$173,623).
- Increase in non-personnel expenses totaling \$34,094 due to an increase in non-discretionary IT cost allocations, such as SAP support and network access fees.
- The City Auditor's current proposed budget, before the annual CAFR Audit expense, is \$2.7 million, which is an overall reduction of (\$102,230) or four percent from FY 2011.
- The City Auditor's budget includes \$793,739 for the annual CAFR audit performed by MGO, increasing the total current proposed budget to \$3.5 million.
- A potential impairment regarding the Office budget was noted in our budget memo.

Cost for Additional Staffing

Positions	Add Position Beginning FY 2012	Potential Savings Identified by FTE	Add Position Midyear FY 2012
Cost to Add 1.0 Auditor Position	\$167,859	\$461,612	\$83,930
Cost to Add 3.0 Auditor Positions	\$503,577	\$1,384,837	\$251,790