

City Comptroller



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Office Description

The Office of the City Comptroller (Comptroller) performs the general accounting and financial reporting functions for the City of San Diego. It is also responsible for payment services, including payroll processing for the City's approximately 10,600 employees and centralized processing for all vendor payments. In addition, the Comptroller is responsible for implementing and monitoring internal controls over financial reporting and assisting departments in the implementation and monitoring of controls over operations.

The Comptroller prepares numerous financial reports for internal and external use. The most significant external financial report is the Comprehensive Annual Financial Report (CAFR) which includes an accounting of all City funds and its component units, including related disclosures. The Comptroller also prepares the Schedule of Expenditures of Federal Awards included as part of the City's Single Audit of federal assistance programs. Additionally, the Comptroller prepares the Charter Section 39 report to provide the Mayor and City Council a summary statement of revenues and expenditures for each month, including appropriations and prior year comparable revenue and expenditure data.

The Office's mission is:

To provide timely and accurate financial services and information to City management, elected officials, and the public in order to effectively manage public resources

Goals and Objectives

The following are the strategic goals and objectives for the Office:

Goal 1: Provide high-quality financial information in a timely manner

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Develop and maintain a set of standard financial reports for broad citywide use
- Maximize the accessibility and ease of use of financial data generated by SAP

City Comptroller

- Employ technology to enhance transparency and accountability over City finances
- Automate accounting and reporting functions allowing for an increased focus on financial data analysis
- Communicate effectively with key departments and related entities to ensure disclosures are complete, accurate, and consistent

Goal 2: Provide high-quality financial reports in a timely manner

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Develop and implement a consistent process documentation strategy for all material accounting and financial reporting processes
- Assess risks for each documented accounting and financial reporting process and implement controls to mitigate such risks
- Develop automated and manual testing routines of key controls within the SAP Governance, Risk, and Compliance module (GRC) and test material key internal control elements
- Conduct an annual review of documented processes and update as necessary
- Provide best practice guidance to departments in developing and implementing internal controls over operations

Goal 3: Promote employee development

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Effectively monitor employee performance and set individual and group target goals
- Promote training and professional development to keep employee skill sets current with technical accounting issues and technology

Goal 4: Provide high quality customer service

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Develop strong working relationships with customer departments through active and continuous engagement
- Work with employees and labor groups to quickly and effectively address employee payroll needs
- Monitor on-time vendor invoice payments and report timeliness of invoice payments to City management

Key Performance Indicators

Performance Indicator	Actual FY2014	Target FY2015	Actual FY2015	Target FY2016
1. Percentage of invoices paid on time citywide according to the terms established with each vendor ¹	71%	82%	76%	80%
2. Number of SAP reports developed in Business Objects	2	N/A ²	7	9
3. Number of SAP report developed in Spinifex	23	N/A ²	26	15
4. Total number of documented processes ³	310	N/A ²	451	510
5. Percent of employees compliant with Comptroller's training policy	47% ⁴	N/A ²	100%	56%
6. Number of months needed to issue the CAFR ⁵	6	N/A ²	6	6
7. Receive unmodified CAFR opinion with zero material weaknesses identified	Yes	N/A ²	Yes	Yes

1. This is an average for all City departments. Comptroller's provides an invoice payment statistical report to all City departments on a monthly basis and works directly with departments assisting them to meet the overall stated target goal.
2. New key performance indicators developed during the Fiscal Year 2016 Proposed Budget process; therefore, no targets were set for Fiscal Year 2015. Even though these are new indicators developed in Fiscal Year 2016, historical data (Fiscal Year 2014 actuals) is available.
3. Total number of process narratives and process flow diagrams fluctuates annually as departments identify new processes or delete/modify existing ones.
4. During Fiscal Year 2014, Comptroller's experienced high staff turnover and training was inconsistently monitored. Comptroller management has refocused its efforts on training and established a training plan for Fiscal Year 2015 to ensure the Office remains in compliance.
5. The Comprehensive Annual Financial Report (CAFR) is completed one fiscal year in arrears (i.e. Fiscal Year 2014's CAFR was completed in Fiscal Year 2015).

Service Efforts and Accomplishments

In Fiscal Year 2015, the Comptroller continued to perform core accounting and reporting functions which provided accountability and transparency on the use of City resources. The financial position and activity of the City is summarized in the Comprehensive Annual Financial Report (CAFR) which includes all City funds and component units. The Comptroller completed and issued the Fiscal Year 2014 CAFR on December 5, 2014 and received an unmodified opinion from the City's independent auditors. The Comptroller also provided accounting and reporting services to customer departments and complied with reporting requirements such as the Schedule of Expenditures of Federal Awards, the monthly Charter 39 reports, and the Annual State Controller's report.

