OFFICE OF FINANCIAL & PROGRAM AUDIT

October 2012

Quarterly Report

FAIRFAX COUNTY BOARD OF SUPERVISORS

AUDITOR OF THE BOARD

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Office of Financial & Program Audit

QUARTERLY REPORT

EXECUTIVE SUMMARY

Fairfax-Falls Church Community Services Board

The Board of Supervisors directed the Auditor of the Board to conduct a review of certain CSB activities in support of the County Executive's CSB Work Plan. OFPA was assigned 2 of the 27 work plan tasks. As requested, OFPA identified contracting and billing best practices for ITC, determined the fiscal impact of being a lead agency, and analyzed existing CSB co-pay and fee for service policies and practices. We reviewed our findings and recommendations with the appropriate department heads. It is anticipated that OFPA's work on these items will be incorporated in the work plan updates and reports provided by the County Executive to the Board of Supervisors in the coming weeks and months.

Dulles Metrorail Project

As of July 2012, MWAA reports that approximately $2.1 billion of the original total $3.2 billion Phase I budget has been expended (the $3.2 billion budget includes $2.7 billion in construction costs and $.5 billion in MWAA specific finance costs). The MWAA Board approved a $150 million increase to the construction budget on June 20, 2012. This increase results in a $2.9 billion construction budget. MWAA assesses the main construction component of the Project as 79% complete through September 2012. The overall Project schedule as estimated by DTP has changed from a 2 day advance in May to a 5 day lapse in July. MWAA has not changed the official start of revenue service for Phase I from December 4, 2013.

County Workforce and Position Classifications Trends

The County's workforce is grouped into six primary class series. The distribution of employees in each of these classifications has remained fairly consistent during the past three fiscal years. Several initiatives related to position reclassifications, benchmarking and class series restructurings occurred during the past three fiscal years. The most significant reclassifications and restructurings occurred during FY 2011, through a study conducted by an outside consulting firm. The Department of Human Resources conducts a formal review and analysis of position reclassifications and restructurings to ensure consistency with county policy and industry standards.

General Fund Cost Allocations

Cost allocation is the process of identifying and distributing costs to benefitting departments, funds, or programs. In the public sector, the identification and allocation of costs helps local governments recover the full cost of services supported by the General Fund. Although the county has not developed a formal full cost allocation plan, it does allocate some General Fund administrative costs to the special revenue and enterprise funds. We recommend that the Department of Management and Budget review the current General Fund cost allocations to the special revenue and enterprise funds and identify additional central service costs supported by the General Fund that could be allocated to those benefitting funds, as appropriate, and consider developing a formal full cost allocation plan.

Information Technology Disaster Recovery – Interim Status Report

The recovery of critical Information Technology (IT) systems during a disaster is an essential component of business continuity planning. The objective of a disaster recovery plan is to ensure that essential IT systems are recoverable and available during disasters. The County's substantial investment in its new financial and human resources system (FOCUS) has underscored the importance of establishing a comprehensive, documented, and well-tested disaster recovery plan. DIT's Director has requested that OFPA revisit this review when more progress has been made toward the implementation of the FOCUS disaster recovery plan. Beginning early 2013, OFPA will work with DIT to identify areas of potential risk and to confirm that the County's disaster recovery strategies are implemented in accordance with national standards and best practices.

STUDY BRIEFINGS

FAIRFAX-FALLS CHURCH COMMUNITY SERVICES BOARD

On June 5, 2012, the Board of Supervisors directed the Auditor of the Board to conduct a review of certain Fairfax-Falls Church Community Services Board (CSB) activities under the direction of the County Executive's Office. The intent was for these reviews to be incorporated into the overall County Executive's Work Plan. The scope and objectives of the reviews were outlined in a July 3, 2012, memo from the County Executive to the Board of Supervisors. The memo contained a work plan of 27 action items to address both short-term and long-term requirements for ongoing service planning and financial management. OFPA was asked to address two of the actions items:

- Action Item 1.5: Identify best practices for contracting and billing for Infant Toddler Connection (ITC). This action item included a fiscal analysis of the costs of being a Part C Lead Agency.
- Action Item 1.6: Analyze existing co-pay and fee-for-service policies and practices to identify potential enhancements.

