

COUNTY OF FAIRFAX, VIRGINIA OFFICE OF FINANCIAL AND PROGRAM AUDIT



March 2020

Quarterly Report

**FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD**

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**Fairfax County
Office of Financial and Program Audit**



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Table of Contents

ABSTRACT.....4

RISK MANAGEMENT DIVISION OPERATIONS STUDY.....5

- **THIRD-PARTY UNCOLLECTED AGED BALANCES**.....6
- **OPEN CLAIMS VALIDATION**.....8
- **DISBURSEMENT OVERSIGHT - CORVEL**.....10
- **INTERAGENCY EXPENSE REIMBURSEMENTS**.....12
- **AGENCY CLAIM SUBMISSIONS**.....14

STORMWATER MANAGEMENT PROGRAM STUDY.....16

- **STW OFFSET TO THE GENERAL FUND**.....17
- **WORK ORDER TRACKING & COMPLETION ASSESSMENT**.....19
- **BACKLOGGED STORMWATER MAINTENANCE REQUESTS**.....21
- **UNRECONCILED CONSUMABLE INVENTORY**.....23
- **COMPARATIVE ANALYSIS TIME-TO-COMPLETE STW FY19 CAPITAL PROJECTS**.....24

APPENDICIES.....25

STATUS REPORT ON PRIOR PERIOD RECOMMENDATIONS.....34

INQUIRIES TO OFPA.....70

LIST OF ACRONYMS.....71

ADDEDUM SHEET.....72

**Fairfax County
Office of Financial and Program Audit**

ABSTRACT

Working under the guidance and direction of the Audit Committee, the Auditor of the Board provides an independent means for assessing management's compliance with policies, programs and resources authorized by the Board of Supervisors. Further to this process, efforts are made to gain reasonable assurance that management complies with all appropriate statutes, ordinances and directives.

This agency plans, designs, and conducts studies, surveys, evaluations and investigations of County agencies as assigned by the Board of Supervisors or the Audit Committee (AC). For each study conducted, the agency focuses primarily on the County's Corporate Stewardship vision elements. The agency does this by developing, whenever possible, information during the studies performed which are used to maximize County revenues or reduce County expenditures.

To assist the Office of Financial and Program Audit (OFPA) with executing the responsibilities under our charge, members of the Fairfax County Board of Supervisors (BOS) submit study recommendations of which the findings and management responses are included in published studies. This process is utilized to provide the constituents, BOS and management reasonable assurance that fiscal and physical controls exist within the County.

Additionally, this agency conducts follow-up work on prior period studies. As part of the post study work conducted, we review the agreed upon managements' action plans. To facilitate the process, we collaborate with management prior to completion of studies. Through this collaboration, timelines for the implementation of corrective action and status updates are documented for presentation at the upcoming Audit Committee Meetings.

The results of studies may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. The execution of the OFPA's studies are facilitated through various processes such as; sample selections whereby documents are selected and support documentation is requested for compliance and other testing attributes. Our audit approach includes interviewing appropriate staff and substantive transaction testing. OFPA staff employs a holistic approach to assess agencies/departments whereby the review is performed utilizing a flow from origination to closeout for the areas under review.

There are several types of studies performed by OFPA, e.g.; operational, financial, compliance, internal controls, etc. To that end, it is important to note; OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

**Fairfax County
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RISK MANAGEMENT DIVISION OPERATIONS STUDY

OVERVIEW AND UPDATES

The results of this study may not highlight all of the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled **timeframe, and overall organization's data-mining results**. The execution of the **Office of Financial and Program Audit (OFPA's) studies** are facilitated through various processes such as; sample selections whereby documents are selected and support documentation is requested for compliance and other testing attributes. There are several types of studies performed by OFPA, e.g.; performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

The purpose of this study was to execute a performance review of the Risk Management Division (RMD) operations. RMD is responsible for several types of claims; workers' compensation, property, auto, general liability, public officials, police professionals, etc. This study included (**but not limited to**) reviews of FY19; open/closed/aged claims, lifetime payments to employees, external party fault claims, time-to-disburse analysis, and contactor oversight.

OFPA performed onsite visits with RMD staff to obtain source data for substantive and operational testing. OFPA with the assistance of RMD compiled statistical data for this program which can be found in **Appendix A**. Testing results are either in the observations or **Appendices B-D**.

Risk Management Study Observations Summary	
Observations	Study Assessment
RMD Onsite Facility Audit Recommendations Implemented	Satisfactory
Third-Party Uncollected Aged Balances	Needs Improvement
Open Claims Validation	Needs Improvement
Disbursement Oversight - CorVel	Needs Improvement
Interagency Expense Reimbursements	Needs Improvement
Agency Claim Submissions	Needs Improvement

OBSERVATIONS AND ACTION PLANS

The following table(s) detail observation(s) and recommendation(s) from this study along with management's action plan(s) to address these issue(s).

**Fairfax County
Office of Financial and Program Audit**

THIRD-PARTY UNCOLLECTED AGED BALANCES

Risk Ranking

HIGH

RMD utilizes Riskconnect to track and manage all claims submitted by County agencies/departments. Based on our sample of **30 1st party auto & property external party fault claims, 27 (or 90%)** remain open to date due to uncollected balances of **~\$137K**. Several reasons exist as why these cases remain open such as; unresponsive insurers, disputes over amounts, litigation, lack of follow-up, etc. As balances age, based on accounting provisioning standards, collectability of outstanding balances degrades.

Additionally, a **\$75K** claim was closed-out without pursuing the balance due. When payments from external party fault claims are not received, the County Insurance Fund absorb these costs. The County Insurance Fund receives appropriations from the General Fund.

Testing results for this review are detailed further in **Appendix B**.

Recommendation

OFPA recommends that RMD continue to enhance the process whereby outstanding **external party fault claims** are cycled through for review and follow-up (*based on intervals accomplishable with existing staff*). Based on information provided in staff interviews, the RMD claims management system Riskconnect includes claims notification functionality. This functionality could be used to alert staff for claims follow-up based on prescribed intervals. Ultimately, resulting in reduced aged outstanding balances.

Re: the **\$75K** claim not collected from an **external party**; when reportable claims occur, these claims are reported to RMD. Included in the follow-up process above we also recommend staff review the claims to ensure the responsible external party is noted in the files. Absent of this information, further research should be performed to understand the intent of the agency to ensure the County does not absorb additional costs.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Chris Pietsch (Director, DOF)	June 30, 2020	Christopher.Pietsch@fairfaxcounty.gov
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@fairfaxcounty.gov
Randy Jouben		Randy.Jouben@fairfaxcounty.gov

**Fairfax County
Office of Financial and Program Audit**

<p>(Risk Manager, DOF)</p>		
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MANAGEMENT RESPONSE:

Based on claims reported after July 1, 2014, there was \$10,851,936.47 identified for recovery with \$10,747,797.60 already received resulting in a 99.04% recovery rate from external parties (including insurance carriers). In addition, 78% of these funds were recovered after January 1, 2018, when an emphasis was placed on improving recovery collection. Recovery length on auto physical damage claims decreased from an average of 380 days to just under the industry average of 200 days during this same period. Recovery has also improved from 8% of auto physical damage paid to 25% which is over the industry average of 20%.

Although the past two years have seen significant improvement regarding recoveries, RMD will continue to enhance the process by promptly identifying recovery potentials and notifying the adverse party upon recognition of recovery potential as opposed to when damages are paid; this should reduce overall recovery time. RMD has identified several workarounds to improve work within its claims management system, and will continue to address improvements in functionality.

The noted \$75,000 claim not collected from an external party, which was in closed status as of the date of the study, has been reopened and RMD is actively working the claim. While RMD had communicated with the applicable agency in the past to try and collect supporting documentation, we will continue to reach out to obtain documentation needed to pursue recovery where possible. Follow-up investigation has discovered that the actual damages are less than \$30,000.

**Fairfax County
Office of Financial and Program Audit**

OPEN CLAIMS VALIDATION

Risk Ranking

HIGH

We worked with CorVel & Department of Tax Administration (DTA) to review the eligibility status of a sample of **48 out of 2,294 (or 2%)** open employee claims. CorVel provided the addresses and the last four of the social security numbers for the sample. DTA assisted with a database research of the employees' current information utilizing DTA's account access with **Accurint (Third-Party Independently Owned by Lexis-Nexis)**. Our results revealed **5 out of 48 (or 10%)** of the sample with either incomplete/unmatched information or a deceased employee. Unmatched information was between the records of CorVel and Accurint (**Third-Party Independently Owned by Lexis-Nexis**). **Accurint is advertised as the most widely accepted locate-and-research tool available to government, law enforcement and commercial customers.** These gaps in timely verifications could expose the County financially. The claims identified through this process are below:

Claim Number	Loss Date	Status (Eligible or Not-Eligible)
FX-81-010001	14-Nov-80	NO INFO
FX-81-00294	26-Mar-82	NE (DECEASED)
FX-81-00806	27-Apr-82	E - ADDRESS MATCH, SOC TYPO
FX-86-00858	30-Jul-86	E - ADDRESS MATCH, SOC TYPO
FX-90-00494	8-Oct-90	E - ADDRESS MATCH, SOC TYPO

Recommendation

CorVel currently reviews employees' eligibility quarterly through a confirmation letter. Also, CorVel uses the County's employee records for initial set-up in their system. While this passive self-reporting approach is often used for balance confirmations, given this process involves disbursements we recommend a more proactive approach. To that end, we recommend RMD (*with the concurrence of RMD*) utilize the process employed by DTA to support this study (*Accurint/Lexis-Nexis database search*) to perform periodic reviews to enhance oversight. This process could assist with the update/maintenance of CorVel's records for County employees. OFPA will acquiesce to RMD to develop review intervals for this process.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Chris Pietsch (Director, DOF)	June 30, 2020	Christopher.Pietsch@fairfaxcounty.gov
Deirdre Finneran		Deirdre.Finneran@fairfaxcounty.gov

**Fairfax County
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<p>(Deputy Director, DOF)</p> <p>Randy Jouben (Risk Manager, DOF)</p>		<p>Randy.Jouben@fairfaxcounty.gov</p>
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MANAGEMENT RESPONSE:

RMD has noted through discussions with Corvel that an annual process for reviewing employee benefit eligibility is performed by Corvel’s third party vendor, in a manner similar to DTA. RMD will review the claimant validation and information reconciliation processes performed by CorVel (and its third party vendor) on county employee records. Upon review, RMD will make recommendations to CorVel re: enhancements to the process and the frequency at which the current process should be performed.

