

AUDITOR/CONTROLLER-RECORDER

Larry Walker

MISSION STATEMENT

The San Bernardino County Auditor/Controller-Recorder's (ACR) Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

We are committed to:

Our Taxpayers

.... spending taxpayer dollars wisely. To this end, we are dedicated to providing our services in a cost effective, efficient manner by taking advantage of innovation and new technology. We will promote sound financial management throughout County government and will perform budgetary control as required by law.

Our Customers

.... providing a high level of quality services to our customers. We will be sensitive and responsive to our customers' needs and expectations. We will be accurate, thorough and timely in the performance of our duties and will treat our customers in a professional manner with courtesy and respect.

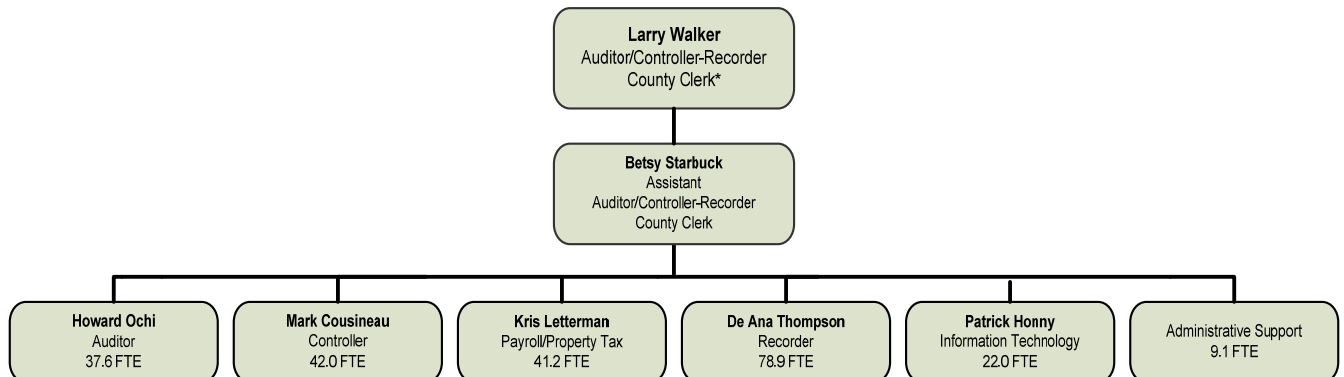
Our Employees

.... providing our employees with a safe, comfortable working environment in an atmosphere of mutual respect, cooperation and non-discrimination. We will hire and train competent, knowledgeable individuals with backgrounds that will complement and enhance the abilities of our workforce and we will provide opportunities for continued professional growth and advancement. We recognize, value, and support the efforts and ideas of our employees and will provide the information and resources necessary to accomplish the goals of this organization.

STRATEGIC GOALS

1. Improve the Financial Accounting Systems (FAS) by providing upgrades/new functionality and monitoring usage to continue providing quality financial services to county departments.
2. Expand and Enhance Recorder Division Services by continued development of a comprehensive, library of high-quality images and convenient access to citizens of the county.
3. Enhance Accounts Payable Process by increasing participation in the electronic funds transfer (EFT) program and paying county bills accurately and efficiently to ensure departments can continue providing services to citizens.

ORGANIZATIONAL CHART



*County Clerk is recognized as 1.0 FTE.



SUMMARY OF BUDGET UNITS

	2007-08				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<u>General Fund</u>					
Auditor/Controller-Recorder	19,333,051	6,102,260	13,230,791		216.8
Total General Fund	19,333,051	6,102,260	13,230,791		216.8
<u>Special Revenue Funds</u>					
Systems Development	17,923,739	3,600,000		14,323,739	20.0
Vital Records	482,986	150,000		332,986	-
Electronic Recording	800,000	800,000		-	1.0
Recorder Records	800,000	800,000		-	1.0
Total Special Revenue Funds	20,006,725	5,350,000		14,656,725	22.0
Total - All Funds	39,339,776	11,452,260	13,230,791	14,656,725	238.8

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.