As requested, OFPA identified contracting and billing best practices for ITC, determined the fiscal impact of being a Part C Lead Agency, and analyzed existing co-pay and fee-for-service policies and practices for CSB. We have reviewed our findings and recommendations with the appropriate department heads. The Work Plan target dates for items 1.5 and 1.6 are in November and December of this year. It is anticipated that OFPA's work on these items will be included in the Work Plan updates and reports provided by the County Executive to the Board of Supervisors in the coming weeks and months.

As directed in the June 5, 2012 Board Matter, OFPA will bring back to the Audit Committee any recommendations that may be developed for further studies of the CSB after the issuance of the County Executive's CSB Work Plan.

DULLES METRORAIL PROJECT

The Audit Committee requested that OFPA monitor Phase I of the Dulles Corridor Metrorail Project (Project) with a focus on the following areas: 1) Project Cost, 2) Start of Revenue Service and 3) Funding Obligations. Information used in this OFPA report is primarily based on the July 2012, MWAA Monthly Progress Report, dated September 4, 2012 and the Comprehensive Monthly Report for July 2012 issued by the Project Management Oversight Contractor (PMOC) for the FTA dated August 31, 2012.

PROJECT COST STRUCTURE

A. Phase I Budget

Phase I of the Project has an original budget of approximately $3.2 billion, comprised of $2.7 billion for construction plus $.5 billion in MWAA specific finance costs. As of July 2012 approximately $2.1 billion of Project funds have been expended.[1] The Project team assesses Phase I as 79% complete.[2] The overall project expenditure and construction completion rates are running in parallel.

In February 2012, MWAA recognized $150 million in forecasted construction cost overruns.[3] On June 20, 2012 the MWAA Board adopted a resolution increasing the original $2.756 billion construction budget by $150 million, resulting in a new construction budget of $2.9 billion.[4] The budget increase of $150 million has not yet been included in the reporting tables in the monthly MWAA report. On September 4, 2012, OFPA requested MWAA provide details as to the planned utilization of the budget increase. These details will aid in transparent monitoring of the Project budget. A response from MWAA is expected in the beginning of October.

The PMOC which monitors the Project for the FTA has concluded that MWAA needs to replenish the Project Contingency Budget and pursue items which may be outside the original federally funded project scope. The PMOC reports that change orders for WMATA requested Emergency Trip Stations (ETS) and Traction Power Substations (TPSS) Remote Monitoring systems and other Concurrent Non-Project Activities (CNPAs) are outside of MWAA's intergovernmental agreement with WMATA. The PMOC's current assessment of CNPAs is approximately $64 million, which is down from the $94 million estimated in their report for May 2012.[5]

The Project Budget is primarily impacted through three mechanisms; Change Orders, Allowance Items and Contingency Utilization. The recent MWAA monthly reports note a $71.8 million transfer (per the PMOC/FTA direction)[6] into the Contingency Budget reflecting the movement of budget resources (MWAA Finance Costs) which were outside of the original $2.765 construction budget, to offset construction costs. On September 4, 2012, OFPA requested information from MWAA as to how this transfer impacts the project budget and what implications, if any, it has on Fairfax County's share of the Project Cost (directly or in-directly). A response from MWAA is expected in the beginning of October.