RMD reviewed the claims files and history for each of the five items noted in the above table, regarding eligibility status, and verified that there were no instances of erroneous payments made.

**Fairfax County
Office of Financial and Program Audit**

DISBURSEMENT OVERSIGHT - CORVEL

Risk Ranking

MEDIUM

CorVel (*the County's workers' compensation administrator*) reviews, approves, and disburses employee workers' compensation payments. While a Right-to-Audit clause is in the CorVel contract, we could not identify detailed prior period financial or operational reviews performed by RMD. Every Friday, CorVel sends a payment report with line item support to RMD. This report details disbursements made to employees with open workers' compensation claims. RMD staff reconciles the total aggregate amount paid to the wire amount. We were informed this is the only review performed on these disbursements made by CorVel. We are aware Cherry Bekaert (the County's External Auditors) perform performance measure audits, this observation and recommendation goes specifically to fiduciary issues such as the annual disbursements of **~\$12M**. That being stated, no reportable items re: CorVel's disbursement process were included in this report as auditing CorVel directly was not included in this study. Enhancing oversight could assist in the risk of reducing potential financial loss.

Recommendation

We recommend (*with the concurrence of RMD*) that a disbursement review process is developed, documented and executed over CorVel workers' compensation disbursements. This process should be based on intervals accomplishable with existing staff. Enhanced oversight should assist RMD in gaining reasonable assurance that the disbursements are processed only for the intended parties and accurately.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Chris Pietsch (Director, DOF)	June 30, 2020	Christopher.Pietsch@fairfaxcounty.gov
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@fairfaxcounty.gov
Randy Jouben (Risk Manager, DOF)		Randy.Jouben@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Management informed OFPA post fieldwork of an informal process of RMD approvals of payments of \$50,000 or more. RMD will update the SOP with CorVel to include a process and dollar threshold. Triggered by this review, RMD is in the early stages of developing and documenting a weekly review process of a sample of

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Office of Financial and Program Audit**

disbursements. RMD will also implement a secondary review by the RMD Claim's Manager of approved payments on at least a quarterly basis.

**Fairfax County
Office of Financial and Program Audit**

INTERAGENCY EXPENSE REIMBURSEMENTS

Risk Ranking

MEDIUM

RMD interagency repair claims are setup to be paid through the County Insurance Fund. This bifurcated process sometimes results in amounts going unreimbursed when payment information by the agencies to DVS is not communicated to RMD. We identified **3 out of 23 (or 13%)** of interagency unreimbursed repair claims totaling **~\$7k**. The agencies paid Department of Vehicle Services (DVS) directly for these repairs. These claims were reported between **CY 2017 – 2018**. The repairs for the claims were performed in **CY 2018**. These balances reflect amounts that remain unreconciled for the past two fiscal years. Reporting and/or data mining capabilities could not be used during this process to assess the full magnitude of unreimbursed balances. These auto claims remain open until these transactions are reconciled. These unreconciled balances could directly affect the year-end balances of the County Insurance Fund resulting in year over year accruals or balance errors.

Recommendation

OFPA recommends that RMD (*with RMD's concurrence*) realign the interagency reimbursement process whereby RMD pays DVS directly for auto claim repairs. Streamlining this process reduces the opportunity for accounts going unreconciled for extended periods. This process change could also assist with reducing staff's research and reconciliation time. Further to this approach, eliminating this bifurcated phase of the process has no adverse effect on the control structure of the process.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Chris Pietsch (Director, DOF)	June 30, 2020	Christopher.Pietsch@fairfaxcounty.gov
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@fairfaxcounty.gov
Randy Jouben (Risk Manager, DOF)		Randy.Jouben@fairfaxcounty.gov

MANAGEMENT RESPONSE:

RMD met with DVS in September 2019 in order to work towards changing the interagency reimbursement process. RMD is currently converting policies over into Risk Management Policy Statements which will include this process to ensure agencies are educated on proper handling of claims payments. Although RMD

**Fairfax County
Office of Financial and Program Audit**

is in the process of implementing this practice with some agencies (e.g. FRD) of paying DVS directly, we will continue to work with the other agencies to ensure further implementation of the new process, in line with DVS system capabilities and enhancements.

**Fairfax County
Office of Financial and Program Audit**

AGENCY CLAIM SUBMISSIONS

Risk Ranking

LOW

We identified **14 out of 32 (or 44%)** incidents whereby claims were submitted to RMD up to **4** months from incident dates totaling **~\$75.6K**. *Notable items; 7 of the 14 were submitted between 1 to 4 days past RMD guidance, and 7 of the 14 were submitted between 5 days and 4 months past RMD guidance.* The incident types include; workers' compensation, auto, property and county litigation. Additionally, these **14** incidents did not require legal review prior to reporting to RMD. As per the RMD (*Risk Management Manual*), claims should be submitted within **48 hours** of the incident. This manual provides guidance to management re: the prescribed procedure for managing the claims process. Delays in reporting directly effects the time to complete, claims management and can affect the cost of worker compensation claims.

Recommendation

We recommend an interim review of agency claims submissions to facilitate the 48 hours reporting guidance. Additionally, we recommend RMD develop and distribute guidance to County agencies to include; RMD updates, County/state/federal reporting requirements, etc.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Chris Pietsch (Director, DOF)	September 30, 2020	Christopher.Pietsch@fairfaxcounty.gov
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@fairfaxcounty.gov
Randy Jouben (Risk Manager, DOF)		Randy.Jouben@fairfaxcounty.gov

MANAGEMENT RESPONSE:

The time between an incident and reporting to RMD is commonly referred to as lag time. This reporting goal is applied to all claims, though it is best measured for workers' compensation, first-party auto and property incidents as incidents regarding third-party damages are not always reported to the county the day they occur. Efforts have been made by RMD to reduce the lag time, resulting in significant improvement in this area since FY18. There has been a 38% increase in timely reporting of workers' compensation incidents and a 63% and 69% improvement in first-party auto and property incidents, respectively.

**Fairfax County
Office of Financial and Program Audit**

Based on reporting metrics from the county's third party administrator for workers compensation, the county's average lag reporting days were approximately 2.5 days less than the other Virginia public entities that they service. RMD will work with agencies when excessively late submissions are noted, and will run lag time reports at least annually for review. In addition, RMD will develop and distribute guidance to county agencies, human resources representatives, and employee groups, with the goal of continuing to improve the timely reporting of claims.

**Fairfax County
Office of Financial and Program Audit**

STORMWATER MANAGEMENT PROGRAM STUDY

OVERVIEW AND UPDATES

The results of this study may not highlight all of the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled **timeframe, and overall organization's data-mining results**. The execution of the **Office of Financial and Program Audit (OFPA's) studies** are facilitated through various processes such as; sample selections whereby documents are selected and support documentation is requested for compliance and other testing attributes. There are several types of studies performed by OFPA, e.g.; performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

The purpose of this study was to execute a performance review of the Stormwater Management Program (STW) operations. The STW department is responsible for managing the County's stormwater functions to include; monitoring and maintaining public storm water infrastructure and provide support to emergency responses for flooding and snowstorms. This study included **(but not limited to)** reviews of STW; district levy billing & collections, General Fund offset, inventory management, work order tracking, and Stormwater Local Assistance Fund (SLAF) collections.

OFPA performed onsite visits with STW, Capital Facilities and Department of Taxation (DTA) staff to obtain source data for substantive and operational testing. OFPA with the assistance of management and staff compiled statistical data in **Appendix E**. Testing results are either in the observations or **Appendices F-G**.

Stormwater Study Observations Summary	
Observations	Study Assessment
STW Capital Projects Completed Timely	Satisfactory
STW Offset to the General Fund	Offset Opportunity Identified
Work Order Tracking & Completion Assessment	Needs Improvement
Backlogged Stormwater Maintenance Requests	Needs Improvement
Unreconciled Consumable Inventory	Needs Improvement
Time-to-Complete Analysis: STW FY19 Capital Projects	Informational Only

OBSERVATIONS AND ACTION PLANS

The following table(s) detail observation(s) and recommendation(s) from this study along with management's action plan(s) to address these issue(s).

**Fairfax County
Office of Financial and Program Audit**

STW OFFSET TO THE GENERAL FUND

Study Results

OPPORTUNITY IDENTIFIED FOR CONSIDERATION

As part of our study, we reviewed the annual STW offset to the General Fund. To perform this analysis, we liaised with STW & DTA to obtain FYE 17-19 Actuals. The STW General Fund offset amount of **\$1.125M** was unchanged for each of these fiscal years. The Service District Levy (Levy) Assessment has increased over FYE 17-19 by **~\$18M** largely due to increases in property value and Levy Rate. The Levy assessments and rates are the drivers for the collections in the chart. The results of the service district levy receipts vs. staff operating & capital project expenditures review, revealed unspent balances at FYE. These unspent balances ranged between **~\$6.8M - ~\$21.3M**. Additionally, STW staff informed us that residual revenues continue to increase due to the increasing value of property which is the basis for the assessment of levies. While we are aware that portions of the balances are year over year capital funds, there appears to be opportunities for review of these balances. Further to this issue, STW receives reimbursements for labor, constructions and material through SLAF Grant funding (**ranging from ~\$2.3M - ~\$4.5M over FYE 17-19**) which contributes to the additional cash flow. The analysis performed for this review is below:

Stormwater Service District Levy Rev. v Exp. (Provided by STW & DTA)			
Levy Operations	FYE 17 Actuals	FYE 18 Actuals	FYE 19 Actuals
Service District Levy Rate <i>(Provided by DTA)</i>	\$0.000300	\$0.000325	\$0.000325
Total Real Estate Assessed Value <i>(Provided by DTA)</i>	\$238,115,810,652.00	\$246,653,398,040.00	\$255,728,318,525.00
Levy Collection Actuals	\$77,403,061.69	\$83,185,546.10	\$89,466,480.36
Staff & Operating FY Expenditures	\$19,330,226.81	\$19,409,885.12	\$21,906,985.06
Capital Project Implementation FY Expenditures	\$46,993,026.31	\$56,964,284.94	\$46,212,524.03
Total Expenditures	\$66,323,253.12	\$76,374,170.06	\$68,119,509.09
Collections In-Excess of Expenditures	\$11,079,808.57	\$6,811,376.04	\$21,346,971.27
SLAF Reimbursements	\$4,485,326.05	\$2,260,573.49	\$2,694,885.94
Offset to General Fund (Actual)	\$1,125,000.00	\$1,125,000.00	\$1,125,000.00
Notes			
Levy Rate Increase \$.000025			
Real Estate AV Increased 3.5% & 3.7%			

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The **\$1.125M** transfer to the General Fund partially offsets central support services, which benefit Fund 40100. These indirect costs include support services such as Human Resources, Purchasing, Budget and other administrative services.

