

Audit and Specialized Accounting



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County Auditor-Controller



Office of the Auditor-Controller

Mission Statement

In the public interest, we provide high quality, independent fiscal services and advise in accordance with laws and professional standards in an ethical, efficient and responsive manner through our financial integrity and transparency to promote and assure accountability and public trust.



ACO Rate Review Process

- **Rate and Fee Guidance**
 - BOS Policy B-4 Rates Charged For Current Services
 - BOS Policy B-28 Charges for Internal Services
 - Executive Office Guidance
 - Auditor-Controller Guidance
<http://www.auditorcontroller.org/opencms/SpecializedAccounting/index.html>



ACO Rate Review Process

- **Documentation:**
 - In order to ensure a complete and expeditious review of the proposed rate or fee the department must provide sufficient documentation regarding the methodology and calculations used to develop the proposed rate, fee, or revision
 - Details on specific rate review documentation requirements (**Auditor-Controller Review of Rates and Fees**) can be found in the Specialized Accounting section of the Auditor-Controller web site
 - Departments are required to submit detailed analyses via electronic format



ACO Rate Review Process

- **Review process includes:**
 - Assessment of methodology
 - Obtaining an understanding of function/service
 - Ensure compliance with statutory requirements
 - Adequacy of supporting documentation
 - Development of personnel costs
 - Appropriateness of overhead allocations
 - Accuracy of calculations
 - Ensure off-setting revenues have been included

ACO Rate Review Process

- **Review process (cont.)**
 - Validate the unit(s) of measure
 - Determine if the departments EO analyst has any concerns with the rate/fee
 - Verify the rate/fee includes all categories of cost incurred in providing the service
 - Validate rate computations (rounding)
 - Access the adequacy of the information contained in the Form 11

ACO Rate Review Process

- **Common errors**
 - Incomplete or faulty methodology
 - Rate or fee includes inappropriate costs
 - Unsupported productive hour calculations
 - Allocation of costs inappropriate
 - Costs based on planned acquisitions
 - Excess administrative overhead costs
 - Rate overstated due to rounding
 - Incomplete time studies
 - Rate or fee does not include all costs

ACO Rate Review Process

- **Common errors (cont.)**
 - Revenue offsets not identified
 - Spreadsheet calculations inconsistent
 - Excessive/inaccurate CPI adjustments
 - Form 11 incomplete

Contacts

- **ISF & GSS Rate Review Assignments**

- Russell Dominski 955-8136 (oversight)
- Beverly Markwardt 955- (HR, RMAP)
- Teresita Soriano 955-8138 (COB, CC)
- Rene Casillas 955-8140 (EDA)
- Michael Mena 955-3362 (PUR, OASIS)