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[1] MWAA July 2012 - Monthly Progress Report: Table 8, Page 23
[2] DCMP Quarterly Update, September 2012
[3] MWAA February 2012 DCMP Phase 1, Monthly Cost Summary: Page 4.
[4] Resolution No. 12-17; Adopted June 20, 2012
[5] PMOC Report for July 2012, Dated August 31, 2012, page 5
[6] PMOC Report for July 2012, Dated August 31, 2012, page 6

B. Change Orders

The MWAA report divides change orders into two broad categories: (1) Amended and Restated Design Build and (2) Utility Relocation. Through July 2012, there were $92 million in total changes to the Design Build category[7] which represent approximately 4.7% of the original Design Build estimate. There have been $26.3 million in total changes to the Utility Relocation category, which represent 20.4% of the total original budget amount.[8] MWAA assesses this project phase as 99% complete.[9]

There is approximately $10.8 million in additional Contract Change Orders currently under evaluation by MWAA.[10] Depending on the outcome of these evaluations all or a portion of these change orders could be applied against the contingency budget.

C. Allowance Items

There is a $485.8 million budget for allowance items. The total awarded allowance item budget through the July 2012 MWAA Progress Report is $433 million. Allowance items that are recommended but not yet awarded are an additional $144.6 million. These two amounts contain a combined budget overrun of $144 million.[11] Overruns are funded by contingency budget drawdowns.

D. Contingency Utilization

Contingency funds are classified as federal and non-federal. The federal contingency had a starting budget of $297.7 million. Through July 2012 - Utilized and Obligated Federal Contingency total $355,378,231 as reflected in the MWAA chart below. The contribution column in the table reflects the $71.8 million transfer from MWAA finance cost savings. While this contribution is reported in the table, the MWAA report indicates that this transfer is not expected to be to be authorized until the end of 2012.[12] The original non-federal contingency budget was $14.5 million; through July 2012, all but $273,000 has been utilized.[13]

Federal Contingency Utilized and Obligated Summary, *July 2012*

CONTINGENCY PHASE	**BUDGET**	***CONTINGENCY***		
		CONTRIBUTION	**TO DATE**	**REMAINING**
1 through 8	$ 251,000,000	*$ 26,238,267*	*$ 270,879,785*(Utilized)	*$ 6,358,482*
9 through 12	$ 46,762,579	$ 45,561,733	$ 84,498,446	$ 7,825,868
TOTAL	**$ 297,762,579**	***$ 71,800,000***	***$ 355,378,231***	***$ 14,184,348***

Source: MWAA July 2012 – Monthly Progress Report, Table 20, Page 44

[7] MWAA July 2012 - Monthly Progress Report: Table 11, Page 32
[8] MWAA July 2012 - Monthly Progress Report: Table 12, Page 33
[9] MWAA July 2012 - Monthly Progress Report: Page 4
[10] MWAA July 2012 – Monthly Progress Report, Tables 13 & 14, Pages 34 & 35
[11] MWAA July 2012 – Monthly Progress Report: Table 9, Page 27
[12] MWAA July 2012 - Monthly Progress Report: Table 19, Page 43
[13] MWAA July 2012 - Monthly Progress Report: Table 8, Page 23

START OF REVENUE SERVICE FOR PHASE I

Overall Project Schedule

The MWAA report for July 2012 now anticipates a lapse of 5 days with the start of revenue service (Project ROD) on January 7, 2014.[14] (Note the official MWAA schedule has not been changed, this is a DTP projection.) Forecasted substantial completion date is projected for August 2013.[15]

The Project is operating according to a mitigation schedule authorized by MWAA on November 1, 2011. The PMOC reports that associated cost negotiations and language were completed on June 15, 2012.[16] The previous mitigation schedule, dated December 15, 2010, was settled at a cost of $7.2 million in September 2011. On September 4, 2012, OFPA requested the cost for the most recent mitigation schedule from MWAA. A response from MWAA is expected in the beginning of October. The Table below shows the Project Status as of September.

