

AUDITOR GENERAL (50)

AGENCY PLAN: MISSION, GOALS AND BUDGET SUMMARY

MISSION:

The mission of the Office of the Auditor General (OAG) is to act 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 adhere to the professional standards of the auditing profession; and promote 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 15 audits, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues.

AGENCY FINANCIAL SUMMARY:

<u>2013-14</u> <u>Requested</u>		<u>2012-13</u> <u>Budget</u>	<u>2013-14</u> <u>Recommended</u>	<u>Increase</u> <u>(Decrease)</u>
\$ 3,178,788	City Appropriations	\$ 2,942,305	\$ 2,966,299	\$ 23,994
\$ 3,178,788	Total Appropriations	\$ 2,942,305	\$ 2,966,299	\$ 23,994
\$ 3,178,788	NET TAX COST:	\$ 2,942,305	\$ 2,966,299	\$ 23,994

AGENCY EMPLOYEE STATISTICS:

<u>2013-14</u> <u>Requested</u>		<u>2012-13</u> <u>Budget</u>	<u>04-01-13</u> <u>Actual</u>	<u>2013-14</u> <u>Recommended</u>	<u>Increase</u> <u>(Decrease)</u>
<u>12</u>	City Positions	<u>12</u>	<u>9</u>	<u>12</u>	<u>0</u>
12	Total Positions	12	9	12	0

ACTIVITIES IN THIS AGENCY:

	<u>2012-13</u> <u>Budget</u>	<u>2013-14</u> <u>Recommended</u>	<u>Increase</u> <u>(Decrease)</u>
Auditing Operations	\$ 2,942,305	\$ 2,966,299	\$ 23,994
Total Appropriations	\$ 2,942,305	\$ 2,966,299	\$ 23,994

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 15 audits, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues.

MAJOR INITIATIVES FOR FY 2012-13:

The Office of the Auditor General transitioned into our new 2012 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 only on internal controls.

PLANNING FOR THE FUTURE FOR FY 2013-14, FY 2014-15 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.

AUDITOR GENERAL (50)

AUDITING OPERATIONS MEASURES AND TARGETS

Types of Performance Measures: List of Measures	2010-11 Actual	2011-12 Actual	2012-2013 Projection	2013-2014 Target
Outputs: Units of Activity directed toward Goals.				
Reports on Audits of Financial Transactions	21	9	13	15
Claims hearings	40	33	30	30
Risk Management projects	4	0	0	2
Activity Cost	\$3,188,491	\$3,652,281	\$2,942,305	\$2,966,299

CITY OF DETROIT
Office of the Auditor General
Financial Detail by Appropriation and Organization

Administration & General Office	2012-13		2013-14		2013-14	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Auditing Operations						
<i>APPROPRIATION</i>						
<i>ORGANIZATION</i>						
00261 - Auditing Operations						
500010 - Administration & General Office	3	\$619,377	3	\$701,332	3	\$490,548
500020 - Auditing-Operations	7	\$792,177	7	\$955,913	7	\$954,780
APPROPRIATION TOTAL	10	\$1,411,554	10	\$1,657,245	10	\$1,445,328
11195 - Risk Management Council						
500095 - Risk Management Council	2	\$245,778	2	\$236,570	2	\$235,998
APPROPRIATION TOTAL	2	\$245,778	2	\$236,570	2	\$235,998
12680 - Auditing - CAFR						
500025 - Auditing - CAFR	0	\$1,284,973	0	\$1,284,973	0	\$1,284,973
APPROPRIATION TOTAL	0	\$1,284,973	0	\$1,284,973	0	\$1,284,973
ACTIVITY TOTAL	12	\$2,942,305	12	\$3,178,788	12	\$2,966,299

CITY OF DETROIT
Budget Development for FY 2013-2014
Appropriations - Summary Objects

	2012-13 Redbook	2013-14 Dept Final Request	2013-14 Mayor's Budget Rec
AC0550 - Auditing Operations			
<i>A50000 - Auditor General</i>			
SALWAGESL - Salary & Wages	788,415	852,611	712,079
EMPBENESL - Employee Benef	658,409	890,978	827,711
PROFSVCSL - Professional/Cor	1,328,547	1,284,973	1,284,973
OPERSUPSL - Operating Suppli	20,453	13,392	8,587
OPERSVCSL - Operating Servic	120,281	116,759	115,249
CAPEQUPSL - Capital Equipme	5,000	0	0
OTHEXPSSL - Other Expenses	21,200	20,075	17,700
<i>A50000 - Auditor General</i>	<i>2,942,305</i>	<i>3,178,788</i>	<i>2,966,299</i>
AC0550 - Auditing Operations	2,942,305	3,178,788	2,966,299
Grand Total	2,942,305	3,178,788	2,966,299

CITY OF DETROIT
Budget Development for FY 2013-2014
Appropriation Summary - Revenues

	2011-12 Actuals	2012-13 Redbook	2013-14 Dept Final Request	2013-14 Adopted Budget	Variance
A50000 - Auditor General					
<i>00261 - Auditing Operations</i>					
474100 - Miscellaneous Receipts	2,138	0	0	0	0
<i>00261 - Auditing Operations</i>	2,138	0	0	0	0
A50000 - Auditor General	2,138	0	0	0	0
Grand Total	2,138	0	0	0	0

**CITY OF DETROIT
MAYOR'S 2013-2014 RECOMMENDED BUDGET**

Auditor General

Appropriation	REDBOOK FY		DEPT REQUEST		MAYORS FY	
Organization	2012	2013	FY	FY	2013	2014
Classification			FTE		FTE	
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	1			1		1
Senior Auditor	4			4		4
Auditor	2			2		2
Total Auditing-Operations	7			7		7
Total Auditing Operations	10			10		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	12			12		12

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