



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**AUDIT COMMITTEE**

Item No.  
**4**

Meeting Date: **MAY 9, 2011**

**Subject:**

**Fiscal Year 2012 Budget of the Office of the Chief Auditor**

**Recommendation:**

Staff recommends that the Audit Committee accept the proposed budget and forward it to the Board as part of the Authority's Fiscal Year 2012 budget for approval.

**Background/Justification:**

In accordance with the Fiscal Year 2012 budget process and timeline for the San Diego County Regional Airport Authority, the Office of the Chief Auditor (OCA) submitted its proposed budget to the Authority's Finance Division. The OCA's proposed budget contains the anticipated expenditures and headcount necessary to carry out its duties in the coming fiscal year (Attachment A).

During the May 9, 2011, Audit Committee Meeting the OCA Fiscal Year 2012 Proposed Budget will be presented to the Committee for review, and subsequently, forwarded to the Board for approval within the Finance Division's scheduled budget process.

**Fiscal Impact:**

The proposed FY12 budget for the Office of the Chief Auditor is \$978,378.

**Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

**Equal Opportunity Program:**

Not applicable.

**Prepared by:**

MARK A. BURCHYETT  
CHIEF AUDITOR

## Chief Auditor

## FY 2012 Proposed – FY 2013 Proposed Conceptual Budget Expense Summary

	FY 2010 Actuals	FY 2011 Amended Budget	FY 2012 Conceptual Budget	FY 2012 Proposed Budget	Inc/(Dec) FY12 Proposed vs FY11 Amended	% Change	Inc/(Dec) FY12 Proposed vs FY12 Conceptual	% Change	FY 2013 Proposed Conceptual Budget	Inc/(Dec) FY13 Proposed Concept vs FY12 Proposed	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 624,925	\$ 647,353	\$ 660,843	\$ 648,962	\$ 1,609	0.2%	\$ (11,881)	-1.8%	\$ 670,079	\$ 21,117	3.3%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	247,497	295,338	345,445	298,151	2,813	1.0%	(47,295)	-13.7%	362,344	64,194	21.5%
Subtotal	872,422	942,691	1,006,288	947,113	4,422	0.5%	(59,175)	-5.9%	1,032,424	85,311	9.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>872,422</b>	<b>942,691</b>	<b>1,006,288</b>	<b>947,113</b>	<b>4,422</b>	<b>0.5%</b>	<b>(59,175)</b>	<b>-5.9%</b>	<b>1,032,424</b>	<b>85,311</b>	<b>9.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	41	200	20,200	100	(100)	-50.0%	(20,100)	-99.5%	100	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	180	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	3,660	3,840	-	(3,660)	-100.0%	(3,840)	-100.0%	-	-	0.0%
Operating Equipment & Systems	(35)	750	1,000	750	-	0.0%	(250)	-25.0%	750	-	0.0%
Operating Supplies	1,291	2,750	2,850	2,850	100	3.6%	-	0.0%	2,900	50	1.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	12,043	21,300	22,050	20,300	(1,000)	-4.7%	(1,750)	-7.9%	20,850	550	2.7%
Business Development	2,684	2,825	3,150	3,175	350	12.4%	25	0.8%	3,480	305	9.6%
Equipment Rentals & Repairs	3,480	-	-	3,840	3,840	0.0%	3,840	0.0%	4,000	160	4.2%
<b>Total Non-Personnel Expenses</b>	<b>19,684</b>	<b>31,735</b>	<b>53,340</b>	<b>31,265</b>	<b>(470)</b>	<b>-1.5%</b>	<b>(22,075)</b>	<b>-41.4%</b>	<b>32,330</b>	<b>1,065</b>	<b>3.4%</b>
<b>Total Operating Expenses</b>	<b>892,107</b>	<b>974,426</b>	<b>1,059,628</b>	<b>978,378</b>	<b>3,952</b>	<b>0.4%</b>	<b>(81,250)</b>	<b>-7.7%</b>	<b>1,064,754</b>	<b>86,376</b>	<b>8.8%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>892,107</b>	<b>974,426</b>	<b>1,059,628</b>	<b>978,378</b>	<b>3,952</b>	<b>0.4%</b>	<b>(81,250)</b>	<b>-7.7%</b>	<b>1,064,754</b>	<b>86,376</b>	<b>8.8%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Dept Expenses incl Equip Outlay</b>	<b>\$ 892,107</b>	<b>\$ 974,426</b>	<b>\$ 1,059,628</b>	<b>\$ 978,378</b>	<b>\$ 3,952</b>	<b>0.4%</b>	<b>\$ (81,250)</b>	<b>-7.7%</b>	<b>\$ 1,064,754</b>	<b>\$ 86,376</b>	<b>8.8%</b>

## Chief Auditor

### Goals & Objectives

#### FY 2012 – FY 2013 Department Objectives

1. Utilize Audit personnel's time performing audit work to achieve an audit time utilization rate equal to the cumulative percentage of the target utilization for all audit staff.  
**Sustainability Goal:** Operational Excellence.  
**Authority Goal:** Goal #5: Enhance the financial position of the Authority.
2. Confirm revenues obtained from business partners and costs paid to contractors comply with the terms of agreements.  
**Sustainability Goal:** Economic Viability.  
**Authority Goal:** Goal #5: Enhance the financial position of the Authority.
3. Provide workable audit recommendations that help improve the Authority's operations with a 90% implementation rate.  
**Sustainability Goal:** Operational Excellence.  
**Authority Goal:** Goal #7: Be recognized as an aviation industry leader.
4. Perform audit work in an efficient manner. Eighty percent (80%) of all audits completed within budget time as established within the annual audit plan approved by the Board.  
**Sustainability Goal:** Operational Excellence.  
**Authority Goal:** Goal #7: Be recognized as an aviation industry leader.
5. Provide audit engagements in a manner that meet the expectation of the customer. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.  
**Sustainability Goal:** Operational Excellence.  
**Authority Goal:** Goal #2: Anticipate and exceed both internal and external customer service expectations.
6. Conduct audits that focus on the key risk areas of the Authority and its business partners.  
**Sustainability Goal:** Operational Excellence.  
**Authority Goal:** Goal #2: Anticipate and exceed both internal and external customer service expectations.