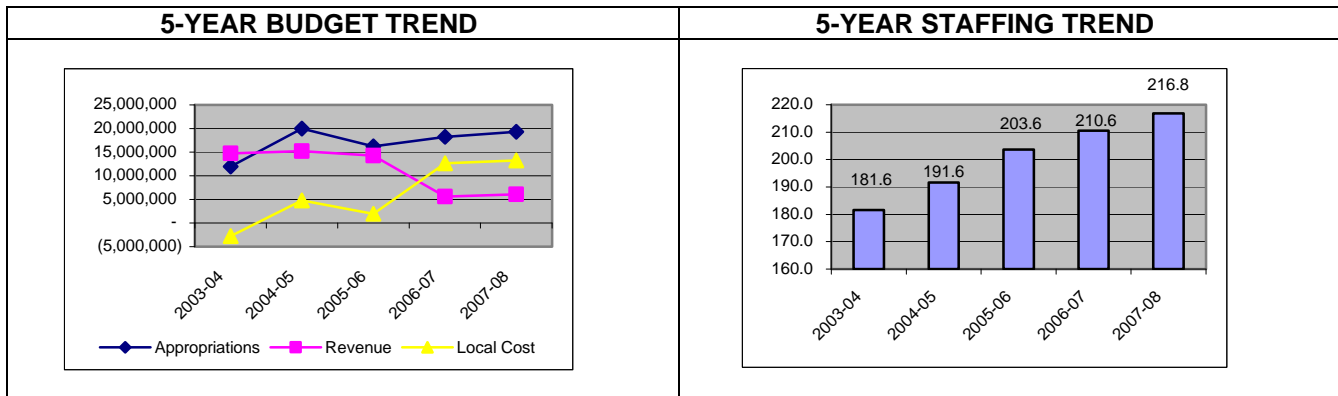
Auditor/Controller-Recorder

DESCRIPTION OF MAJOR SERVICES

The Office of the Auditor/Controller-Recorder and County Clerk is responsible for providing the county and its constituents with a variety of accounting services and document recording and management services. The Auditor and Controller Divisions record the collections and perform the accounting, reporting, disbursements, and audits of all county financial activities to ensure sound financial management. They are also responsible for developing and implementing accounting systems and standards, conducting operational risk assessment reviews, and administering the Countywide Cost Allocation Plan. The newly-formed Payroll/Property Tax Division is responsible for payroll services, Employee Management and Compensation System (EMACS) development, and the compilation of property tax rates and revenue disbursements to taxing agencies.

The Recorder Division accepts all documents for recording that comply with applicable recording laws. The Recorder produces and maintains official records evidencing ownership and encumbrances of real and personal property and other miscellaneous records. The Recorder Division is also responsible for County Archives and County Clerk functions. County Archives maintains all the historical records for the county. The office of the County Clerk files and manages records as they relate to vital statistics, fictitious business names, and other records that are required by the State to be filed with the County Clerk.

BUDGET HISTORY



The significant increase in local cost and decrease in revenue in 2006-07 is a result of the County's concern for stabilizing the department's financing. Recording revenue has been placed in Countywide discretionary revenue and in lieu of this revenue source, additional general fund financing has been provided. The restructuring of this revenue was board approved on November 1, 2005.

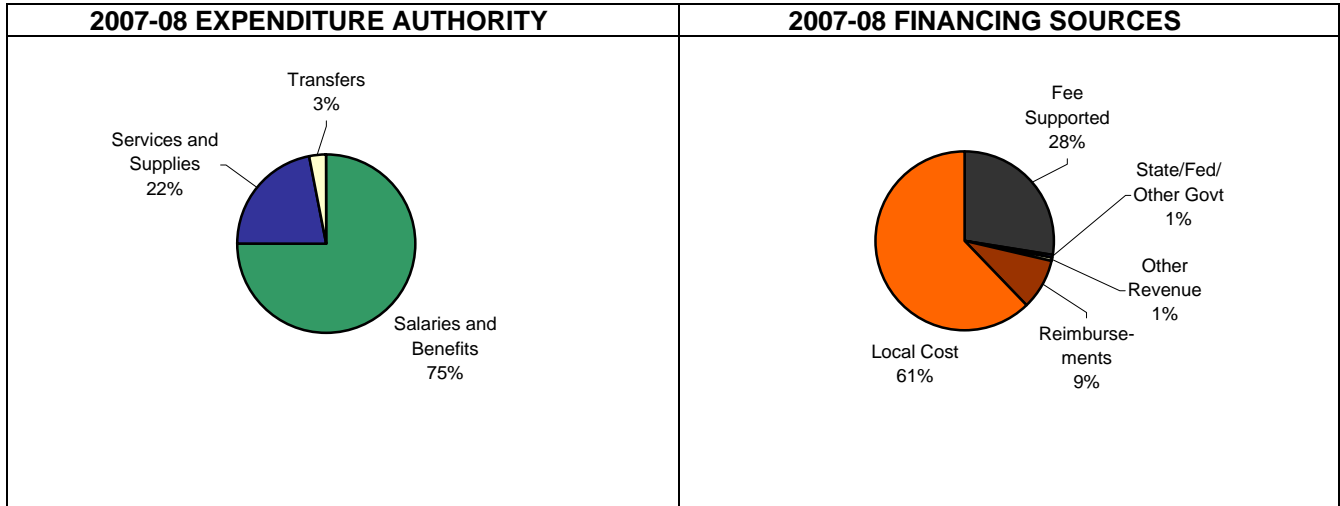
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	11,954,500	19,968,967	15,071,302	18,246,993	17,231,528
Departmental Revenue	14,705,766	15,184,728	5,608,169	5,614,812	5,970,343
Local Cost	(2,751,266)	4,784,239	9,463,133	12,632,181	11,261,185
Budgeted Staffing				212.6	

