

AUDITOR GENERAL (50)

AGENCY PLAN: MISSION, GOALS AND BUDGET SUMMARY

MISSION:

The mission of the Office of the Auditor General (OAG) acts as an independent, full-service appraisal function to examine and evaluate the city's activities in order to improve the accountability for public funds and to improve the operations of city government. The OAG promotes the economy, efficiency, and effectiveness of city government, and protects against fraud, waste, and abuse by conducting independent audits, investigations, and evaluations; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty, and integrity among OAG staff and the people we serve.

AGENCY GOALS:

1. Improve the auditing and consulting capabilities of the OAG staff.
2. Improve the quality and timeliness of audit reports.
3. Complete a minimum of twenty-five audits, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues.

AGENCY FINANCIAL SUMMARY:

2012-13 <u>Requested</u>		2011-12 <u>Budget</u>	2012-13 <u>Recommended</u>	Increase <u>(Decrease)</u>
\$ 3,140,433	City Appropriations	\$ 3,553,766	\$ 2,942,305	\$ (611,461)
\$ 3,140,433	Total Appropriations	\$ 3,553,766	\$ 2,942,305	\$ (611,461)
\$ 3,140,433	NET TAX COST:	\$ 3,553,766	\$ 2,942,305	\$ (611,461)

AGENCY EMPLOYEE STATISTICS:

2012-13 <u>Requested</u>		2011-12 <u>Budget</u>	04-01-12 <u>Actual</u>	2012-13 <u>Recommended</u>	Increase <u>(Decrease)</u>
14	City Positions	16	14	12	(4)
14	Total Positions	16	14	12	(4)

ACTIVITIES IN THIS AGENCY:

	2011-12 <u>Budget</u>	2012-13 <u>Recommended</u>	Increase <u>(Decrease)</u>
Auditing Operations	\$ 3,553,766	\$ 2,942,305	\$ (611,461)
Total Appropriations	\$ 3,553,766	\$ 2,942,305	\$ (611,461)

AUDITOR GENERAL (50)

AUDITING OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: AUDITING OPERATIONS

The Office of the Auditor General (OAG) performs audits of each city agency and prepares written reports which convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The OAG also performs special projects, risk management evaluations and other work, as requested by City Council, as initiated internally, or as required by city code. Many of these projects result in formal reports or other communications to City Council. The office also analyzes the Mayor's Proposed City Budget for City Council each fiscal year.

The annual financial audits of the city and its federal financial assistance programs are performed by outside auditors contracted by the Office of the Auditor General.

GOALS:

1. Improve the auditing and consulting capabilities of the OAG staff.
2. Improve the quality and timeliness of audit reports.
3. Complete a minimum of twenty-five audits, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues.

MAJOR INITIATIVES FOR FY 2011-12:

The Office of the Auditor General will continue for fiscal year ending June 30, 2012, to operate in accordance with the 1997 Charter mandate of auditing every city department biennially, and to transition into our new 2011 Charter mandate of developing our audit plan from a risk-based approach. Risk-based auditing extends and improves the risk assessment model by shifting the audit vision. Instead of looking at the business process in a system of internal control, the internal auditor views the business process in an environment of risk. An audit focusing on risk adds more value to the city than an audit focusing solely on internal controls.

PLANNING FOR THE FUTURE FOR FY 2012-13, FY 2013-14 and BEYOND:

In accordance with our new charter mandate, the Office of the Auditor General will focus its future audit approach from a risk-based perspective and make annual financial analysis of all agencies not selected for audit in the current year. Our audits going forward will not focus merely on internal controls, but on operations and performance of individual agencies and the city as a whole. We expect that our audits will be more comprehensive and provide more relevant and significant findings and recommendations for departmental directors to use as organizational tools, which if implemented will have a greater positive effect on the financial and operational health of the city.

The Office of the Auditor General is committed to safeguarding the city's interest by all means within its power, now and in the future; to root out waste, fraud and other criminal activities perpetrated against the city; to promote responsible and ethical government, and to foster an environment where our staff have an opportunity to grow professionally and are proud of the work they perform. We will continue to strive to be a world class audit agency built upon professional excellence and ethical standards; to meet the expectations of our clients, and to be flexible enough to anticipate and react to their changing needs.