Recommendation

We recommend the Department of Management & Budget (DMB) review the current General Fund cost allocations to STW and identify additional central service costs supported by the General Fund that could be allocated to STW.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Christina Jackson (Director, DMB)	February 28, 2021	Christina.Jackson@fairfaxcounty.gov
Ellicia Seard (Deputy Director, DMB)		Ellicia.Seard-McCormick@fairfaxcounty.gov

MANAGEMENT RESPONSE:

DMB concurs with the recommendation. As part of our annual budget process review of Stormwater funding sources and the spending plan for stormwater operations, facilities and infrastructure we will review the indirect cost allocations charged to STW to offset General Fund costs associated with central support services provided to the STW program. As part of this review, we will work with Stormwater staff to determine the appropriate indirect cost allocation. Since these estimates will be included as part of the budget plan, our estimated completion date is February 28, 2021.

WORK ORDER TRACKING & COMPLETION ASSESSMENT

Risk Ranking

MEDIUM

STW Maintenance Operations (MOPs) uses Infor Enterprise Asset Management (EAM) system to manage maintenance work orders. We reviewed a sample of **10** (Priority 1-3) maintenance work orders such as; pipe cave-ins (*pipes sinking into soil*), pond maintenance (*management of stormwater runoff*), pipe blockage (*drainage/blockage of pipe*) and erosion (*erosion of land*). Included in the work order review was a time-to-complete analysis. Below are the results:

- The 10 work orders time-to-complete analysis were:
 - **Completion of Construction** / Priority 1: 47 - 6 days, Priority 2: 280 – 5 days, Priority 3: 98 – 49 days.
 - **Work Order Closeout** / Priority 1: 83 - 37 days, Priority 2: 109 – 9 days, Priority 3: 238 – 29 days.
 - No Best Management Practice (BMP) standards were identified for work order closeout.
- 1 out of 10 (or 10%) of the work order sample the **work was completed** in 47 days. This was a Priority 1 work order. The BMP for these work orders is to the complete Priority 1 work orders within 2 weeks.
- We also noted bottlenecks for work order closeouts were; warehouse review & reconciliation days between 238 – 9 days.

We noted in this section of the review, three business areas in the work order process flow whereby the following dates/data were not captured; received by maintenance operations team, warehouse review, and reconciliation of materials & labor to work performed.

Work order management is an integral tool for maintaining proper technical records of all work performed on assets. These records are important to provide; evidence to insurers and regulatory bodies, data for maintenance strategies, create defect-elimination programs and forecast long-term capital requirements.

The STW Maintenance Facilities Post Construction BMP Policies and Procedures standards were used as targets to analyze the information above.

Recommendation

We recommend, staff work with the appropriate agency (e.g. DIT) to incorporate a mechanism for tracking the following information (dates):

- Work orders received by the maintenance operations team,
- Work orders received by warehouse staff for review of work performed, and
- Work order materials & labor reconciliations to work performed.

We also recommend staff use this data collection enhancement to work with the other stormwater operation teams (that are part of the work order process) to track and identify opportunities to reduce these hold times. The results of these efforts should be leveraged to reduce the overall work order closeout times.

**Fairfax County
Office of Financial and Program Audit**

Lastly, to facilitate the continued enhancement and overall management of the work order process; we recommend that the STW Maintenance Operations Team enhance the BMP to include the target times to complete work performed by the business areas in the process flow; maintenance operations, the warehouse and MOPs administrations. The inclusion of these areas in the MOPS could be used to assist staff with managing the completion and closeout of work orders.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Randy Bartlett (Director, DPWES)	March 31, 2021	Randy.Bartlett@fairfaxcounty.gov
Chad Crawford (Director, STW MSM Div.)		Chad.Crawford@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Staff agrees that the tracking tools currently in place to track work orders received by maintenance and operations, reconciliation, and warehouse lacks mechanisms required to track and reduce hold times. As such, staff will begin to convene meetings with the agency's business support team to flesh-out reporting requirements to see if new reports can be developed that would be used to track and identify opportunities to reduce hold times

Further, staff agrees to review and enhance the BMP which includes target times to complete work performed and ensure staff are trained on the current BMP which will help with accuracy and consistency of the work orders. That said, it should be noted that the target times for completion are simply "targets" as levels of service are highly variable and dependent on seasonal fluctuations in volume and work order duration (for example, durations for levels of service often get longer when service requests go up from severe rain events). And, that the existing tracking system does not provide dynamic estimated completion dates on actual work download.

**Fairfax County
Office of Financial and Program Audit**

BACKLOGGED STORMWATER MAINTENANCE REQUESTS

Risk Ranking

MEDIUM

STW MOPs department performs stormwater related maintenance throughout the County. These inquiries are initiated by constituents, contractors, staff, etc. via phone or email. At the time of the study, we identified **28 of 204 (or 14%) Priority One** Maintenance Operations Work Orders that remained open between **2018 to 2020**. The agency standard for closing priority one work orders is immediate to 2 weeks. **19 out of 28 (or 68%)** of the work orders reviewed exceeded the completion standards for the agency. A summary of the analysis is below:

- **19 out of 28 (or 68%)** are not completed
- **3 out of 28 (or 11%)** are running work orders
- **5 out of 28 (or 18%)** the work is completed but work order not closed out
- **1 out of 28 (or 4%)** STW MOPS did not have a completed date

Further to the process review; with the assistance of management; it was identified that **11 out of 28 (or 39%)** of the maintenance work orders were incorrectly categorized as Priority 1.

Work order management, planning and scheduling not only provide cost control and structure for executing work; they are also in place to maintain proper technical records of all work performed on assets. These records are important to provide; evidence to insurers and regulatory bodies, data for maintenance strategies, create defect-elimination programs and forecast long-term capital requirements.

Recommendation

To avoid an adverse collective impact on work order management; we recommend staff review these work orders to identify systematic gaps for remedies. STW staff should use this information to ensure that work was performed and closeout work orders timely (*in accordance with standards where obtainable*).

Action Plan

Point of Contact	Target Implementation Date	Email Address
Randy Bartlett (Director, DPWES)	March 31, 2021	Randy.Bartlett@fairfaxcounty.gov
Chad Crawford (Director, STW MSM Div.)		Chad.Crawford@fairfaxcounty.gov

MANAGEMENT RESPONSE:

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Staff agrees to review work orders to identify systemic gaps for remedy. This task will also build-off of the effort with the Work Order Tracking & Completion Assessment finding, that includes a review of the tracking system so see if reports can be created to track and identify opportunities to identify problem areas.

That said, it should be noted that the target times for completion are simply “targets” as levels of service are highly variable and dependent on seasonal fluctuations in volume (for example, durations for levels of service often get longer when service requests go up from severe rain events). And, that the existing tracking system does not provide dynamic estimated completion dates on actual work download.

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UNRECONCILED CONSUMABLE INVENTORY

Risk Ranking

LOW

Included in our testing was an onsite review of **15 out of 250 (or 6%)** STW consumable inventory. Based on the sample selected, we noted **3 out of 15 (or 20%)** of the physical inventory count did not reconcile to STW records. The tracking document did not include issue date, co-initial, quantity and return date. It is important to keep track of all inventory to perform reconciliations to ensure that counts in the County's records match on-hand inventory stock. Untracked/unmatched inventory exposes the County to inventory loss, shortages, surpluses, etc. The onsite inventory existence testing results are presented in **Appendix G**.

Recommendation

We recommend the record keeping for inventory picking is standardized to include; issue date, co-initial, quantity and return date. Develop and implement a standard procedure for recording the picks as soon as they leave and return to the warehouse. This practice could reduce potential variances at the end of the year that could take up lots of time to research and correct. Since inventory is commonly a vulnerable asset, this practice is a valuable inventory management tool.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Randy Bartlett (Director, DPWES)	August 31, 2020	Randy.Bartlett@fairfaxcounty.gov
Chad Crawford (Director, STW MSM Div.)		Chad.Crawford@fairfaxcounty.gov
Anand Goutam (Financial Manager, WW)		Anand.Goutam@fairfaxcounty.gov
Kathy Doyle (FS III, WW)		Kathy.Doyle@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Stormwater Management agrees it is important to keep track of all inventory to perform reconciliations to ensure that counts in the County's records match on-hand inventory stock. STW will develop and implement a standard procedure to include issue date, co-initial, quantity, and return date to track and record all inventories taken from the warehouse on a temporary basis.