The 2006-07 appropriation estimate is less than the modified budget due to difficulty in filling specialized vacant positions and conservative spending in services and supplies. Departmental revenue is expected to exceed the modified budget because of the fees from services that the department provides to the general public and additional property tax-related revenue. In 2006-07, local cost reflected a significant increase over 2004-05 due to replacing recording revenue with local cost.



ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Auditor/Controller-Recorder
FUND: General

BUDGET UNIT: AAA ACR
FUNCTION: General
ACTIVITY: Finance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	9,612,515	10,707,547	11,951,672	13,195,104	14,650,768	15,969,326	1,318,558
Services and Supplies	2,019,691	3,667,274	3,071,302	4,028,638	4,415,663	3,639,266	(776,397)
Central Computer	872,222	1,159,570	1,106,542	921,399	921,399	975,766	54,367
Equipment	-	-	8,081	-	-	38,000	38,000
L/P Struct/Equip/Vehicle:	-	4,531,810	-	-	-	-	-
Transfers	88,454	34,618	53,952	213,041	139,955	633,270	493,315
Total Exp Authority	12,592,882	20,100,819	16,191,549	18,358,182	20,127,785	21,255,628	1,127,843
Reimbursements	(798,382)	(1,010,208)	(1,355,537)	(1,126,654)	(1,880,792)	(1,922,577)	(41,785)
Total Appropriation	11,794,500	19,090,611	14,836,012	17,231,528	18,246,993	19,333,051	1,086,058
Operating Transfers Out	160,000	878,356	235,290	-	-	-	-
Total Requirements	11,954,500	19,968,967	15,071,302	17,231,528	18,246,993	19,333,051	1,086,058
Departmental Revenue							
Taxes	186	-	-	-	-	-	-
Licenses and Permits	412,714	561,419	512,150	449,860	480,000	450,000	(30,000)
State, Fed or Gov't Aid	80,038	91,166	161,058	144,735	125,722	121,668	(4,054)
Current Services	14,106,149	14,409,803	4,805,768	5,263,872	4,914,090	5,409,654	495,564
Other Revenue	106,679	122,340	129,193	111,876	95,000	120,938	25,938
Total Revenue	14,705,766	15,184,728	5,608,169	5,970,343	5,614,812	6,102,260	487,448
Local Cost	(2,751,266)	4,784,239	9,463,133	11,261,185	12,632,181	13,230,791	598,610
Budgeted Staffing					210.6	216.8	6.2

Salaries and benefits of \$15,969,326 will fund 216.8 full time equivalent positions and are increasing from the 2006-07 budget by \$1,318,558. The increase is primarily from adding six positions and reclassifications. The six positions added included 1.0 ACR Division Chief for the Payroll/Property Tax Division and 1.0 corresponding Secretary I that were added mid-year, 1.0 Accountant II to support the C-IV Consortium, 1.0 Systems Accountant II to provide oversight for cal-card expenditures, recognizing 1.0 County Clerk as a budgeted position, and the transfer of 1.0 Records Management Technician position from the closed County Records Management program



