

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs:

Lead Agency: County Management
Program Contact: Cara Fitzpatrick

Program Characteristics:

Executive Summary

The General Ledger (GL) program manages central financial accounting and reporting, including the annual external financial audit, audit of the County's expenditures of Federal awards, Federal cost allocation plan, contract fiscal compliance over grants as well as general accounting support and assistance Countywide.

Program Description

The GL program supports and monitors the County's financial accounting activity by performing regular accounting functions, including account reconciliations, review / approval of accounting transactions and preparing required financial reports. The primary product is the County's Comprehensive Annual Financial Report (CAFR), which includes all activities associated with the required annual external financial audits. The CAFR earns the Government Finance Officer's Association (GFOA) award annually for excellence in financial reporting. This award indicates management has prepared financials meeting the reporting standards and requirements noted by GFOA. Approximately 3% of government entities in the US receive this award annually. The program's fiscal compliance (FC) unit performs site reviews and financial statement analyses on County human service contracts in order to maintain compliance with Federal, State and County laws and regulations. GL also prepares the County's cost allocation plans needed to recover central and departmental overhead and administrative costs. Maintaining internal controls and the chart of accounts are also performed by GL.

Program Justification

GL has a fiduciary responsibility to citizens by providing sound financial accounting and reporting as well as effective internal controls. GL provides the County and its citizens with audited financial reports that provide information to monitor and track the County's financial performance. These reports are utilized by many agencies and organizations such as bankers, investment and bond rating agencies, debtors, grantor agencies and citizens. The program's regular review and reconciliation of the County's enterprise system is a key function for proper financial accounting, effective internal controls, reporting and budgeting. In addition, the program's fiscal compliance unit performs Countywide contractor fiscal monitoring required by Federal and State regulations, grants and financial assistance agreements. This provides accountability to funding agencies and citizens while improving the performance and achieving the goals of the County programs.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	# of properly stated balance sheet accounts per review of external auditors	283	275	275	269
Outcome	% of properly stated balance sheet accounts per review of external auditors	100.0%	97.0%	97.0%	95.0%
Output	# of fiscal compliance (FC) site visits performed in a fiscal year (FY)	17	60	40	50
Outcome	% of external auditor recommendations successfully implemented in a fiscal year	88.0%	8.0%	80.0%	60.0%

Performance Measure - Description

Output: In the County's external financial audit, the auditors will analyze and audit our general ledger accounts. Fewer general ledger accounts identified with misstatements will indicate a high degree of accuracy in the financial statements.
Outcome: In the annual external audit, the auditors review and analyze the general ledger. A higher % of accurately stated accounts indicates fewer misstatements in the CAFR.
Output: FC unit performs site reviews and issues reports on primarily County funded human services (HS) contracts. Central FC is a newer program and the FY09 estimates were aggressive and high. In addition staff turnover contributed to lower actual FC site visits.
Outcome: In the County's external financial audit, the auditors provide recommendations to management on noted areas of improvement. A high percent of auditor recommendations successfully addressed indicates a greater degree of internal control and management review over the County's financial data.

Legal/Contractual Obligation

Oregon Revised Statutes(ORS), Ch. 297~Audits of Public Funds and Financial Records requires governments to have an external audit and submitted to the Secretary of State - Audits Division. The Office of Management and Budget Circular A-133 requires entities receiving Federal funds and passing those funds on to other organizations (such as non-profits) to be in compliance by performing grant fiscal monitoring on those contracts funded with pass-through dollars.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2009	2009	2010	2010
Personnel	\$796,741	\$0	\$845,977	\$0
Contracts	\$500	\$0	\$0	\$0
Materials & Supplies	\$25,700	\$0	\$19,700	\$0
Internal Services	\$63,733	\$0	\$99,410	\$0
Subtotal: Direct Exps:	\$886,674	\$0	\$965,087	\$0
Administration	\$31,627	\$7,462	\$276,922	\$0
Program Support	\$21,892	\$0	\$18,579	\$0
Subtotal: Other Exps:	\$53,519	\$7,462	\$295,501	\$0
Total GF/non-GF:	\$940,193	\$7,462	\$1,260,588	\$0
Program Total:	\$947,655		\$1,260,588	
Program FTE	8.98	0.00	8.78	0.00
Program Revenues				
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$0

Explanation of Revenues

Program is supported by General Fd revenues. Personnel costs for this program are included in the County's indirect cost allocation plan.

Significant Program Changes

✔ Significantly Changed

Last year this program was: #72009, General Ledger

This program offer presents a significant change from the prior year by reducing one 1.0 FTE Finance Specialist 2 to .80 and reducing professional education for staff CPAs. The position is responsible for preparing the indirect cost allocation plan (ICAP), year end audit workpapers, and assisting with the annual external audit and financial statements. The ICAP allows the County to recover administrative costs related to grant funding. Reducing this position will result in overtime during the annual audit, severe reduction in technical accounting assistance to departments, shift the lower level technical work to higher level employees and eliminate the unit's ability to adequately verify ICAP information provided by departments, thereby risking the integrity of financial information used to obtain grant reimbursements. Reducing the training budget for professional education will diminish the County's ability to implement new GASB pronouncements and other accounting standards.