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TIME-TO-COMPLETE ANALYSIS: STW FY19 CAPITAL PROJECTS

FOR INFORMATIONAL PURPOSES ONLY

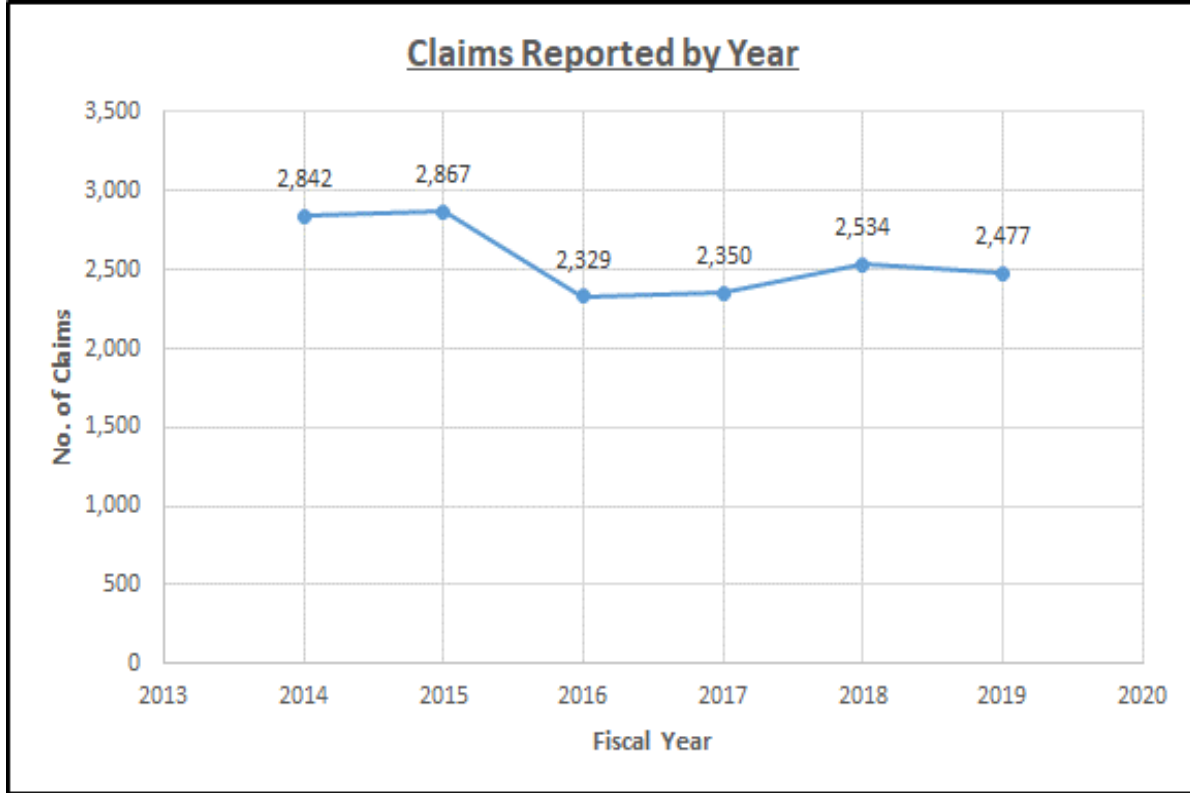
STW operations and capital project requirements are funded through a special service district levy which is approved annually by the Board of Supervisors (BOS). We performed a cursory review of a sample of five STW construction projects. This review was in the form of a comparative analysis re: Time-to-Complete. The Design Phase of the **Stream & Water Quality Improvements - Bull Neck Run at Spring Hill** project was an outlier which was discussed with the engineer in charge of the project. **The days in the design phase of this project was 1,525.** The design phase includes developing a scope of work (SOW) and design for the project. The STW Planning Division completes the SOW and hands it off to the design team (a contractor) to complete the design. The process for this project involved several communications and iterations of the plan to complete this design. **OFPA found the process to be unremarkable, with this additional note that all projects were completed within the contract terms. OFPA passes on this anomaly identified through this cursory review.** The results of this cursory comparative analysis are below:

Comparative Analysis: Time to Complete FY19 Capital Projects (at Substantial Completion)								
Sample Attributes				Design Phase	Construction Phase			Comments
Project Number	FUND #	Name	Total	Day In Process	Day In Process	Substantial Completion Date	End of Contract Period	
SD-000037-001	400-C40101	Huntington Floodwall	\$37,311,706.60	914	904	6/28/2019	6/28/2020	All Construction Projects Completed Before End of Contract Period
SD-000031-161	400-C40101	Stream & Water Quality Improvements - Pohick Creek Trib @ Green Tree Stream Restoration	\$3,144,061.41	614	435	4/2/2019	4/4/2019	
SD-000031-131	400-C40101	Stream & Water Quality Improvements - Bull Neck Run at Spring Hill	\$2,042,459.96	1525	361	6/11/2019	6/14/2019	
SD-000031-148	400-C40101	Stream & Water Quality Improvements - Lake Martin Tributary @ Foxwood HOA	\$1,655,301.00	812	259	11/8/2018	12/15/2018	
SD-000031-138	400-C40101	Stream & Water Quality Improvements - Pohick Creek @ Queen Victoria	\$3,190,979.07	450	401	12/7/2018	2/23/2019	

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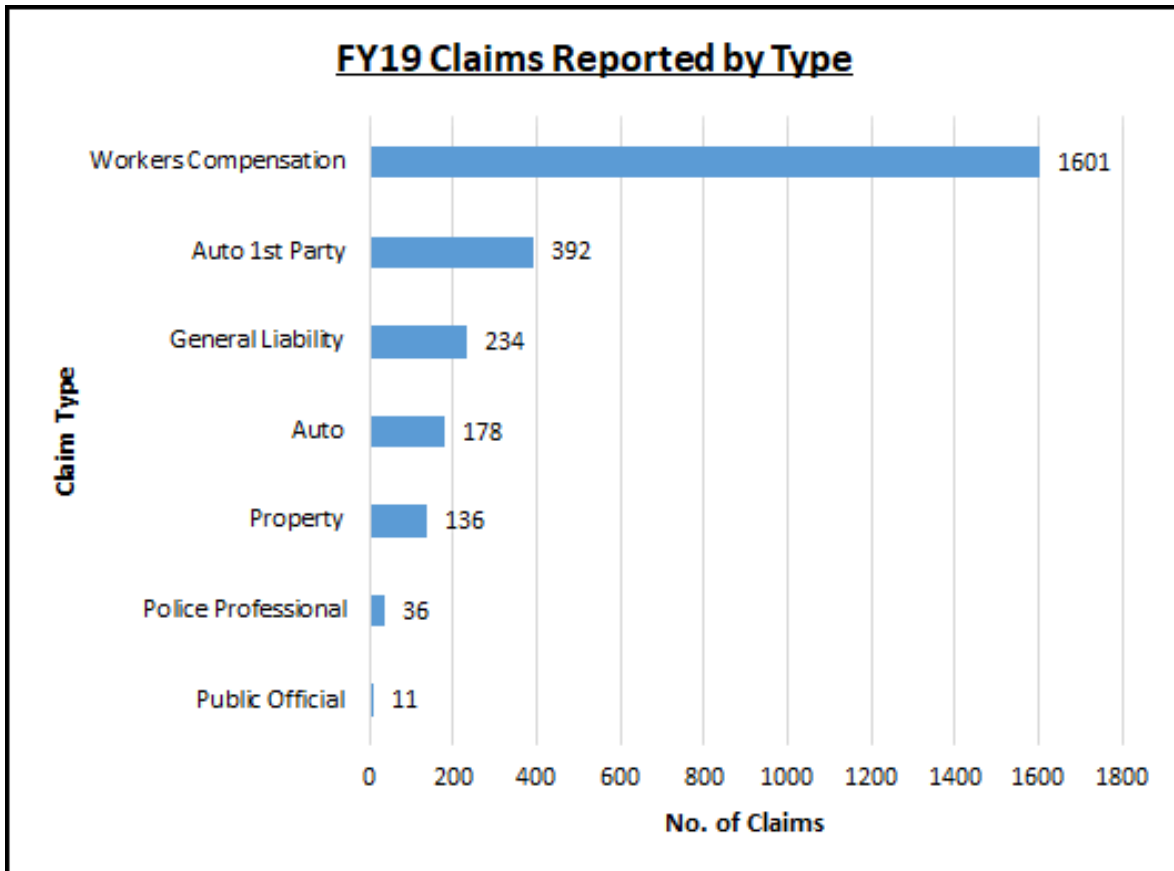
APPENDICIES

APPENDIX A



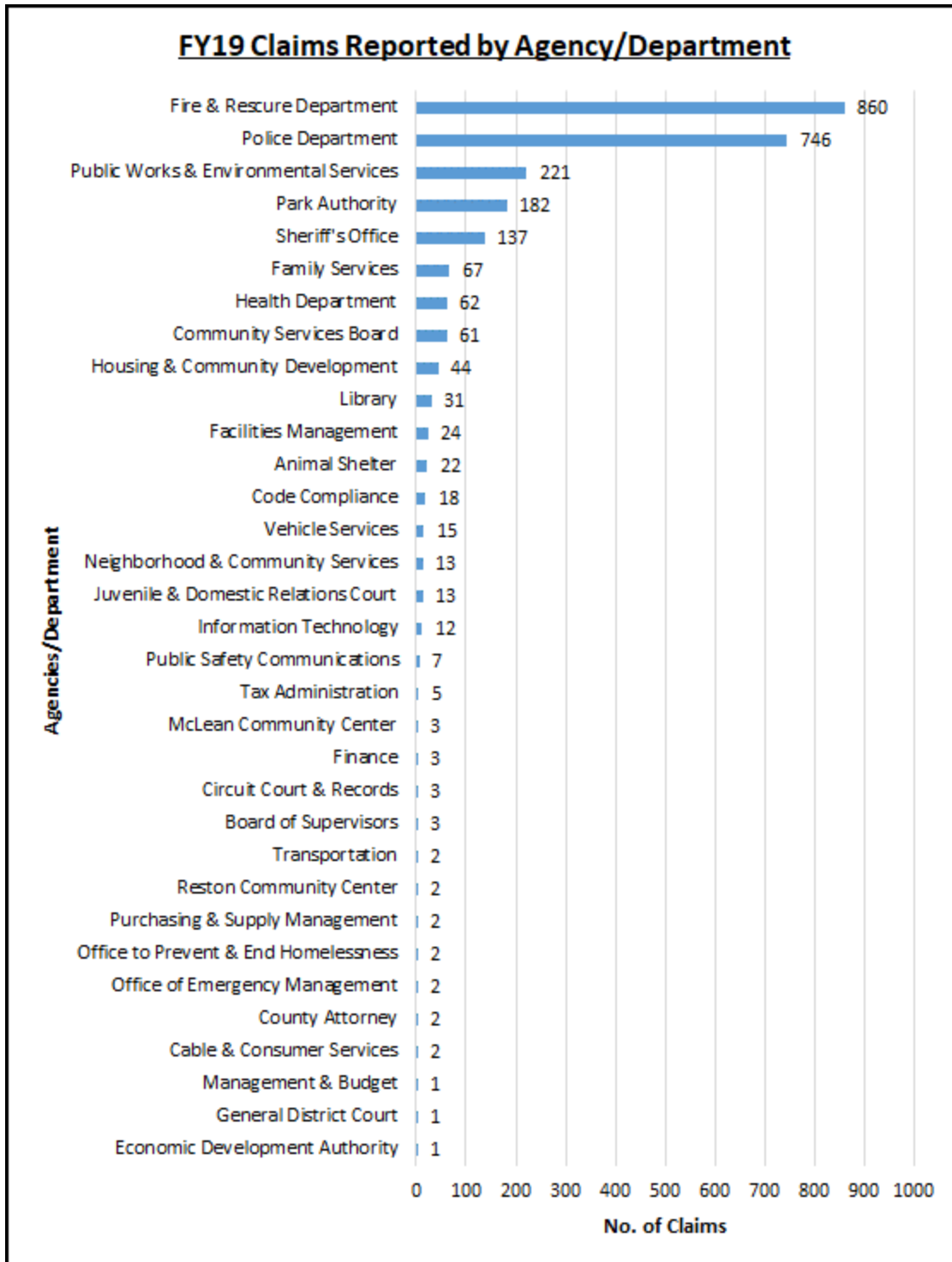
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APPENDIX A (Cont'd)



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APPENDIX A (Cont'd)