Phase 1 Status (As of September 2012)	
Final Design	99% Complete
Utility Relocation	99% Complete
Construction	79% Complete
Total Project	86% Complete

Source: DCMP Quarterly Update, September 2012

The schedule for the WFC Yard has a targeted completion date of December 20, 2013. During a tour of the yard construction site, MWAA reported that it is working with WMATA to mitigate the impact of the WFC Yard availability on interoperability and systems tests. Additionally, MWAA noted it is working with WMATA on mitigation plans for the start of revenue service without the availability of the yard.

The projected railcar delivery has most recently been delayed by the 2011 earthquake and tsunami in Japan. MWAA's primary Project obligation for this component was submitting the railcar order which has been completed. The conditional acceptance of the first 4 production cars is anticipated in August 2014, with the 64th car anticipated in June 2015. WMATA has developed an interim operations plan to deal with the delay.[17] The WMATA plan is based on existing railcar availability.

FUNDING OBLIGATIONS OF FAIRFAX COUNTY

Based on the current funding agreement, Fairfax County is obligated to pay 16.1% of the total project costs. This will include a proportionate share of the $150 million budget increase approved by the MWAA Board in June 2012.

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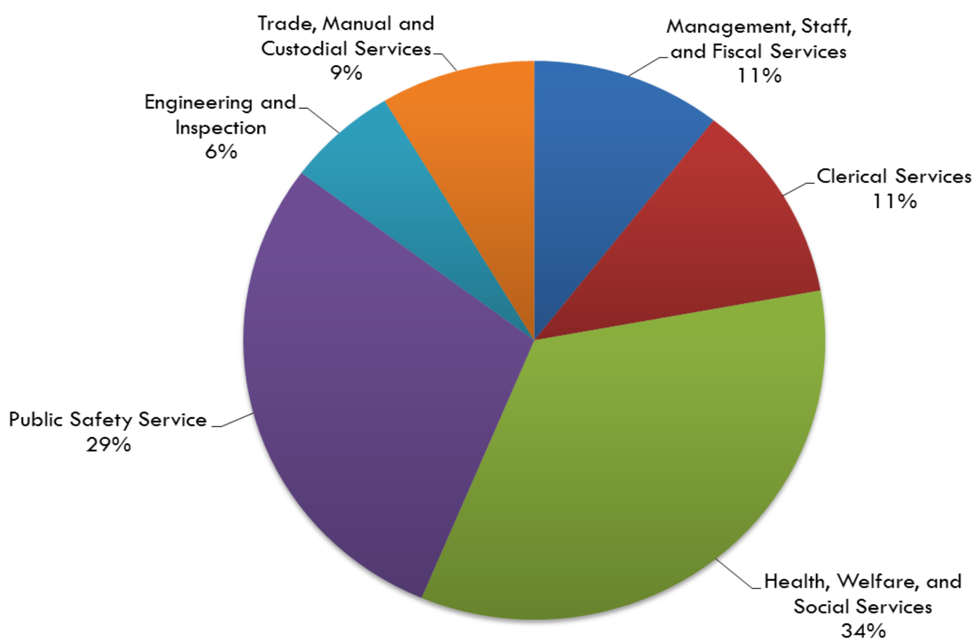
[14] MWAA July 2012 – Monthly Progress Report, Table 23 p. 48
[15] DCMP Monthly Cost Summary, September 2012
[16] PMOC Report for July 2012, dated August 31, 2012 – p. 6.
[17] PMOC Report for July 2012; Dated August 31, 2012 p. 15.

COUNTY WORKFORCE AND POSITION CLASSIFICATION TRENDS

Overview

The County groups its positions into six primary class series: (1) Management, Staff, and Fiscal Services, (2) Clerical Services, (3) Health, Welfare, and Social Services, (4) Public Safety, (5) Engineering and Inspection, and (6) Trade, Manual, and Custodial. OFPA staff analyzed the County's workforce trends within the six primary class series, with a focus on position reclassifications during fiscal years 2010 through 2012. The distribution of employees in each of the six primary class series has remained fairly consistent during the past three fiscal years. The chart below shows the fiscal year 2012 distribution of employees by class series.[18]