The Financial Reporting section was established in Fiscal Year 2015 to develop stronger and more efficient financial reports for citywide internal use. Partnering with the Department of Information Technology, the Comptroller is developing a set of standard reports that will increase access, facilitate financial analysis, and allow the City to take advantage of the ample information currently stored in its financial system. There will also be a strong focus on training for departments for each new report published. A Citywide Financial Reporting Focus Group was established in order to promote collaboration and cooperation amongst City departments to address reporting needs. During Fiscal Year 2015, several reports were designed, tested, and implemented for general use, some of which include:

- The Project-to-Date Financial Report provides cumulative budget and expenditure information for capital improvement projects.

City Comptroller

- The Labor Detail Report provides salary and fringe expenditure detail information.
- The Accounts Payable Vendor Transactions Report provides detail information on vendor payment transactions including information on vendor names, invoices, source of funding, and related accounting information.
- The General Ledger Transaction Report provides General Ledger balances with drilldown capability for transaction detail.
- The Budget versus Actual Report compares revenue and expenditure budget to actual results for the period.

The Payment Services Division continues to provide timely customer service in the areas of vendor and employee payments, responses to public information requests; and problem-solving and issue resolution. Between Fiscal Year 2014 and Fiscal Year 2015, the Payroll Section worked closely with SDCERS in the implementation of their new retirement system, IRIS, ensuring the reconciliation of employee accounts between SAP and IRIS. In Fiscal Year 2015, Payroll engaged with Local 145 to address payroll issues prioritizing their concern on their ability to properly ready and interpret their bi-weekly pay stub. A new form has been introduced to Local 145 that is under review with target production in Fiscal Year 2016.

Improvements on internal controls over financial reporting continued in Fiscal Year 2015. The Comptroller focused on developing and implementing a consistent process documentation strategy for all material accounting and financial reporting processes. Through training on internal controls and process documentation, the Comptroller was able to expand internal control work to all professional Comptroller staff, accelerating the documentation of key processes. New automated and manual internal control tests were developed and implemented through the SAP Governance, Risk, and Compliance (GRC) module to measure if specific internal controls are operating as designed. New process design assessments were developed and pushed out to each process owner to determine the continued effectiveness of the City's financial operational processes.

The Comptroller continued to develop key metric reports which were distributed to City management on a monthly basis. These reports featured key performance metrics as executive management set target achievement goals for all City departments.

Some of the day-to-day activity the Comptroller performs throughout the year includes the following processes (Fiscal Year 2014 totals are summarized below):

- 304,500 employee payroll payments were processed
- 105,784 accounts payable payments were processed
- 856 Comptroller's certificates were issued
- 43 public requests for information were processed

City Comptroller

Department Summary

	FY2014 Actual	FY2015 Budget	FY2016 Adopted	FY2015-2016 Change
FTE Positions (Budgeted)	82.75	82.75	84.75	2.00
Personnel Expenditures	\$ 9,938,052	\$ 9,808,532	\$ 10,236,967	\$ 428,435
Non-Personnel Expenditures	779,631	926,748	874,971	(51,777)
Total Department Expenditures	\$ 10,717,684	\$ 10,735,280	\$ 11,111,938	\$ 376,658
Total Department Revenue	\$ 2,441,946	\$ 2,468,547	\$ 2,772,259	\$ 303,712

General Fund

Department Expenditures

	FY2014 Actual	FY2015 Budget	FY2016 Adopted	FY2015-2016 Change
City Comptroller	\$ 10,717,684	\$ 10,735,280	\$ 11,111,938	\$ 376,658
Total	\$ 10,717,684	\$ 10,735,280	\$ 11,111,938	\$ 376,658

Department Personnel

	FY2014 Budget	FY2015 Budget	FY2016 Adopted	FY2015-2016 Change
City Comptroller	82.75	82.75	84.75	2.00
Total	82.75	82.75	84.75	2.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2015 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	\$ 264,613	\$ -
Internal Controls Addition of 2.00 Accountant 2s for citywide internal controls.	2.00	163,615	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	75,365	-
Addition of Training Expenditures Addition of non-personnel expenditures for training.	0.00	50,560	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	39,298	-
Hourly Sick Leave Addition of personnel expenditures for paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.	0.00	207	-

City Comptroller

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
One-Time Reductions and Annualizations	0.00	(217,000)	-
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2015.			
Enterprise Asset Management Revenue	0.00	-	303,712
Addition of anticipated reimbursable revenue associated with the implementation of the new SAP Enterprise Asset Management (EAM) System.			
Total	2.00	\$ 376,658	\$ 303,712

