

DEPARTMENTAL BUDGET INFORMATION AUDITOR GENERAL (50)

STATEMENT OF PURPOSE

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 improve the operations of City government. The OAG promotes the economy, efficiency and effectiveness of City government and protect against fraud, waste and abuse by conducting independent audits, investigations and evaluations; by keeping the City Council and the Mayor fully and currently informed of our work; by committing to total quality; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty and integrity among OAG staff and the people we serve.

DESCRIPTION

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 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 hired by the OAG.

The OAG has the responsibilities and authority stated in Section 4-205 of the Charter of the City of Detroit to make audits

of the financial transactions of all City agencies; to make a report of the financial position of the City after the close of each fiscal year; to investigate the administration and operation of City agencies; to settle all disputed claims in favor of or against the City as provided by ordinance, and to make reports to City agencies of irregularities of practice and erroneous accounting methods.

The OAG's primary responsibilities are the examination and evaluation of the adequacy and effectiveness of the City's system of internal control and the quality of performance in carrying out assigned responsibilities. This entails the following:

- A review of the reliability and integrity of financial and operating data and the means used to identify, measure, classify and report such information.
- A review of the systems established to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on operations and reports.
- A review of the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- An appraisal of the economy and efficiency with which resources are employed.
- A review of operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned.

The OAG also annually evaluates the effectiveness of the City's overall risk management function, and performs biennial evaluations of the administration and effectiveness of risk management function in each city agency.

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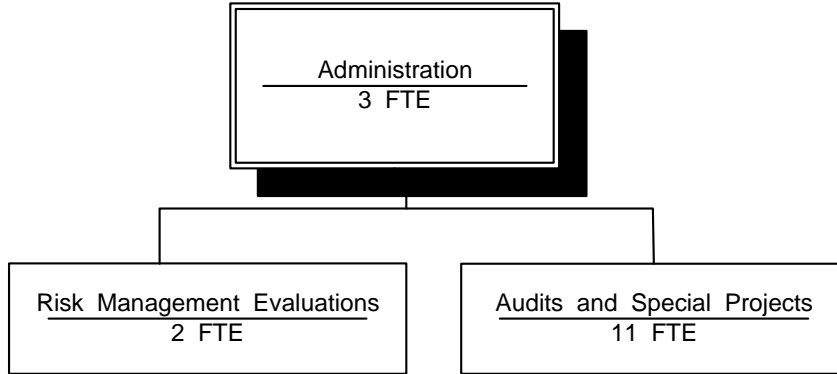
**MAJOR INITIATIVES FOR
FY 2008-09**

The Office of the Auditor General will continue for fiscal year ending June 30, 2009 to aggressively work to meet our Charter mandate of auditing every City department biennially. This mandate is increasingly important during times of increased risk due to limited resources, department downsizing, and reorganization.

**PLANNING FOR THE FUTURE FOR
FY 2009-10, FY 2010-11 and BEYOND**

The Office of the Auditor General is committed to the citizens of Detroit to promote good government, and to create an environment where our employees have an opportunity to learn and excel and are proud of their work. We will continue to strive to be a world-class audit agency built upon professional excellence and ethical standards, driven by the needs and expectation of our customers, and flexible enough to anticipate and react to their changing needs.

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PERFORMANCE GOALS, MEASURES AND TARGETS

Types of Performance Measures: List of Measures	2007-08 Actual	2008-09 Projection	2009-10 Target
Outputs: Units of Activity directed toward Goals			
Reports on Internal Control Reviews	21	21	21
Other Reports Issued	0	4	4
Claims hearings	45	40	40
Risk Management Evaluations	0	0	1

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EXPENDITURES

	2007-08 Actual Expense	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 1,061,417	\$ 1,415,175	\$ 1,072,314	(342,861)	-24%
Employee Benefits	635,948	885,928	728,957	(156,971)	-18%
Prof/Contractual	2,600,000	1,337,193	1,347,280	10,087	1%
Operating Supplies	15,181	24,169	24,484	315	1%
Operating Services	114,381	129,078	103,557	(25,521)	-20%
Fixed Charges	633	-	-	-	0%
Other Expenses	18,819	44,575	38,575	(6,000)	-13%
TOTAL	\$ 4,446,379	\$ 3,836,118	\$ 3,315,167	\$ (520,951)	-14%
POSITIONS	21	23	16	(7)	-30%