Fairfax County Workforce Trends
Fiscal Years 2010 – 2012



Class Series	Class Series Description	2010	2011	2012
1000	Management, Staff, and Fiscal Services	1,373	1,427	1,482
2000	Clerical Services	1,500	1,462	1,445
3000	Health, Welfare, and Social Services	4,436	4,382	4,499
4000	Public Safety Service	3,745	3,770	3,762
5000	Engineering and Inspection	801	802	822
6000	Trade, Manual and Custodial Services	1,117	1,083	1,050
	Employee Count	**12,972**	**12,926**	**13,060**

Source: *Data obtained from the County's human resources system (PRISM).*

[18] Employee counts represent the number of active employees in the County's human resources system (PRISM) at the end of the fiscal year. These counts do not include temporary and seasonal employees, such as election workers and lifeguards. The employee counts may differ from the full-time equivalent budgeted position counts because two or more part-time employees can share one budgeted position.

The table below provides a detailed breakdown of the position groups for each class series and the change in employee counts from fiscal years 2010 to 2012: [19]

Employee Count by Position Group
Fiscal Years 2010 – 2012

	2010	2011	2012	Change from 2010
Management Group	86	82	88	
Staff Group	474	489	519	
Fiscal Group	169	167	169	
Appraisal Group	85	86	84	
Consumer Affairs/Cable TV Group	27	30	32	
Purchasing/Inventory Mgmt. Group	76	93	94	
Information Technology Group	456	480	496	
1000 - Management, Staff, and Fiscal Services	**1,373**	**1,427**	**1,482**	**109**
General Clerical Group	40	41	42	
Administrative Support Group	1,460	1,421	1,403	
2000 - Clerical Services	**1,500**	**1,462**	**1,445**	**(55)**
Public Health Group	590	613	627	
Social Services Group	1,960	1,930	1,993	
Recreation Group	17	15	15	
Library Group	543	529	536	
Mental Health Group	812	809	837	
Park Group	391	366	373	
Housing and Community Development Group	117	115	111	
Transit Operations Group	6	5	7	
3000 - Health, Welfare, and Social Services	**4,436**	**4,382**	**4,499**	**63**
Police Group	1,787	1,818	1,801	
Fire Group	1,324	1,293	1,316	
Legal Group	73	70	69	
Sheriff Group	561	589	576	
4000 - Public Safety Service	**3,745**	**3,770**	**3,762**	**17**
Engineering Group	444	449	461	
Planning Group	178	181	189	
Inspection Group	179	172	172	
5000 - Engineering and Inspection	**801**	**802**	**822**	**21**
Equipment Operation Group	170	175	165	
Trade Group	311	280	271	
Other Trade 1	81	83	83	
Other Trade 2	68	67	63	
Sewage Plant Ops. & Maint. Group	116	117	128	
Labor Group	342	329	312	
Custodial Group	29	32	28	
6000 - Trade, Manual and Custodial Services	**1,117**	**1,083**	**1,050**	**(67)**
Total Employee Count	**12,972**	**12,926**	**13,060**	

[19] Employee counts represent the number of active employees in the County's human resources system (PRISM) at the end of the fiscal year. These counts do not include temporary and seasonal employees, such as election workers and lifeguards. The employee counts may differ from the full-time equivalent budgeted position counts because two or more part-time employees can share one budgeted position.

Position Reclassifications and Restructurings

The Department of Human Resources conducts a formal review and analysis of position reclassifications and restructurings to ensure consistency with county policy and industry standards. After the formal review period, the Department of Human Resources implements the changes on an employee-level through the use of transaction codes in the human resources system.