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APPENDIX B

Third-Party Uncollected Aged Balances									
Claim No.	Loss Date / Claim Date	Inv. Date Subrogation (1) Proofs	Subrogation Proof Days Outstanding	Original Inv. Amt. to Adverse Party	Uncollected Funds from Adverse Party	Diff	Age of Claim In Days (Only includes workdays)	Annual Conversion (Years)	Last Claim Review by RMD (Month/Yr)
FX-17-001892	12/13/2016	3/11/2019	310	\$4,949.24	\$4,949.24	\$0.00	773	2.96	June-19
FX-18-002433	7/25/2017	1/17/2018	728	\$418.81	\$418.81	\$0.00	619	2.37	August-19
FX-18-002548	9/2/2017	10/22/2018	450	\$0.00	\$0.00	\$0.00	590	2.26	January-20
FX-18-002769	1/4/2018	8/29/2018	504	\$3,899.72	\$3,899.72	\$0.00	508	1.95	January-20
FX-18-002788	1/13/2018	4/9/2018	646	\$12,154.00	\$12,154.00	\$0.00	501	1.92	January-20
FX-18-101108	5/22/2018	7/31/2018	533	\$1,969.00	\$1,969.00	\$0.00	412	1.58	January-20
FX-18-003172	6/12/2018	Subrogation Not Issued	N/A	\$75,000.00	\$75,000.00	\$0.00	N/A Claim Closed	N/A Claim Closed	September-19
FX-19-101186	7/18/2018	8/7/2019	161	\$0.00	\$0.00	\$0.00	373	1.43	October-19
FX-19-003305	9/7/2018	Subrogation Not Issued	N/A	\$7,227.00	\$7,227.00	\$0.00	337	1.29	October-19
FX-19-003382	9/18/2018	3/13/2019	308	\$9,347.08	\$9,347.08	\$0.00	330	1.26	October-19
FX-19-003338	9/21/2018	11/15/2018	426	\$3,495.00	\$3,495.00	\$0.00	327	1.25	August-19
FX-19-003361	10/14/2018	VFIS Performing Subrogation / RMD initial contact was 11/3/2018	438	\$3,000.00	\$3,000.00	\$0.00	312	1.20	December-19
FX-19-003410	11/2/2018	Subrogation Not Issued	N/A	\$12,556.18	\$12,556.18	\$0.00	298	1.14	January-20
FX-19-003403	11/7/2018	Subrogation Not Issued	N/A	\$3,786.78	\$3,786.78	\$0.00	295	1.13	August-19
FX-19-003398	11/8/2018	3/29/2019	292	\$2,911.58	\$2,911.58	\$0.00	294	1.13	January-20
FX-19-101350	11/20/2018	3/14/2019	307	\$3,500.00	\$3,500.00	\$0.00	287	1.10	November-19
FX-19-101366	12/3/2018	VFIS Performing Subrogation / RMD initial contact was 1/2/2019	378	\$1,500.00	\$1,500.00	\$0.00	279	1.07	December-19
FX-19-101368	12/5/2018	3/19/2019	302	\$23,395.00	\$23,395.00	\$0.00	277	1.06	January-20
FX-19-003446	12/5/2018	1/24/2019	356	\$3,600.00	\$3,600.00	\$0.00	277	1.06	October-19
FX-19-003429	12/15/2018	6/14/2019	215	\$2,638.72	\$2,638.72	\$0.00	269	1.03	November-19
FX-19-003430	12/15/2018	1/3/2019	377	\$10,732.36	\$10,732.36	\$0.00	269	1.03	January-20
FX-19-003520	1/20/2019	1/23/2019	357	\$15,253.01	\$15,253.01	\$0.00	247	0.95	November-19
FX-19-003628	2/19/2019	4/18/2019	272	\$2,306.00	\$2,306.00	\$0.00	228	0.87	November-19
FX-19-003680	3/8/2019	4/16/2019	274	\$1,500.00	\$1,500.00	\$0.00	215	0.82	August-19
FX-19-003684	3/15/2019	Subrogation Not Issued	N/A	\$183.00	\$183.00	\$0.00	210	0.80	September-19
FX-19-003831	4/30/2019	Subrogation Not Issued	N/A	\$174.68	\$174.68	\$0.00	178	0.68	August-19
FX-19-003890	5/16/2019	Subrogation Not Issued	N/A	\$3,500.00	\$3,500.00	\$0.00	166	0.64	November-19
FX-19-003928	5/24/2019	Subrogation Not Issued	N/A	\$1,000.00	\$1,000.00	\$0.00	160	0.61	November-19
FX-19-004002	6/13/2019	6/27/2019	202	\$1,707.50	\$1,707.50	\$0.00	147	0.56	September-19
FX-19-004039	6/22/2019	8/22/2019	146	\$690.20	\$690.20	\$0.00	140	0.54	January-20
Total Uncollected External Party Fault Claims Balance:					\$212,394.86				

Note (1): Legal right to pursue a third party to recover the amount of the insurance loss to the insured party.

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APPENDIX C

FY19 Interagency Repair Claims Reimbursement Review							
Sample Attributes					Testing Attributes		
Claim No.	Loss Date / Claim Date	Repair Date	Status / Closed Date	Paid Total	Funding Source	Unreimbursed Funds to Agency	Comments
FX-19-003360	10/14/2018	N/A	Closed 8/13/2019	\$138.42	(VFIS) External County Insurance	\$138.42	Agency determined no repairs are needed on 10/14/2018
FX-19-003398	11/8/2018	11/20/2018	Open	\$2,676.41	Third-Party Insurance	\$2,676.41	Repair Performed by DVS
FX-18-003021	12/28/2017	N/A	Open	\$4,265.00	Third-Party Insurance	\$4,265.00	Vehicle determined totaled on 1/11/2018
Unreimbursed Interagency Repair Claims:						\$7,079.83	

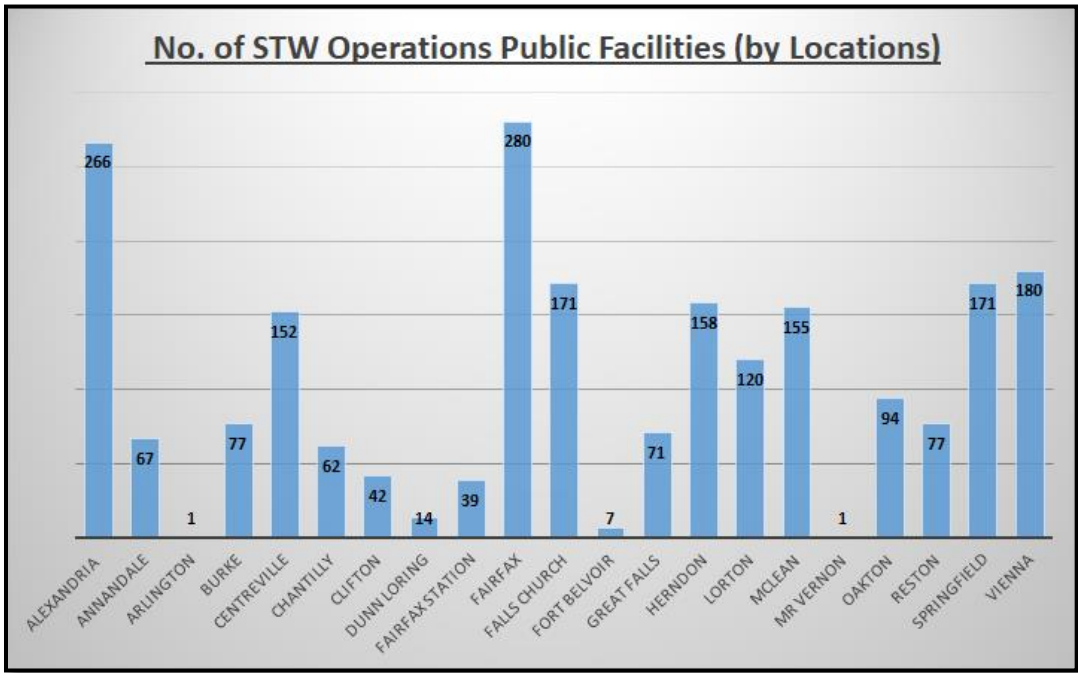
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APPENDIX D

Claims Submission / Timeliness Review					
Claim No.	Claim Type	Loss Date / Claim Date	Report Date	Close-Out Date	Claims Submitted Past RMD Guidance
FX-19-003479	Property	11/13/2018	1/7/2019	3/12/2019	2 Months Past RMD Guidance
FX-18-050983	Workers' Comp	2/15/2018	2/20/2018	3/21/2019	3 Days Past RMD Guidance
FX-18-051092	Workers' Comp	3/19/2018	3/22/2018	12/14/2018	1 Day Past RMD Guidance
FX-18-003186	Auto 1st Party	3/1/2018	7/9/2018	7/13/2018	4 Months Past RMD Guidance
FX-19-003377	Public Officials	9/10/2018	11/6/2018	11/28/2018	2 Months Past RMD Guidance
FX-18-051003	Workers' Comp	1/31/2018	2/26/2018	11/6/2018	24 Days Past RMD Guidance
FX-18-051066	Workers' Comp	1/5/2018	3/14/2018	2/18/2019	2 Months Past RMD Guidance
FX-18-051192	Workers' Comp	4/8/2018	4/14/2018	12/10/2018	4 Days Past RMD Guidance
FX-18-002798	Auto 1st Party	1/20/2018	1/23/2018	5/7/2019	1 Day Past RMD Guidance
FX-18-003006	Property	3/2/2018	4/16/2018	3/1/2019	1 Month Past RMD Guidance
FX-19-003583	Auto 1st Party	2/5/2019	2/8/2019	6/7/2019	1 Day Past RMD Guidance
FX-18-003080	Property	3/2/2018	5/11/2018	5/1/2019	2 Months Past RMD Guidance
FX-19-003790	Police Professional	4/14/2019	4/18/2019	4/22/2019	2 Days Past RMD Guidance
FX-19-003458	Auto 1st Party	12/23/2018	12/26/2018	5/7/2019	1 Day Past RMD Guidance

Fairfax County
Office of Financial and Program Audit

APPENDIX E



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Office of Financial and Program Audit**

