

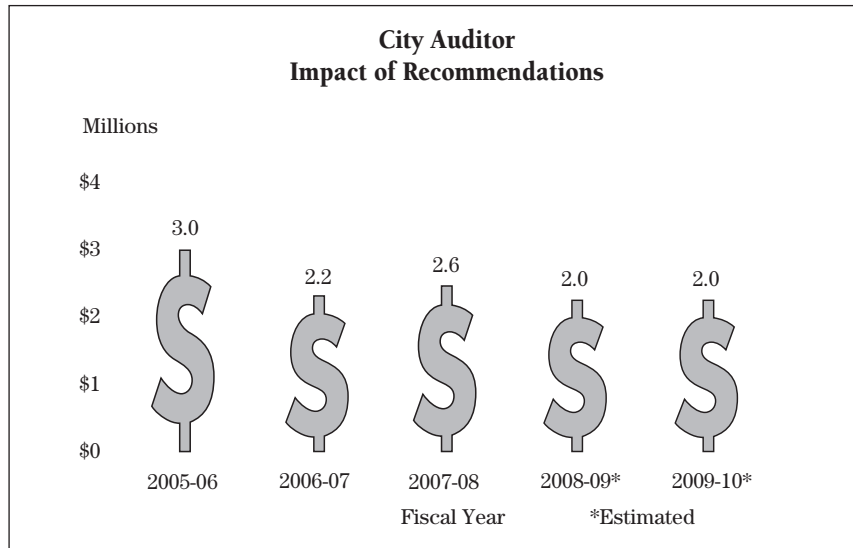
**CITY AUDITOR**

**Program Goal**

The City Auditor Department supports the city manager and elected officials in meeting residents' needs for quality government, products and services by providing independent and objective feedback on the city's programs, activities and functions. The city auditor's work is vital in maintaining trust and confidence that city resources are used effectively and honestly. The City Auditor budget also funds an annual independent audit conducted by outside auditors in accordance with the City Charter. This includes an audit of city accounting and financial records, the federal single audit, review of the City of Phoenix Employees' Retirement System, external audits of specific activities and review of business systems for possible improvements.

**Budget Allowance Explanation**

The City Auditor 2009-10 operating budget allowance of \$2,679,000 is \$90,000 or 3.5 percent more than 2008-09 estimated expenditures. The increase is primarily due to a proportionally larger percentage of budget reductions being made in 2008-09. The reductions include the elimination of two administrative support positions, suspension of part-time audit staff, suspension of two internal audit positions and reduction in contractual services for technology audits. These reductions will result in fewer audits performed annually. In addition, the reductions allocate the cost of the Comprehensive Annual Financial Report (CAFR) audit to various enterprise funds and a portion of the City of Phoenix Retirement System (COPERS) audit to the pension fund.



**City Auditor Major Performance Measures and Service Levels**

The following significant performance measures and service trends will be achieved with the 2009-10 budget allowance:

|  | 2007-08 | 2008-09* | 2009-10 |
|--|---------|----------|---------|
| Percent of audit plan completed  | 86%     | 90%      | 90%     |
| Performance audit and management reports issued**                                | 176     | 145      | 145     |
| Average audit cycle time (calendar days)**                                       | 157     | 142      | 142     |
| Economic impact of audits as a result of identified improvements or cost savings | \$2.6 M | \$2.0 M  | \$2.0 M |
| Hearing rulings issued timely according to time frames listed in the City Code   | 100%    | 100%     | 100%    |

\*Based on 10 months actual experience.

\*\*Number of audit reports issued and average cycle time can vary due to the size and complexity of audits conducted. The number is lower in 2008-09 and 2009-10 due to staff reductions.

**Expenditure and Position Summary**

|                   | 2007-08     | 2008-09     | 2009-10     |
|-------------------|-------------|-------------|-------------|
| Operating Expense | \$3,123,000 | \$2,589,000 | \$2,679,000 |
| Total Positions   | 35.2        | 30.5        | 30.5        |
| Source of Funds:  |             |             |             |
| General           | \$3,123,000 | \$2,589,000 | \$2,679,000 |