During the past three fiscal years, the County has undergone several initiatives related to position reclassifications, benchmarking, and class series restructuring. The most significant reclassifications and restructurings occurred during fiscal year 2011. In response to a study conducted by an outside consulting firm, the Department of Human Resources reclassified management analyst positions into newly created financial specialist, human resources generalist, economic and statistical analyst, and contract analyst positions. In addition, the Department of Recreation and Community Services and Department of Human Services Systems Management were combined to form the Department of Neighborhood and Community Services. Finally, Human Resources established a new class of code compliance investigators for the newly created Department of Code Compliance. The following table summarizes classification benchmarking, position reclassifications, and class series restructures for fiscal year 2011.

Position Reclassifications and Benchmarking
Fiscal Year 2011

Class Series	Class Series Description	Classification Benchmarking	Position Reclassification	Class Series Restructure
1000	Management, Staff, and Fiscal Services	128	52	104
2000	Clerical Services		21	
3000	Health, Welfare, and Social Services	168	36	3
4000	Public Safety Service		3	
5000	Engineering and Inspection	62	32	3
6000	Trade, Manual and Custodial Services	86	12	2
	Employee Count	**444**	**156**	**112**

Source: *Transaction code data obtained from the County's human resources system (PRISM).*

OFPA also analyzed enrollment in the County's Deferred Retirement Option Program (DROP) for fiscal years 2010 through 2012.[20] There has been an overall increase in DROP enrollees over the past three fiscal years, particularly in class series 1000 (Management, Staff, and Fiscal Services) and 2000 (Clerical Services). As the County reviews the composition of its workforce and plans for the future, it should continue to monitor these trends and tailor its succession planning accordingly.

Enrollment in DROP
Fiscal Years 2010 - 2012

Class Series	Class Series Description	2010	2011	2012
1000	Management, Staff, and Fiscal Services	33	25	40
2000	Clerical Services	24	29	32
3000	Health, Welfare, and Social Services	59	52	65
4000	Public Safety Service	74	83	77
5000	Engineering and Inspection	21	31	19
6000	Trade, Manual and Custodial Services	37	35	35
	Employee Count	**248**	**255**	**268**

[20] DROP provides employees who are fully eligible for normal retirement the option to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of up to three years.

GENERAL FUND COST ALLOCATIONS

Cost allocation is the process of identifying and distributing costs to benefitting departments, funds, or programs. In the public sector, the identification and allocation of costs helps local governments recover the full cost of services supported by the General Fund. There are two basic types of costs: direct costs and indirect costs. Direct costs can be directly traced to a specific service, function, or activity. Examples of direct costs include project staff and direct equipment costs. Indirect costs cannot be directly traced to one specific service and benefit multiple services, functions, or activities. Indirect costs are commonly referred to as "overhead." Examples of indirect costs include utilities and rent for large office buildings and central support services, such as human resources or information technology.

A Cost Allocation Plan documents the method for measuring and distributing (allocating) costs to benefitting departments, funds, or programs. There are two basic types of cost allocation plans: Federal OMB A-87 Indirect Cost Rate Plans and Full Cost Allocation Plans. A-87 Indirect Cost Rate Plans are used to allocate indirect costs to federally funded programs or activities.[21] A-87 plans are restricted to certain "allowable" costs for federal grant reimbursements. Full cost allocation plans support the concept of true cost recovery and are not restricted to federal grant reimbursements. Full cost plans are generally used for allocating costs to special revenue and enterprise funds and as a basis for determining user fees for government services. Many state and local governments have both an A-87 Indirect Cost Rate Plan for federal grants and a separate full cost allocation plan. Fairfax County has an A-87 Indirect Cost Rate Plan, but does not currently have a full cost allocation plan. The following table provides a comparison of the two types of cost allocation plans:

Comparison of Federal A-87 and Full Cost Allocation Plans

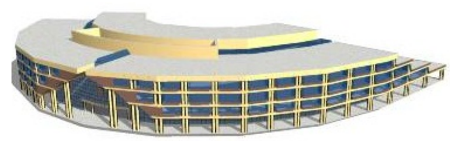
	Federal A-87 Indirect Cost Rate Plan	Full Cost Allocation Plan
Standard practice for state and local governments	Yes	Yes
Compliant with Generally Accepted Accounting Principles (GAAP) – reasonable and justifiable.	Yes	Yes
Recognizes "full cost" of services	No	Yes
Maximizes cost recovery for the General Fund	No	Yes
Supports full cost recovery from other benefitting funds (special revenue and enterprise)	No	Yes
Allows for the allocation of the following General Fund administrative costs: ▪ Investment Management ▪ General Government ▪ Contingencies/Reserves ▪ Capital Outlays ▪ Public Information Office	No	Yes

[21] Office of Management and Budget (OMB) Circular A-87 – Cost Principles for State, Local, and Indian Tribal Governments.

General Fund Cost Allocations to Other Funds

Although the county has not developed a formal full cost allocation plan, it does allocate some General Fund administrative costs to the special revenue and enterprise funds. For example, the Facilities Management Department (FMD) allocates a portion of the Government Center's operating expenses based on the square footage each department occupies in the building. In Fiscal Year 2012, FMD recovered $355,374 from other funds for Government Center operating costs that were paid from the General Fund. [22]

Fairfax County Government Center
Allocation of Operating Costs to Other Funds



Total General Fund Government Center Operating Costs
$ 9,171,426

Fiscal Year 2012 Cost Allocation Calculation
Total Costs / Total Square Footage = Cost per Square Foot

$ 9,171,426 / 1,203,753 = $ 7.619

FUND 105
Cable
($205,005)

FUND 109
Recycling
($55,093)

FUND 110
Solid Waste
($39,009)

FUND 401
Sewer
($56,266)

GENERAL FUND
Cost Allocation Recovery =
$355,373

[22] Fiscal year 2012 Government Center operation costs included Facilities Management Department salaries, contract costs, custodial services, security, utilities, waste disposal, and capital projects.

The County allocates additional General Fund costs to the solid waste funds. In fiscal year 2012, the County allocated approximately $800,000 in overhead costs to the solid waste funds.[23] These allocations covered the costs related to the management of the solid waste fund investments and the Department of Public Works and Environmental Services management. However, the County does not currently allocate costs for all central support services that benefit the solid waste funds, including the human resources department, purchasing and supply management, department of management and budget, and the County Executive's office, all of which are funded by the General Fund.

Recommendations

- The Department of Management and Budget should review the current General Fund cost allocations to the special revenue and enterprise funds and identify additional central service costs supported by the General Fund that could be allocated to those benefitting funds, as appropriate.

- To help ensure full cost recovery for the General Fund and to standardize the current cost allocations, the County should consider developing and formalizing a full cost allocation plan in accordance with Generally Accepted Accounting Principles (GAAP).

[23] The Solid Waste Management Division initially provided information showing approximately $800,000 in total fiscal year 2012 General Fund cost allocations to the solid waste funds. After further review and research, the Solid Waste Management Division provided a new list that showed an additional $5.8 million in direct charges for vehicle services. It is important to note that the additional $5.8 million represents direct billings to cover the costs of vehicle maintenance and does not represent cost allocations for general administrative overhead.

INFORMATION TECHNOLOGY DISASTER RECOVERY - INTERIM STATUS REPORT

The recovery of critical Information Technology (IT) systems during a disaster is an essential component of business continuity planning. The objective of a disaster recovery plan is to ensure that essential IT systems are recoverable and available during disasters. A disaster is a sudden, unplanned event that causes critical IT systems to be inoperable for a prolonged period of time. Disasters can be caused by natural forces (such as severe thunderstorms, earthquakes, and floods), the unexpected disruption of critical services (such as electrical power and telecommunications), or human intervention (such as terrorist attacks, computer viruses, or human error).