APPENDIX F

STW MOPS Work Order Time-to-Complete Analysis										
Sample Details			Initiation & Assignment Phase			Work Phase		Close-Out Phase		Total Days
Priority	Maintenance Work Order	Description	Creation Date	Assigned to Techs	Number of Days (Workdays)	Work Completion Date	Number of Days (Workdays)	Work Order Close-out Date	Number of Days (Workdays)	
PRI3 (Priority 3)	1637369	FY17-0031DP NRM SRD MOPS	3/3/2017	N/A	N/A	7/21/2017	98	7/2/2018	238	336
PRI2 (Priority 2)	1664093	FY18-1468DP NRM SRD MOPS	7/12/2017	N/A	N/A	8/22/2018	280	9/4/2018	9	289
PRI2 (Priority 2)	1672950	BLOCKAGE	8/14/2017	8/14/2017	0	8/1/2018	242	9/4/2018	24	266
PRI1 (Priority 1)	1705053	FY18-0595DP NRM MOPS	2/22/2018	N/A	N/A	3/7/2018	9	7/2/2018	83	92
PRI1 (Priority 1)	1723403	REMOVE BLOCKAGE @ WHITE FEATHER CT	5/23/2018	5/23/2018	0	6/1/2018	6	9/19/2018	77	83
PRI3 (Priority 3)	1723517	CAVE-IN @ ARGENT CIR	5/23/2018	6/1/2018	7	8/9/2018	49	9/19/2018	29	85
PRI1 (Priority 1)	1746923	Fill Pipe Cave-in @ Dodson Dr, 5002	8/27/2018	8/27/2018	0	11/1/2018	47	12/27/2018	37	84
PRI2 (Priority 2)	1753693	EROSION @ silver pine	10/4/2018	10/4/2018	0	12/18/2018	51	5/24/2019	109	160
PRI3 (Priority 3)	1757635	Remove Unauthorized connection @ Larkmeade Dr	No costs incurred by County / Work Performed by Property Owner			10/19/2019	No costs incurred by County / Work Performed by Property Owner			
PRI2 (Priority 2)	1781541	Remove Blockage @ Brookfield Ct	3/18/2019	3/18/2019	0	3/22/2019	5	4/11/2019	15	20

**Fairfax County
Office of Financial and Program Audit**

APPENDIX G

YTD Stormwater MOPS Consumable Inventory (Physical Existence) Testing					
Sample Attributes					Testing Attributes
Material No.	Material Description	Storage Location	Quantity	Value	Comments
21029174022	Arch, Pipe, Corr, Coated, 17" X 13"	S411	20	\$ 8,306.80	Reconciled
65834782552	Pipe, Concrete, Class III, T&G, 21",8'	S411	14	\$ 1,110.06	Reconciled
65846448200	Pipe, Asphalt Coated, 18" X 21'	S411	5	\$ 1,040.00	Reconciled
45089100502	Wheelbarrow, 6 Cu Ft Capacity	S411	6	\$ 959.94	Reconciled
21007240613	Catch, Basin Ring, 21-1/2"	S411	9	\$ 720.00	Reconciled
65997582518	Flared End Sections, Galvanized	S411	20	\$ 700.00	Reconciled
44543322067	Hoe, Mortar, Large	S411	12	\$ 654.34	Reconciled
44564881579	Screwdriver, Phillips,	S411	12	\$ 62.79	Reconciled
61579313000	Ruler, Folding, 6'	S411	4	\$ 61.48	Reconciled
48510391609	Broom, Street, 18"	S411	4	\$ 60.36	Reconciled
65927081300	Cap, Black, 1-1/2"	S411	21	\$ 60.06	Reconciled
45019260400	Hook, Clevis, 5/16"	S411	9	\$ 56.16	8 On Hand / 9 In System
34572514056	Mask, Dust	S411	6	\$ 54.91	Reconciled
80016180400	Boots, Rubber, Size 11	S411	2	\$ 54.70	1 Boot of a Pair Missing
44591253008	Wrench, Combination, 1/2"	S411	7	\$ 52.33	4 On Hand / 2 In System

**Fairfax County
Office of Financial and Program Audit**

PRIOR PERIOD RECOMMENDATIONS

Implemented

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Vehicle Accident Claims Process (DVS/DOF)</p> <p style="text-align: center;">June 2019</p>	<p>We recommend that parties involved in the accident claims process (potentially DVS, DOF, Agencies Served) liaise to enhance the accident claims process. This endeavor should be designed to gain assurance that all accident repairs are assessed for insurance coverage and payout, going-forward. Additionally, we recommend that DVS input claim numbers on the related work orders in the M5 system. The addition of the claims number in the Work Order/M5 will assist Risk Management and DVS in monitoring claims through the claims process, approvals/rejections, remittances, etc. An additional benefit to this process enhancement is, the reduction of agency fund expenditures related to accidents whereby these costs will be expensed through the Risk Management Division claims process.</p>	<p>August 1, 2019</p>	<p>Agencies are responsible for promptly reporting vehicle accidents to the Department of Finance (DOF), Risk Management Division. However, DVS and the DOF are in the process of liaising to include accident reporting in the County Fleet System, M5. Reports would be available to DOF as an additional control. The sample reviewed by OFPA identified differences in codes used by technicians responsible for repairing vehicles and some instances were noted where items listed as accidents were not accurate and; therefore, would not be handled by Risk Management.</p>
<p>Updated Management Response: DVS - DVS has given DOF, Risk Management Division access to M5 reporting adding the extra layer of control.</p> <p>DOF - Risk Management now has access to the M5 system and is using the system to establish reserves sooner in the claims process. In addition, Risk Management has met with DVS and has implemented a process to compare system data and advise DVS of claim numbers so they are documented in M5. A process has been implemented by Risk Management to pay repair facilities directly, which should expedite and enhance the billing and reimbursement process with agencies and DVS.</p>			
<p>Part Warranty Details in M5 (DVS)</p> <p style="text-align: center;">June 2019</p>	<p>We recommend that the part warranty data entry process is reviewed to enhance the identification of warranties and to improve the accuracy of warranty inputs in M5 going-forward. Imbedded in the M5 functionality is a warranty trigger, the enhanced data entry process and warranty trigger would increase the use of manufactures' warranty and reduce the use of County general fund dollars.</p>	<p>July 1, 2019</p>	<p>Part warranties are entered in M5 after a contract is established or renewed. The sample reviewed by OFPA identified some instances where warranty information was not included. DVS is working closely with the team responsible for entering part warranties and will ensure it is done on all new contracts immediately.</p>
<p>Updated Management Response: Part Warranties are entered in M5 as originally proposed.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Aftermarket Part Warranties (DVS) June 2019</p>	<p>DVS should explore opportunities within the existing reporting mechanism to track aftermarket part procurements, use, and warranties. This information should be used by staff to take advantage of warranties where available to reduce the use of County/agency funds.</p>	<p>July 1, 2019</p>	<p>An aftermarket part warranty flag can be used in MS. Starting July 1, 2019, staff will select the warranty flag for aftermarket parts purchased for non-preventative maintenance.</p>
<p>Updated Management Response: After-market non-preventative maintenance parts warranties are being flag in MS to reduce the use of County funds when warranties are available to cover repair cost.</p>			
<p>Fleet Vehicle Repair vs. Replace Analysis (DVS) June 2019</p>	<p>We recommend that DVS consider enhancing the current process to include analytics and maintenance thresholds (e.g. 30%) review for fully depreciated vehicles. This analysis could be performed on fully depreciated vehicles (based on a timeframe deemed appropriate by DVS management). This enhancement could assist in managing the fleet maintenance costs.</p>	<p>July 1, 2019</p>	<p>Starting July 1, 2019, when a vehicle that is ten model years or older is scheduled for a repair and/or maintenance service, DVS will review and consider all repair costs before performing the work. Repair costs that exceed 30 percent of the salvage value of the vehicle may result in the consideration of a vehicle replacement.</p>
<p>Updated Management Response: Any repairs exceeding \$1500.00 performed on any vehicle over 10 years old is reviewed by the facility Superintendent to determine if the unit is worthy of repair.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Vehicle Dispositions/Sales Net Revenue Support & Oversight (DVS)</p> <p style="text-align: center;">June 2019</p>	<p>We recommend that DVS liaise with the contracted auction vendors to develop a process of additional support (e.g. detailed payment receipts) being provided for vehicles sold going-forward. This information should be incorporated in the reconciliation/net revenue validation process to aid staff in gaining reasonable assurance of the accuracy of the net revenues being remitted to the County. With the payment receipts requested above, we recommend that DVS perform periodic reviews of payment receipts to sold vehicle documentation (on a sample basis in a timeframe deemed appropriate utilizing existing DVS staff). This process enhancement will provide DVS reasonable assurance that the County is being made whole for the sale of vehicles.</p>	<p>Complete</p>	<p>The importance of a Bill of Sale or payment receipt from the auction vendor was discussed with DVS during the audit. Effective May 22, 2019, DVS staff received access to and training on the auctioneers database. DVS has the ability to download a certified copy of the Bill of Sale/Purchase order, bidder information and reassignment form. DVS is using the information to confirm payments from the auctioneer match the Bill of Sale and Focus.</p>
<p>Updated Management Response: Recommendation implemented following completion of the study.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Tracking Overtime Worked in FOCUS (DFS) November 2018</p>	<p>We recommend that DFS liaise with DHR and the Office of the County Attorney (OCA) (and appropriate parties) regarding data documentation standards for overtime in FOCUS.</p>	<p>December 31, 2019</p>	<p>DHR - We initially thought they could use internal orders as a means to track the reason for OT. However, we realized that this approach won't achieve that goal. So, we will now move forward with advising agencies to use the notes field. We will begin the communication at the next HR Mgrs. meeting being held in July. / Notes field requirement added to DHR Policy as of 9-13-19.</p> <p>DFS - Per the attached email DHR Payroll Division Chief will be discussing the usage of the notes field for tracking OT and Comp Earned at the July HR Managers meeting (this is a meeting that includes all of the HR staff throughout the County).</p> <p>DFS is also going to implement an automated request form for employees to submit to their supervisor to request OT. DFS will have OT requests approved by Division Directors. Target implementation remains by December 31, 2019.</p>
<p>Updated Management Response: DFS developed an electronic Nintex form for the advance approval of overtime/comp time for each pay period. This Overtime e-form was implemented on November 1, 2019. All Overtime and Comp Time Requests route to the supervisor, and then on to the program manager if over 10 hours/pay period. Requests route to the division director if over 20 hours/pay period. The e-form also captures text for the advance justification for the overtime/comp time. Consistent with the recently updated Memorandum No. 8-Time and Attendance System and Controls, in Fall 2019 employees began to record notes in FOCUS explaining actual hours earned of Overtime or Comp Time. Division Directors have received regular feedback on the level of workforce compliance in recording these notes.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>BPOL License Monitoring and Issuance (DTA)</p> <p>February 2018</p>	<p>OFFPA recommends that DTA augment the current practices utilized to identify unlicensed businesses with enhancements such as incorporating the use of external databases for comparative analysis. Some examples of these suggested databases are; Chamber of Commerce, Dun & Bradstreet, Better Business Bureau or other sources deemed appropriate. Consideration should be given to performing this process utilizing electronic mechanisms e.g. file matching utilizing lookups. While we are aware that DTA staff (business tax specialists) are assigned areas of the County to search for new businesses that have not yet registered, we recommend this process be enhanced based on the above-mentioned approach. This process could be performed at the frequency and quantity deemed feasible utilizing the existing staff. Lessons learned could then be employed to refine the process to a state of diminishing returns or continued if needed.</p>	<p>January 31, 2020</p>	<p>In using the Business Integrity Solution of Lexis Nexis, bugs were discovered. We are working with the vendor to get the system fixes in place. We are also looking at other options such as CoStar and compstak.</p>
<p>Updated Management Response:</p> <p>We recently received the subscription for CoStar. System training completed on 1/16/20. CoStar provides commercial leasing activity. It provides who is leasing commercial space in Fairfax County. System also provides alerts with new tenants. The alert provides the tenant's name and the address of the commercial space leased. This allows us to keep track of new businesses coming in. CoStar also provides the capability to download information to a spreadsheet so that we can bounce it against our BPOL system and we can pursue discovery and compliance efforts on those not in our tax system.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Non-Minimum Staffing Overtime Not Recorded in Telestaff or Retained (FCFRD/DHR/DMB/DIT)</p> <p style="text-align: center;">October 2018</p>	<p>We recommend that FCFRD liaise with DHR, FBSSG, DIT and OCA (and appropriate parties) regarding a data documentation standard for overtime in FOCUS. This endeavor is being explored to enhance the tracking process for overtime worked and paid. While limited hard copy documentation is utilized to track non-minimum overtime worked by staff, capturing more specific overtime information in FOCUS should provide management more complete payroll records.</p>	<p>October 17, 2019</p>	<p>FCFRD utilizes Telestaff purely as a staffing tool for operational minimum staff field personnel; and is in compliance with county standards regarding payroll documentation retention. The Telestaff tool is not intended to capture all hours worked by all personnel. FCFRD recognizes FOCUS as the official record of hours worked and is in agreement with OFFPA that it would be ideal if FOCUS capabilities could be utilized for more robustly documenting overtime. To bring this recommendation to fruition, FCFRD will collaborate with appropriate parties to document and institutionalize existing capabilities; identify needed enhancements, and grant any identified additional FOCUS roles to supervisors so they may access the necessary reporting modules to review time entries thoroughly.</p> <p>The FRD has recently discovered FOCUS allows for personnel to provide justification/documentation for each time entry. The FRD will work with HR to develop policy requiring personnel to provide justification for all non-minimum staffing overtime. Once the policy is developed and implemented it will be incorporated into the Time and Attendance Manual.</p>
<p>Updated Management Response: Informational Bulletin 2019-149 providing guidance to the department regarding documentation of overtime in FOCUS. This will be incorporated in the T&A Manual when revised.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Oversight of Fund Manager Fees (RAA) March 2017</p>	<p>Validation of management and other fees is performed and request the fund managers remit all supporting documentation for assessed fund expenses.</p>	<p>July 1, 2019</p>	<p>Development has begun in Azure on the expense management aspect of the Retirement System's infrastructure. The entire project has experienced significant delays in development due to a combination of Fairfax County's DJT processes, cloud environment challenges, and sub contractor resource issues. While development is underway, the Retirement Systems has researched and enhanced the future oversight processes and will be able to provide more analysis around reconciling fees and expenses to legal contracts and well as higher-level fund analysis that impacts the fees of individual investors. Barring additional obstacles, RAA expects to roll out a complete process and reporting mechanism by 31-December-2019.</p>
<p>Updated Management Response: RAA has constructed the infrastructure necessary to perform the analysis on all investments. At this time, only a handful of investments have been set up, which will be provided as example of the procedure created for this audit recommendation.</p>			

