


Ben Rosenfield
ControllerMonique Zmuda
Deputy Controller

MEMORANDUM

TO: Department Heads and Finance Directors

FROM: Ben Rosenfield, Controller 

DATE: December 22, 2008

SUBJECT: Delegation of authority of certain accounting and personnel transactions

The Controller's Office is responsible for designing and managing the City's financial procedures, including reviews of department financial transactions. Our office uses a variety of tools to accomplish this task, in some cases reviewing and approving various departmental transactions before they occur ("pre-approval") and in other cases reviewing samples of completed department transactions periodically throughout the year ("post-auditing"). In all cases, our goal is to manage an internal control system that ensures the appropriate use of city resources.

In the interest of decreasing the time and effort required to request and approve a number of routine transactions, the Controller's Office is delegating new authority to departments. Those departments that have demonstrated the strongest financial track record, as evidenced in recent post-audits and through other monitoring activities, will see the greatest benefit and autonomy in these revised procedures. The attached chart summarizes these procedural changes, which include:

- No Controller's Office approval will be required for acting assignment pay or "z-symbol" personnel transactions, unless a department is projected to overspend its budget.
- For "low risk" departments, approvals of training and travel reimbursements will be delegated to the department head or finance director. For all other departments, a faster pre-approval review process will be utilized.
- Pre-approval of many financial transactions required to encumber, pay, and establish work-orders between departments will be delegated for "low risk" departments.

These changes will become effective February 1, 2009. To prepare for this change, all department finance directors should (1) contact your Controller's Office fund accountant by January 5th to determine your department's assigned risk category, and to complete required authority delegation information, and (2) attend a required training on these new procedures and the delegated responsibilities associated with these expedited approval processes. The training will be held in Koret Auditorium in the Main Library on January 14th from 1 – 3 p.m.

Our office believes these changes will result in a more focused attention of limited resources on key financial activities, while monitoring more routine transactions through our post-audit review process. Please contact Frances Lee at (415) 554-7514 with any questions or to discuss these changes in more detail.

Risk-based Streamlined Approval Paths (with Controller's Office as the final approver)



(without Controller's Office as the final approver)



			Low Risk	Standard Risk
Financial Transactions	Purpose	Current	Will Be	Will Be
BW : WORKORDER BUDGET IS : INTERDEPARTMENTAL ENCUMBRANCE (WC, WN, WP)	Record new work order budgets, and modifications to existing work orders.			
CO : ADPICS - CHANGE ORDERS	Cancel pre-encumbrances and encumbrances; change funding, order quantity and amount.			
DP : ADPICS - DEPARTMENTAL PURCHASE ORDERS	Releases against BPO, non- release type encumbering total funds, non-purchasing, non- release.			Except some departments
EJ : NON-ADPICS - ENCUMBRANCE ADJUSTMENT	Record modifications to EN encumbrances.			Except May-Sep
EN : FAMIS ENCUMBRANCE DOCUMENT	Record encumbrances with special conditions, such as retention, or complex account distribution.			
EP/ER : ENCUMBRANCE PAYMENT REQUESTS	Record payments against FAMIS encumbrances.	Select departments' transactions reviewed		
OA : ADVERTISING PAYMENTS	Pay legal advertising under Prop J, where 10% of official advertisement invoice amounts is set aside for advertisements in outreach periodicals.			
PO : ADPICS - PURCHASE ORDERS	Order commodities, general and professional services governed by Purchaser's regulations pursuant to Admin. Code Chapter 21.			
TE/TT : EMPLOYEE TRAVEL AND TRAINING REIMBURSEMENTS	Request employees' reimbursements for authorized expenditures related to training and/or travel.	 Pre-audit	 Department Head or designated personnel's authorization	 Mini pre- audit + Department Head or designated personnel's authorization