The recent Derecho storm and the County's substantial investment in its new financial and human resources system (FOCUS) have underscored the importance of establishing a comprehensive, documented, and well-tested disaster recovery plan.[24] Key elements of a disaster recovery plan include identifying and classifying critical IT systems, developing recovery strategies for those systems, routinely testing the disaster recovery strategies, and documenting the disaster recovery strategies and testing procedures in a comprehensive and readily available plan. An effective disaster recovery plan should fit within the framework of the organization's current environment and available resources.

During this quarter, OFPA initiated a review of the Department of Information Technology's (DIT) IT contingency and disaster recovery planning efforts. The scope of our review includes three main areas: (1) An evaluation of DIT's current disaster recovery strategies, (2) Verification that disaster recovery procedures have been routinely tested in accordance with national standards[25], (3) An assessment of the environmental controls in the County's main data center (backup power systems, fire suppression, and HVAC).

DIT is planning to implement a disaster recovery plan for FOCUS in 2013. DIT staff has provided documentation showing elements of disaster recovery planning and testing for the County's mainframe systems. For the County's server-based (open) systems, DIT staff has provided high level documentation showing some components of disaster recovery and have verbally indicated some disaster recovery testing procedures.

Many of the County's mission-critical business processes depend on IT systems. A comprehensive and complete review of the status of DIT's current and future disaster recovery plans will benefit the County. DIT's Director has requested that OFPA revisit this review when more progress has been made toward the implementation of the FOCUS disaster recovery plan. Beginning early 2013, OFPA will work with DIT to identify areas of potential risk and to confirm that the County's disaster recovery strategies are implemented in accordance with national standards and best practices.

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[24] According to DIT's Director, the recent Derecho storm did not disrupt FOCUS.

[25] Best practices and national standards for disaster recovery plans have been published by a variety of accredited organizations, including the National Institute of Standards and Technology and the SANS Institute. Established standards for the disaster recovery testing cycle include checklist testing, walk-through testing, simulation testing, parallel testing, and full-interruption testing.

PRIOR STUDIES FOLLOW-UP

Department of Housing and Community Development

OFPA reported four studies of Department of Housing and Community Development (DHCD) programs between June 2011 and February 2012. These studies covered Eligibility, Wait Lists, Properties and the Reston Glen financing. DHCD has provided a summary of the implementation status of the recommendations contained in the reports and approved by the Audit Committee. During October OFPA will confirm the implementation of the recommendations with DHCD.

Telecommunications Billings Review

In September 2011, OFPA reported on Verizon's overbilling practices for the County's phone service. Since our report, Department of Information Technology (DIT) has submitted 93 billing disputes to Verizon and has received credits totaling approximately $190,000. In July 2012, Verizon repeated a previously corrected error, which erroneously increased the County's monthly bill by over $80,000. DIT has prepared a draft letter to Verizon regarding continued overbilling for telecommunication services. The draft references findings from our September 2011 report and notes the continued Verizon billing errors through July 2012. The letter is currently under review and is expected to be finalized during the upcoming quarter.

LIST OF ACRONYMS

CNPAs	Concurrent Non-Project Activities
CSB	Fairfax-Falls Church Community Services Board
DCMP	Dulles Corridor Metrorail Project
DHCD	Department of Housing and Community Development
DHR	Department of Human Resources
DIT	Department of Information Technology
DR	Disaster Recovery
DROP	Deferred Retirement Option Program
DTP	Dulles Transit Partners
ETS	Emergency Trip Stations
FFGA	Full Funding Grant Agreement
FMD	Facilities Management Department
FTA	U. S. Federal Transit Administration
GAAP	Generally Accepted Accounting Principles
HVAC	Heating, Ventilation, and Air Conditioning
IT	Information Technology
ITC	Infant Toddler Connection
MWAA	Metropolitan Washington Airports Authority
OFPA	Office of Financial and Program Audit
PMOC	Project Management Oversight Contractor
ROD	Revenue Operations Date
TPSS	Traction Power Substation
WFCY	West Falls Church Yard
WMATA	Washington Metropolitan Area Transit Authority