**Fairfax County
Office of Financial and Program Audit**

In-Progress

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>FCHD Aged Receivables Write-Offs (FCHD) October 2019</p>	<p>Services provided by FCHD to the County are unique, we recommend that FCHD determine a cut-off date for aged receivables and perform write-offs of the respective balances. The write-off of these receivables will clean-up the agency's books and ensure compliance with the applicable policies.</p>	<p>April 30, 2020</p>	<p>The Health Department will consult internally and with external partners such as the Department of Finance and/or the Department of Tax Administration to establish a reasonable and informed cut-off date for current and future aged receivables. We are currently engaged in the process to procure a new Electronic Medical Record system to replace Avatar. During the implementation of the new system, we will not transfer aged receivables that exceed the established cut-off date, unless subject to different requirements as dictated by pertinent record retention policies.</p>
<p>Updated Management Response: In progress, Targeted Implementation Date remains April 30, 2020.</p>			
<p>FCHD Waiver Process (FCHD) October 2019</p>	<p>We recommend that FCHD develop and implement a documented process whereby periodic reports are run (in a timeframe deemed appropriate utilizing existing FCHD staff) for the waivers coded as NTST Default Payer. FCHD staff should perform reviews on a sample basis and address any anomalies identified. This periodic review should provide FCHD staff with reasonable assurance that the waivers of fees for eligible clients were properly performed.</p>	<p>April 30, 2020</p>	<p>The Health Department will establish a semi-annual review of a sampling of these transactions to ensure that the individuals meet the eligibility criteria of being aged 18 or under.</p>
<p>Updated Management Response: In progress, Targeted Implementation Date remains April 30, 2020.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
Late Fees Tracking (FCHD) October 2019	We recommend that FCHD include and track late fees within the new system barring any statutes, if EAR is procured and implemented. This enhancement to the process should assist staff in ensuring the full amount owed including late fees are collected resulting in additional revenues for this agency.	April 30, 2020	Avatar does not have the functionality to assess and track penalty and interest amounts for overdue accounts. However, the Health Department did include this functionality as a requirement in the procurement process for the new Electronic Medical Record system. Procurement is anticipated to be complete in FY 2020, with implementation activity beginning in the 4th quarter of FY 2020 or early in FY 2021.
Updated Management Response: In progress, Targeted Implementation Date remains August 31, 2020.			
Pharmacy Inventory Audit Process (FCHD) October 2019	We recommend that FCHD perform inventory audits more frequently as deemed sufficient to address the issue, with existing staff (e.g. weekly). This process could assist staff with ensuring inventory records properly reflect physical counts. This enhancement should also assist in reducing rework required to identify inventory additions, relief, waste, etc. Additionally, FCHD should update any applicable policies with these enhancements to ensure staff at the District Offices are following procedure.	March 31, 2020	The Assistant Director for Health Services and the Senior Pharmacist have developed a process for periodic inventory audits which will be conducted across all five District Offices. Vaccine inventory policies will be updated to reflect these audit processes. We anticipate that a final approved and operationalized policy will be in place by March 2020.
Updated Management Response: In progress, Targeted Completion date remains March 31, 2020.			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>Vaccine Use & System Tracking (FCHD)</p> <p style="text-align: center;">October 2019</p>	<p>We recommend that FCHD develop and document a required timeframe (deemed appropriate by FCHD management) to perform data entry of vaccine usage (e.g. by end of week). This process should assist staff in maintaining the appropriate inventory levels and assist with the inventory audit counts performed. Lastly, FCHD should update any applicable policies with this enhancement to ensure the District Offices are following procedure.</p>	<p>March 31, 2020</p>	<p>The Assistant Director for Health Services and the Health Services Business Manager will develop a process that clearly defines and establishes timelines for data entry for services. Clinical and administrative policies will be updated to reflect these processes. We anticipate that a final approved and operationalized policy will be in place by March 2020.</p>
<p>Updated Management Response: In progress, Targeted Completion date remains March 31, 2020.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>Vaccine Use & Inventory Tracking (FCHD)</p> <p>October 2019</p>	<p>We recommend that FCHD formalize inventory relief process, e.g., relieve used inventory real-time, to address the issue utilizing existing staff. This tracking process enhancement could assist with gaining reasonable assurance of inventory accuracy. Additionally, FCHD should update any applicable policies with these enhancements to ensure staff at the District Offices are following procedure.</p>	<p>March 31, 2020</p>	<p>The Health Department is currently engaged in the process to procure a new Electronic Medical Record system. We anticipate that this new system will include features and tools to automate the tracking of vaccine doses distributed to the District Offices. Procurement is anticipated to be complete in FY 2020, with implementation activity beginning in the 4th quarter of FY 2020 or early in FY 2021. In the interim, we have identified an opportunity that would facilitate improved tracking in vaccine administration. We will be transitioning from multi-dose vial vaccines of Typhim to a single dose formulation. We will consume existing inventory and new orders will be made for this specific dosage form. For our second multi-dose vial vaccine, which is Polio, the only formulation available is a multi-dose vial. This requires the nurse to estimate inventory counts. Any wastage is documented on the PAY Wastage Form and sent to the pharmacy every month to help with reconciliation. The pharmacy will develop a formal inventory process and procedure to be in place by March 2020.</p>
<p>Updated Management Response: In progress, Targeted Completion date remains March 31, 2020.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p align="center">Direct Issue Parts Tracking (DVS)</p> <p align="center">June 2019</p>	<p>While we are not aware of theft related to the direct issue parts, we recommend that DVS implement a tracking process for these items. This tracking mechanism should account for all direct issue parts waiting for return. The tracking report/mechanism should list the relevant data points associated with the current inventory tracking process. This tracking enhancement should provide reasonable assurance that all DVS parts can be properly accounted.</p>	<p align="center">June 30, 2020 (Updated)</p>	<p>Direct issue parts or special orders are required when a repair requires a part that is not stocked by DVS. Direct issue parts are ordered by the Parts Management Team and billed directly to the work order. The parts are tracked on an internal spreadsheet until they are received by the technician at the DVS Parts Counter. DVS will review options in MS that may enable the Parts Team to enhance the process.</p>
<p><u>Updated Management Response:</u></p> <p>DVS reviewed tracking options in MS for direct issue parts and special orders. Unfortunately, a reasonable solution was not identified. A Management Analyst II position was recently filled and the incumbent is responsible for oversight of all inventory at all four parts rooms. The position will be evaluating stocking parameters and provide guidance on a tracking mechanism for direct issue parts. We expect a solution by June 2020.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>FCRP 3rd Party Contractor Net Revenue Support & Oversight (DHCD)</p> <p>June 2019</p>	<p>We recommend that DHCD liaise with the respective third-party property management contractors to obtain remittance support for a sample of properties going-forward as available by the executed vendor contract. This support should be obtained to facilitate the oversight of their revenue collections, off-book accounting, and to gain reasonable assurance of the accuracy of the remitted net revenue.</p> <p>Following receipt of third-party contractors' net revenue support, OFPA recommends that DHCD perform periodic self-managed audits (on a sample basis in a timeframe deemed appropriate utilizing existing DHCD staff) of the gross revenues and netted expenses, to confirm the accuracy of remitted net revenues.</p>	<p>Part 1 : June 30, 2020 (or earlier)</p> <p>Part 2: June 30, 2021</p>	<p>DHCD concurs with the OFPA recommendation. It is important to note that DHCD understands the need for audits and has personnel resource constraints that present a challenge relative to conducting regular audits. In FY 2020, DHCD will periodically, on a sample basis, ask third-party management contractors to provide remittance support for revenues and expenditures to gain a reasonable assurance of the accuracy of remitted net revenues to DHCD.</p> <p>DHCD will also seek to determine how resources can be obtained to conduct self-audits. With resources, DHCD/ or hired contractors can perform periodic, sample based, self-managed audits of the third-party transactions and detailed records to audit and confirm the accuracy of financial data that is provided. Third party management companies follow accounting practices in accordance with Fairfax County and governmental accounting requirements, using industry standard software for property management. Ideally, if funding resources allow, DHCD can require a periodic external contracted financial reviews of the third party financial data, annually, in the form of a "financial compliance review" which is submitted as a report to DHCD giving assurance of remitted net revenues and financial figures; this will give further assurance before figures are consolidated in the overall financial audit report for the FCRHA.</p>
