



ALGA

Association of Local Government Auditors

Funding the Audit Function: Money Well Spent

ALGA Advocacy Committee

The committee works to promote the value of independent performance auditing throughout the local government community.

The committee provides professional resources and support to those in local government communities without audit functions, with new audit functions and with established audit functions.

The committee also provides support for local government communities that are considering diminishing the capacity of the audit function.

ALGA's Mission

ALGA is a professional organization committed to supporting and improving local government auditing through advocacy, collaboration, education, and training, while upholding and promoting the highest standards of professional ethics.

ALGA Member Services



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Funding Auditors Yields Positive Results

Effective audit functions require organizational independence, adherence to professional standards, competent leadership, stakeholder support, **and** sufficient funding. In times of limited resources, some local governments, school districts, and other special districts can be tempted to reduce the budgets of their auditors. Before making such budget decisions, responsible officials should understand the benefits a local government or a district can receive by fully supporting and funding an in-house audit office.

Auditors Are a Wise Investment

Your auditor can help you fulfill your governance responsibilities for good stewardship of resources by identifying ways to:

- Implement policies and programs more effectively
- Increase cost savings and revenues
- Make decisions based on solid data and risk awareness
- Detect and prevent fraud

Audit Function Successes

Monitoring Policy Implementation and Program Performance: Auditors can help ensure that policies enacted by elected officials are implemented as intended, and when performance is not meeting expectations, auditors can provide recommendations to improve service delivery and prevent future liabilities.

- Auditors in a city in New York found that building code inspections required by state and local law were not being performed. Subsequently, the city developed a plan to improve its tracking and scheduling of inspections.
- Auditors in Berkeley, California found ways to increase the effectiveness and efficiency of sewer repair work, thereby helping to substantially reduce pollution of San Francisco Bay.

Identifying Cost Savings and Revenue Enhancements: Audits of vendor contracts, overtime, and employee healthcare coverage can identify savings and overcharges.

- A Tennessee city saved over a million dollars with an audit of employee health coverage.
- Multnomah County, Oregon auditors identified more than \$300,000 in annual savings that the County could achieve by better managing cell phone use.

Providing Data, Facts and Risk Analysis to Make Decisions: Auditors provide objective information so that responsible officials can make informed decisions.

- Performance audits of streets and pensions helped two California cities balance competing priorities, win voter approval for initiatives, and avoid future costs.
- A report by Seattle auditors on pension system payments identified risks that prompted the retirement system board to make a series of improvements to the system.

Detecting and Preventing Fraud: Auditors help protect the public trust and your government's reputation for good stewardship by providing training, monitoring hotlines, and making audit recommendations aimed at prevention. Auditors play an important role in detecting fraud and recovering dollars.

- Auditors in Atlanta identified about \$1.8 million in improper payments to deceased pensioners.
- Auditor offices in Austin and Toronto have conducted investigations that identified instances of city employees who violated city conflict of interest policies.

We believe the functions described above are essential for effective governance and worthy of sustained, adequate funding.

Let ALGA Help You Strengthen Your Audit Function

The Association of Local Government Auditors (ALGA) is a professional organization committed to supporting and improving local government auditing. We offer guidance to decision makers to help you make informed choices about your audit function:

- Information about the cost and size of audit functions based on surveys of our membership.
- Publications such as model legislation for an appointed or elected auditor position.
- Guidance on selecting an auditor.
- Arrangement of peer reviews.
- If requested, direct advice by phone, email, or possibly in person.

You can learn more at our website at algaonline.org.

Please contact ALGA at (859) 276-0686 if you would like additional information about any of the topics mentioned in this brochure.

Advocacy Committee 2014-15

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City Auditor
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Carolyn Smith
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Columbus City
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Colleen Waring
Lifetime Member
(ret. Deputy City Auditor, Austin, TX)

**Craig Kinton, Advisor and
Liaison to Board**
City Auditor
Dallas, TX

More Information

To find additional resources from the Advocacy Committee, visit the committee page on ALGA's website at www.algaonline.org.