

Department of Auditor-Controller

MISSION

To provide the County with expert advice and leadership in business and financial practices to promote integrity, accountability, compliance, and innovation.

MANDATORY & MAJOR DUTIES

- Audits, Contracts Monitoring & Fraud Investigations
- Countywide Accounting, Disbursements & Payroll Services
- Fiscal, Payroll & Procurement Services for 21 Client Departments
- Mandated Property Tax Functions
- Development & Support to a Variety of Countywide Budget, Financial, Payroll & Tax Systems
- Ombudsperson for Youth



CURRENT BUDGET OVERVIEW

FY 2025-2026
Final Adopted Budget
(\$ Millions)

Total Appropriation \$136.8

(What We Budgeted to Spend in FY 2025-26)

	Salaries & Employee Benefits (627 positions)	117.1 (86%)
	Services & Supplies	18.1 (13%)
	Other (Cap Assets/Equip, Other Charges)	1.6 (1%)

Sources of Funding \$136.8

(How We Pay For All of This)

	Federal Assistance	0.4 (<1%)
	State Assistance	0.3 (<1%)
	Fees/Charges for Services*	27.3 (20%)
	Other Resources**	73.6 (54%)
	Net County Cost <i>remaining balance, covered by locally generated revenues</i>	35.2 (26%)

* Some State and Federally funded services are reflected as “Fees/Charges for Services” through reimbursement mechanisms (e.g., Medi-Cal billing)

** “Other Resources” includes miscellaneous revenues not otherwise classified, including fines, settlements, interest earnings, and interdepartmental billing

BUDGET BREAKDOWN BY PROGRAM AREA

What These Investments Deliver For Residents

General Program Category	% of Dept Budget
Financial Reporting and Administrative Management	41%
Audit, Contract Monitoring, and Investigations	23%
Enterprise Systems, Data, and Technology	20%
Property Tax Administration	16%

Program categories shown here are presentation-level groupings created to consolidate information from the new LA County Enterprise System (LACES) for this briefing. Note that as part of the County's initial rollout of data-driven budgeting through LACES, categories and outcome measures will continue to evolve based on practical use and data insights as departments operationalize the system in FY 2026-27.

DEPARTMENT PRIORITIES, METRICS & OUTCOMES

Financial Reporting and Administrative Management

- **~2.5M payments** (15K 1099 forms) issued, totaling \$29B+
- Payroll processed for **117K+ employees, totaling \$13B+**
- Annual Comprehensive Financial Report
 - Awarded **GFOA¹ Certificate of Achievement for Excellence in Financial Reporting** over past 43 fiscal years

Audit, Compliance, and Investigations

- **98 audit reports** issued
- **329 investigative work products** completed (e.g., search warrant, forensic work)
- **87 contract monitoring reports** issued
- **1,100+ County & contractor personnel** trained

Property Tax Administration

- **~\$28B property tax** distributed countywide (\$5B to General Fund)

Youth Ombudsperson

- **400+ foster youth** in congregate and transitional care supported

Enterprise Systems, Data, and Technology

- Maintain Countywide budget, financial, payroll & property tax systems, and Auditor-Controller ancillary systems

BUDGET REQUEST (FY2026-2027)

Total New Appropriation Request*	\$6.5M
Additional positions requested	23.0
Additional NCC requested	\$5.0M

Key Budget Requests	Amount (\$Millions)	One-Time/ Ongoing?	Positions
eTAX System Implementation Support	\$2.4	One-time	7.0
Budget, Financial & Payroll System Implementation Support	\$0.5	Ongoing	2.0
Audit Funding	\$1.5	Ongoing	0.0
Annual Comprehensive Financial Report	\$0.5	Ongoing	2.0

* Priority budget and unmet needs requests

CHALLENGES & MITIGATION STRATEGIES

1 Insufficient Audit & Controller Resources

Current State

- Staffing levels insufficient to meet current workload

Drivers

- Creation of new County programs and departments
- Expansion in high-risk areas
- Increased complexity and size of Los Angeles County government
- Curtailment of Auditor-Controller resources
- Lack of central direction and requirement for all departments to budget/allocate resources for audit & controller activities

2 Property Tax System Replacement Delivery Risk

Current State

- Department committed to implementing the Property Tax System Replacement
- Existing staff at capacity supporting critical operations

Risk

- Timelines and outcomes at risk without additional staffing

Mitigation

- Phased staffing plan developed with CEO
- Staffing aligned to implementation milestones
- Protects ongoing operations and on-time delivery