Expenditures by Category

	FY2014 Actual	FY2015 Budget	FY2016 Adopted	FY2015-2016 Change
PERSONNEL				
Personnel Cost	\$ 5,577,555	\$ 5,668,309	\$ 5,891,033	\$ 222,724
Fringe Benefits	4,360,498	4,140,223	4,345,934	205,711
PERSONNEL SUBTOTAL	9,938,052	9,808,532	10,236,967	428,435
NON-PERSONNEL				
Supplies	\$ 58,662	\$ 101,792	\$ 101,866	\$ 74
Contracts	361,160	503,113	362,803	(140,310)
Information Technology	300,355	250,007	325,372	75,365
Energy and Utilities	52,166	58,905	71,999	13,094
Other	3,227	10,931	10,931	-
Transfers Out	4,062	-	-	-
Capital Expenditures	-	2,000	2,000	-
NON-PERSONNEL SUBTOTAL	779,631	926,748	874,971	(51,777)
Total	\$ 10,717,684	\$ 10,735,280	\$ 11,111,938	\$ 376,658

Revenues by Category

	FY2014 Actual	FY2015 Budget	FY2016 Adopted	FY2015-2016 Change
Charges for Services	\$ 2,243,816	\$ 2,373,547	\$ 2,677,259	\$ 303,712
Other Revenue	198,130	95,000	95,000	-
Total	\$ 2,441,946	\$ 2,468,547	\$ 2,772,259	\$ 303,712

Personnel Expenditures

Job Number	Job Title / Wages	FY2014 Budget	FY2015 Budget	FY2016 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000010	Account Audit Clerk	7.00	7.00	7.00	\$33,114 - \$39,832	\$ 274,720
20000866	Accountant 2	21.00	22.00	24.00	54,059 - 65,333	1,428,449
20000007	Accountant 3	15.00	16.00	16.00	59,363 - 71,760	1,102,358
20000102	Accountant 4	12.75	11.75	11.75	66,768 - 88,982	1,020,211
20000024	Administrative Aide 2	3.00	3.00	4.00	42,578 - 51,334	189,363
20000119	Associate Management Analyst	1.00	0.00	0.00	54,059 - 65,333	-
20001105	Comptroller	1.00	1.00	1.00	34,694 - 207,210	159,000
20001168	Deputy Director	0.00	0.00	3.00	46,966 - 172,744	416,706
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	49,863

City Comptroller

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2014 Budget	FY2015 Budget	FY2016 Adopted	Salary Range	Total
20001172	Financial Operations Manager	4.00	4.00	0.00	25,376 - 148,200	-
20000681	Payroll Audit Specialist 2	5.00	5.00	5.00	39,686 - 48,069	237,095
20000936	Payroll Audit Supervisor-Auditor	1.00	1.00	1.00	47,986 - 57,949	55,921
20001182	Principal Accountant	8.00	8.00	9.00	19,323 - 151,840	980,000
20000054	Senior Account Audit Clerk	3.00	2.00	1.00	37,877 - 45,677	45,677
20000015	Senior Management Analyst	0.00	1.00	1.00	59,363 - 71,760	69,248
	Budgeted Vacancy Savings					(172,785)
	Overtime Budgeted					35,000
	Sick Leave - Hourly					207
FTE, Salaries, and Wages Subtotal		82.75	82.75	84.75		\$ 5,891,033
		FY2014 Actual	FY2015 Budget	FY2016 Adopted	FY2015-2016 Change	
Fringe Benefits						
	Employee Offset Savings	\$ 91,208	\$ 97,391	\$ 93,897	\$ (3,494)	
	Flexible Benefits	607,417	663,364	796,236	132,872	
	Insurance	188	-	-	-	
	Long-Term Disability	44,232	19,370	19,096	(274)	
	Medicare	80,232	81,687	84,362	2,675	
	Other Post-Employment Benefits	498,091	477,698	482,652	4,954	
	Retiree Medical Trust	1,278	1,080	2,317	1,237	
	Retirement 401 Plan	1,909	1,694	2,390	696	
	Retirement ADC	2,521,065	2,361,842	2,353,762	(8,080)	
	Retirement DROP	7,166	7,302	8,728	1,426	
	Retirement Offset Contribution	180	-	-	-	
	Risk Management Administration	74,282	74,577	86,100	11,523	
	Supplemental Pension Savings Plan	309,796	322,327	351,669	29,342	
	Unemployment Insurance	15,166	11,093	10,944	(149)	
	Workers' Compensation	108,289	20,798	53,781	32,983	
Fringe Benefits Subtotal		\$ 4,360,498	\$ 4,140,223	\$ 4,345,934	\$ 205,711	
Total Personnel Expenditures					\$ 10,236,967	