to the ACR general fund to support the expansion of the County Archives program. Additionally, several positions were reclassified during the 2006-07 and costs were included in salaries and benefits for 2007-08. A classification study of 5.0 Office Assistant II positions that supported the Employee Management and Compensation System (EMACS) led to the reclassification of those positions to Office Assistant III. Also, there are 3.0 pending reclassifications, (1) Office Assistant III (pay range 31) to Archives/Record Technician (pay range 35), (2) Records Management Technician (pay range 30) to Archives/Record Technician (pay range 35), and (3) Records Management Supervisor (pay range 49) to Archives/Record Analyst (pay range 58), for 2007-08 to support the expansion of the County Archives program. The positions may require specialized training and/or education in restoring and preserving county records and making them available to the public. Lastly, budgeted staffing increased by .2 positions for some summer accounting interns. The increase in costs is also due to anticipated retirement benefits, across-the-board MOU increases, and retirement rate adjustments.

Services and supplies of \$3,639,266 include the costs of Internal Service Funds, contracts for professional services, training, general office expense, special department expense, insurance, and other expenses associated with operations. The decrease of \$776,397 is due to moving budgeted Facilities Management and security expenses from the services and supplies budget to the Transfers budget in response to governmental accounting standards. The reduction is also associated with fewer expected expenses from professional contracts.

Equipment is budgeted at \$38,000 to purchase several scanning stations to automate business processes and make frequently-accessed documents available for research.

Transfers of \$633,270, an increase of \$493,315 from the 2006-07 budget, reflect a change in budgeted facilities management and security costs that were moved from the services and supplies budget to the transfers budget. It also covers an expense for Human Resources employee-related services, Human Resources advertising costs, an on-site Human Resources Officer II, and rent for the County Archives building.

Reimbursements of \$1,922,577 represent reimbursements from other departments for accounting and auditing services, a scanning contract, and to cover the expense of using general fund staff to provide services related to the department's special revenue funds. The increase of \$41,785 is due to the increased cost of funding the positions, the reimbursement of utilities for the Recorder's new building for records storage and restoration, and the reimbursement of costs for professional auditing contracts.

A combination of revenue sources are expected to total \$6,102,260, and comes from property tax-related items and services that the Auditor/Controller-Recorder provides to both other county departments as well as to the public. The increase of \$487,448 from 2006-07 is due to increases in property tax-related revenue, as well as new fees approved by the County Board of Supervisors, and from payment for the Accountant II position from the Joint Powers Agreement associated with the C-IV Consortium.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Percentage of film images that are repaired by June 30, 2007 (462,228 repaired images as of 2005-06).	80%	80%	90%
Track and maintain the number of new microfilm cassettes that are inventoried within one month of receipt by June 30, 2007 (30,011 cassettes as of 2005-06).	100%	100%	100%
Convert percentage of microfilmed images from 1980 to present to a digitized format by June 30, 2007 (3,235,595 images converted as of 2005-06).	80%	80%	90%
Percentage increase in vendor participation in the EFT program (358 vendors as of 2005-06).	10%	25%	35%
Percentage of payments processed within ten days of presentation to ACR (January through June 2006, 43,479 documents processed).	90%	90%	90%
Analyze and review existing and new non-standard employee contracts for variances with EMACS and ensure the appropriate adjustments are made.	90%	90%	100%

The performance measures for the general fund demonstrate an emphasis on providing excellent customer service and the use of technology to make current business operations more efficient. The department will ensure the Recorder has current and accurate records that are easily searchable for the general public's use. The department has automated its vendor payment process and electronic fund transfer program to pay vendors more quickly.

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2007-08 Performance Measurement
	Remodel Central Payroll/EMACS Area	-	860,000	-	860,000	
	Remodel the Central Payroll/EMACS area to provide for the space, equipment, and furniture requirements of co-located staff for three county departments - Auditor/Controller-Recorder, Information Services, and Human Resources. This will help increase productivity and efficiency by providing the appropriate space.					
	<i>Reduce backlog of projects to increase the functionality of EMACS (37 backlog</i>					10%
	Total	<u>-</u>	<u>860,000</u>	<u>-</u>	<u>860,000</u>	

The 2007-08 Policy Item requests that the county general fund provide financing to remodel the space that is occupied by three departments – ACR, ISD, and Human Resources. These three departments support the development and operation of Central Payroll/EMACS. The remodel will rearrange the space for improved collaboration and communication between the employees and reduce the backlog of projects by providing space for more employees.

