

# *City of Alexandria, Virginia*

## MEMORANDUM

DATE: FEBRUARY 25, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #11: EXPLANATION OF CHANGES TO TAX AUDIT, RESEARCH, AND ANALYSIS ACTIVITY IN FINANCE DEPARTMENT

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This is in response to Council Member Wilson's query about changes to the Tax Audit, Research, and Analysis Activity in the Finance Department.

Page 13-19 of the budget text includes a reduction option for eliminating an accountant position in the Tax Audit, Research, & Analysis activity. However, page 13-15 shows no change in the number of FTE's from FY 2009 to FY 2010 at 4.6. It should have shown a reduction from 5.6 to 4.6.

To compensate for the staff reduction in this activity, the Finance Department is focusing on more desk and mail audits. In addition, the new business tax system is expected to facilitate audit efforts by making data easier to review and analyze.

\* An explanation is included on page 13-11 of the budget text. The FY 2009 FTE's (taken from the approved column of the FY 2009 Approved Budget) were based on the FY 2008 FTE estimated distribution rather than FY 2009 actual data. The FY 2010 FTE's reflect actual data. In the future, Finance FTE's will continue to be based on actual data, and discrepancies should not reoccur. FY 2008 budgets and FTE's were developed using proportional estimates to create the new City program and activity structure for the Managing for Results Initiative.