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AUDITING OPERATIONS MEASURES AND TARGETS

Types of Performance Measures: List of Measures	2009-10 Actual	2010-11 Actual	2011-12 Projection	2012-13 Target
Outputs: Units of Activity directed toward Goals.				
Reports on Audits of Financial Transactions	19	21	21	21
Claims hearings	42	40	45	45
Risk Management Evaluations	0	4	2	2
Activity Cost	\$7,746,445	\$3,188,491	\$3,553,766	\$2,942,305

CITY OF DETROIT
Auditor General Department
Financial Detail by Appropriation and Organization

Administration & General Office	2011-12		2012-13		2012-13	
	Redbook		Dept Final		Mayor's	
Auditing Operations	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION</i>						
<i>ORGANIZATION</i>						
00261 - Auditing Operations						
500010 - Administration & General Office	3	\$618,551	3	\$683,882	3	\$619,377
500020 - Auditing-Operations	11	\$1,292,910	8	\$1,056,631	7	\$792,177
APPROPRIATION TOTAL	14	\$1,911,461	11	\$1,740,513	10	\$1,411,554
11195 - Risk Management Council						
500095 - Risk Management Council	2	\$258,352	2	\$281,650	2	\$245,778
APPROPRIATION TOTAL	2	\$258,352	2	\$281,650	2	\$245,778
12680 - Auditing - CAFR						
500020 - Auditing-Operations	0	\$0	0	\$0	0	\$0
500025 - Auditing - CAFR	0	\$1,383,953	0	\$1,118,270	0	\$1,284,973
APPROPRIATION TOTAL	0	\$1,383,953	0	\$1,118,270	0	\$1,284,973
ACTIVITY TOTAL	16	\$3,553,766	13	\$3,140,433	12	\$2,942,305

CITY OF DETROIT
Budget Development for FY 2012-2013
Appropriations - Summary Objects

	2011-12 Redbook	2012-13 Dept Final Request	2012-13 Mayor's Budget Rec
AC0550 - Auditing Operations			
<i>A50000 - Auditor General</i>			
SALWAGESL - Salary & Wages	1,007,401	921,151	788,415
EMPBENESL - Employee Benef	958,751	889,647	658,409
PROFSVCSL - Professional/Cor	1,433,953	1,168,270	1,328,547
OPERSUPSL - Operating Suppli	20,453	23,067	20,453
OPERSVCSL - Operating Servic	112,308	112,098	120,281
CAPEQUPSL - Capital Equipme	0	5,000	5,000
OTHEXPSSL - Other Expenses	20,900	21,200	21,200
<i>A50000 - Auditor General</i>	<i>3,553,766</i>	<i>3,140,433</i>	<i>2,942,305</i>
AC0550 - Auditing Operations	3,553,766	3,140,433	2,942,305
Grand Total	3,553,766	3,140,433	2,942,305

**CITY OF DETROIT
MAYOR'S 2012-2013 RECOMMENDED BUDGET**

Auditor General

Appropriation	REDBOOK FY		DEPT REQUEST		MAYORS FY	
Organization	2011	2012 FTE	FY 2012	2013 FTE	2012	2013 FTE
Classification						
00261 - Auditing Operations						
500010 - Administration & General Office						
Auditor General	1		1		1	
Deputy Auditor General	1		1		1	
Executive Secretary III	1		1		1	
Total Administration & General Office	3		3		3	
500020 - Auditing-Operations						
Manager II - Auditor General	2		1		1	
Senior Auditor	5		5		4	
Auditor	4		2		2	
Total Auditing-Operations	11		8		7	
Total Auditing Operations	14		11		10	
11195 - Risk Management Council						
500095 - Risk Management Council						
Auditor	2		2		2	
Total Risk Management Council	2		2		2	
Total Risk Management Council	2		2		2	
Agency Total	16		13		12	