

Cheryl Dillingham

What are the most serious consequences to local businesses that result from the lack of timely fulfillment of the duties of the Auditor-Controller?

The County has over 2,000 employees and a \$500 million budget. The impact of delayed vendor payments and the resulting cash flow issues for local businesses has the potential to be serious.

Failure to provide required reports and audits has the potential to impact state and federal funding which makes up over half of the County budget. This can impact local services such as workforce development, economic development and road and trails projects. Disruptions in programs that provide training can be problematic to local businesses looking to access skilled personnel. Business cannot function or grow without people to do the work. Having good roads and new trails helps support tourism.

Other agencies that rely on the AC for accounting and distribution of property tax dollars are not getting timely financial information which adds uncertainty to an already volatile economy and can result in less money being spent by these agencies locally with local businesses.

As an elected position, do you feel it appropriate that the Auditor-Controller be directly accountable to the Board of Supervisors?

The elected Auditor-Controller is directly accountable to the voters of Humboldt County which is why it is important to vote for local officials. The reason the Auditor-Controller is elected is to create a system of checks and balances. The authority and responsibilities of the office are generally defined in California Government Code.

The Board of Supervisors are responsible for ensuring that county government functions properly and that required services are provided to the community. The Board sets policy and allocates resources through the budget process. The Auditor-Controller is an elected department head and should comply with the policies that govern all county department heads. It is reasonable for the Board to determine office hours, staffing levels and budget allocations. The Board should not determine accounting policies and internal controls. Due to the county structure, the Auditor-Controller needs to have policies adopted by the Board.

When the actions of the Auditor-Controller start to impact the ability of County departments to provide services to the community the Board has a responsibility to make sure there are adequate resources allocated to the department. The Auditor-Controller has the obligation to fulfill the mandated duties of the office and to make sure that departments and the Board have access to accurate and timely financial information to allow them to effectively utilize their budgets, provide services, file required reports and claim state and federal funds.

What changes do you believe should happen to improve the current problems with the functioning of the Auditor-Controller's office, and allow the Board of Supervisors and Auditor-Controller to work together successfully?

Since I am not currently working in the Auditor-Controller's office it is difficult to fully understand what is causing the current problems in the office. During the twelve years I worked in the office we had strict timelines regarding the closing of accounting periods, performance of reconciliations and completion of audits. Mandated state and federal reports were accurate and filed on time.

I plan to implement four core principles. There needs to be strong internal controls. It is better to prevent misuse of taxpayer dollars than to try and catch problems after the fact. Accounting information needs to be accurate and readily available to the Board, departments, other agencies, and the public. It is important to have timely reporting that provides full disclosure of the financial condition of the county. Accounting must be both timely and accurate; one without the other is useless. Lastly, there must be organizational responsibility. County departments must provide adequate back up documentation and manage their expenditures and revenues.

The Auditor-Controller needs to communicate to the Board and County Administrative Office what accounting procedures need to be implemented and why they are important to the overall functioning of the organization. If the Board understands and is supportive then they should be able to work together successfully. Effective communication with the Board is crucial to the long-term success of all stakeholders involved, most importantly the citizens of Humboldt County who are the ultimate benefactors of a functioning local government.