



Auditor-Controller's Office
COUNTY OF HUMBOLDT

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INTEROFFICE MEMORANDUM

TO: BOARD OF SUPERVISORS
FROM: CHERYL DILLINGHAM, AUDITOR-CONTROLLER
SUBJECT: **FY 2024-25 HIRING FREEZE EXCEPTION**
DATE: 6/7/2024

On June 4, 2024, your Board approved a hiring freeze for FY 2024-25. My department was impacted by the implementation of this hiring freeze. I am writing to request exemption to the hiring freeze for the following impacted job classifications:

- Supervising Accountant-Auditor
- Senior Accountant-Auditor
- Payroll Services Supervisor
- Auditor-Controller Payroll Specialist

To assist your Board in choosing which positions to allow departments to continuously fill during the coming fiscal year considering the county's structural deficit and the Auditor-Controller Department's Additional Request for General Fund Appropriation (ARGFA), please find attached explanations of costs and services that will be impacted should your Board not approve an exception for these classifications.

The Auditor-Controller requested \$114,460 in additional funding. Since the submittal of the requested budget the department has had three positions become vacant, plus one on leave and one frozen due to the VSIP. If the office is not authorized to fill the vacant classifications requested, we will not be able to provide timely and accurate payroll and accounting services. We will not be able to get caught up on delinquent audits.

The reason so many classifications are being requested is because it is anticipated that there will be promotions resulting in different classifications needing an exception. The proposal is to fill two positions and keep one Fiscal Assistant I/II position vacant resulting in an anticipated savings of approximately \$80,000.

If the hiring freeze exception is not approved the reductions in service will be far greater than the impacts of not approving the ARGFA.

Department: Auditor-Controller

Classification Name	Impacted # of Positions	Amount budgeted for positions	Will programs have to be shut down if not approved?		Which of those programs are mandated by the state or federal government? Please cite the code, and include the level to which those services must be provided.	Other program impacts? Be as specific as possible.
				If so, what programs will be shut down?		
Supervising Accountant-Auditor	1	152,583	Yes	Mandated audits for special districts, slower completion of county audits, cost plan, and Financial Transactions Report to the State, stale dating checks	Audits Gov Code 26909 - The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided, Cost Plan - 20CFR, Financial Transactions Reports Gov Code 53891, Gov Code 26920 Auditor shall perform a review of the treasurer's statement of asstes,	Impacts to the whole county: reduced opportunities for debt, reduced revenues, increased difficulty in getting external funding such as grants, and impacts to special districts
Senior Accountant-Auditor	3	338,593	Yes	Services to special districts and county operations, slower accounting services resulting in additional audit delays, roll corrections and supplemental tax bills issues slower or not at all resulting in reduced revenues	Audits Gov Code 26909, Cost Plan - 20CFR, Financial Transactions Reports Gov Code 53891, gov code 29802(a) warrants become void in six months.	Impacts to the whole county: reduced revenues, reduced opportunities for debt, increased difficulty in getting external funding such as grants, impacts to special districts
Payroll Services Supervisor	1	129,860	No	Most likely mandated programs would not be shut down but PERS reporting, SDI integration, and general payroll functions would be impacted, tax reporting could be late	CalPERS, Fair Labor Standards Act, California Labor Code, unemployment law	Impacts to employees such as inaccurate earnings and service credit reported to CalPERS. Payroll is a vital service delays or new issues due to understaffing can have broad ramifications resulting in new liabilities or late fees imposed. The IRS late fees for one payroll is over \$100,000
Auditor-Controller Payroll Specialist	2	211,147	No	Challenges meeting payroll deadlines, difficulty reconciling payroll activity, delays in catching payroll overpayments and other issues	Fair Labor Standards Act, California Labor Code, bargaining group MOUs	Impacts to the whole county: Payroll is a vital service delays or new issues due to understaffing can have broad ramifications resulting in fines and/or late fees being imposed.