<p>Updated Management Response:</p> <p>DHCD has initiated an effort to receive transaction reports from third party sites and select samples of revenues and expenditures in order to audit and gain reasonable assurance of accuracy in reporting of the net revenues that are remitted to DHCD. This effort will be completed for the target implementation date of June 20, 2020 for this latter part 1 of this initiative. The second part 2 is being addressed by providing third parties templates reflecting Fairfax County governmental accounting requirements for consistent reporting for easier review. A financial compliance review of the third party data is an initiative for FY 2021 depending on resources.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p style="text-align: center;">FCRP Operating & Capital Reserves (DHCD)</p> <p style="text-align: center;">June 2019</p>	<p>OFPA recommends that consideration is given to developing; a replenishment strategy, target reserve balance and an annual contribution to the reserve balance (as deemed appropriate by DHCD management). These process enhancements should assist staff in ensuring funds exist should they be needed for FCRP properties operations or capital needs.</p>	<p style="text-align: center;">Completed</p> <p style="text-align: center;">Part 1: June 30, 2020</p> <p style="text-align: center;">Part 2: June 30, 2021</p>	<p>The majority of DHCD properties, which include all Third-party managed properties, Rental Assistance Demonstration (RAD) properties and Partnership properties, have reserves and annual reserve replenishment requirements in place although these properties were not within the scope of this audit review. FCRP currently has a reserve of approximately \$5.3M for both operating/ capital needs that may arise. DHCD is in the process of converting many of its internally managed FCRP properties into third party management and oversight to gain efficiencies. The latter strategic direction for the FCRP program is to gain cost and program efficiencies to improve the net financial results of the FCRP program so that reserve contributions can occur for internally managed properties. DHCD will develop a policy to set aside 1-2% of annual rental revenues as Operating/Capital Reserve but will seek to consultant guidance and will request a benchmark study on the amount of set-aside that is acceptable as an industry standard. A documented replenishment strategy and policy will be created for the FCRP internally managed program and properties.</p>
<p>Updated Management Response: DHCD properties which include both internally managed and third party managed properties will be required to hold a reserve by June 30, 2020. RAD properties presently hold a HUD required capital reserve on an annual basis. FCRP properties will begin the effort of a 1% reserve set aside of annual rental revenue as a required Capital Reserve beginning FY 2020. In FY 2021, DHCD will seek a benchmark analysis to determine the proper level of an acceptable set aside based on industry standards.</p>			
<p style="text-align: center;">Contractor Invoice Charges Oversight (DHCD)</p> <p style="text-align: center;">June 2019</p>	<p>OFPA recommends consideration is given to DHCD staff in compiling annual contractor rate sheets and other related tools that would provide staff approving expenditures with readily available information on the agreed contract terms. These tools could provide staff with resources to verify and approve expenditures without encumbering the process with detailed research.</p>	<p style="text-align: center;">June 30, 2020 (Updated)</p>	<p>DHCD will implement standard contractor rate sheets for all major contracts. These contract rate sheets will serve as a tool and will include a summary of contracted terms for labor hours, labor rates, contract rates, material rates and overhead. Contractor rate sheets will be updated annually, or when contracts are renewed, so that program staff who are conducting an invoice reviews can easily refer to these summarized contract guidelines before signing off for payment. This will make the process of review more efficient and will assure the correct payment is being made.</p>
<p>Updated Management Response: DHCD is working to comply with review of contractor rate sheets for all major contracts for program staff who conduct invoice reviews before sign-off. This will include primarily maintenance staff and property management staff. This effort will need more time and will be completed by June 30, 2020.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Rental Revenue Maximization (DHCD)</p> <p style="text-align: center;">June 2019</p>	<p>OPFA recommends that DHCD perform rental rate increase analyses on the FCRP properties to identify opportunities for revenue enhancement. If opportunities exist, DHCD should employ existing rent rating tools to implement rate adjustments where appropriate. The potential revenue garnered by implementation of rental increases would assist in closing the gap between operating costs & net revenues where exists.</p>	<p style="text-align: center;">June 30, 2020 (Updated)</p>	<p>DHCD initiated a review of existing rents in February 2019 with a goal of revenue maximization for internally managed properties, being cognizant of the population of low-income families and individuals that it serves. DHCD is currently determining whether properties and its individuals/families can afford rent increases to understand the cost burden and is in process of determining rent setting, potential rent increase potential and what percent/or increase can occur on an annual basis. DHCD anticipates seeking approval for the revised rent setting structure and new rental rates from the Fairfax County Redevelopment and Housing Authority (FCRHA) no later than September 2019. Upon approval by the FCRHA, DHCD will set a formalized rent policy with annual rent increases as part of the policy. Annual rent reviews and a rent policy will assure that all revenue possible to be collected for FCRP, is collected and maximized.</p>
<p>Updated Management Response: DHCD has initiated a review of revenue across internally managed properties and the timeline of this effort will need to be extended to June 30, 2020. A review is underway and properties are currently being identified for potential rent increases. Once determined, DHCD will seek approval for these rent increases by the FCRHA Board in FY 2021. This latter effort will assure rent maximization across properties self managed.</p>			
<p>Expensed Repairs Under Warranty (DPWES - SW)</p> <p style="text-align: center;">February 2019</p>	<p>Given the operational expediency need, we recommend that expedited repairs are logged separately over the next year. Upon completion of the data collection, the data should be reviewed to identify similarities in the repairs to build out the routine maintenance procedure to address these failures. Subsequent to this analysis, these operational expediency needs should be preapproved by operations, fleet and maintenance leadership personnel, asserting the absolute need in order to avoid service disruption.</p>	<p style="text-align: center;">March 1, 2020</p>	<p>This process has been implemented. DVS is currently seeking SWMP (SWMP Vehicle Coordinator or Division Director of Operations) written authorization for pre-approval of all waived warranty work.</p> <p>Note: This item will remain open until audit evidence is provided to close-out this recommendation.</p>
<p>Updated Management Response: Up to this time, no repairs expensed while the vehicle was under warranty have occurred.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Approvals for Non-Preventative Repairs (DPWES - SW) February 2019</p>	<p>We recommend that SWMP & DVS liaise to implement a process for pre-approval by SWMP of high dollar equipment repairs. This enhancement could assist operations management in making decisions, e.g.; repair versus replace, manage agency spend, and reduce challenges to charges incurred.</p>	<p>January 31, 2019</p>	<p>This process has been implemented. DVS is currently seeking SWMP (SWMP Vehicle Coordinator or Division Director of Operations) written authorization for pre-approval on all repairs exceeding \$5000. Note: This item will remain open until audit evidence is provided to close-out this recommendation.</p>
<p>Updated Management Response: Based upon a meeting between SWMP and DVS, we are revising this policy to exclude routine maintenance procedures and to raise the threshold for authorization for repairs to \$10,000. This policy applies to the vehicles/rolling stock that DVS services for SWMP.</p>			
<p>Contractor Repair Invoices Not Sent to DVS (DPWES - SW) February 2019</p>	<p>We recommend that SWMP & DVS liaise to implement a process for forwarding all contractor repair invoices to DVS. Secondly, repair notes should be captured in MS System. Lastly, incomplete work order packages (for existing equipment only), e.g. missing contractor invoices should be updated through a reconciliation process.</p>	<p>March 1, 2020 (Updated)</p>	<p>SWMP is finalizing the process and assignment of responsibility for the monthly delivery of all invoices from third party contractors to the designated DVS contact. This procedure applies to vehicles sent to third party contractors by SWMP only.</p>
<p>Updated Management Response: SWMP is finalizing this process with DVS.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Part Inventory Maintained by the SWMP (DPWES - SW) February 2019</p>	<p>We recommend upon completion of the inventory register, a reconciliation is performed between the invoices, inventory relief and existence. Consideration should be given to housing all SWMP parts inventory in a central location or developing a list of inventory items needed to expedite minor repairs.</p>	<p>July 1, 2020 (Updated)</p>	<p>SWMP concurs with the audit finding and will take action to implement the inventory system and internal controls as noted. Inventoried parts will be tracked and recorded as used. A manual inventory count will be completed on a recurring basis with a copy with periodic counts performed by the SWMP Financial Accounting Team. Additionally, the parts area will be locked, with controlled access to managers and technicians only. SWMP will assess inventory IT systems and purchase one that best fits our needs. Staff has drafted an inventory policy.</p>
<p>Updated Management Response: Due to turnover with key staff, the implementation will be delayed until July 1. SWMP met with DVS on 1/21/2020 to explore the potential usage of DVS's M5 Parts, Inventory and Asset Management system by SWMP for inventory management and will be making a decision on that this spring.</p>			
<p>Farebox Revenue Collection Reconciliations (FCDOT) February 2019</p>	<p>Given the frequency of the variances by operating divisions, efforts should be made to reconcile the unreconciled balances by operating divisions. This process should be performed at a frequency as deemed appropriate by the agency head on the current FCDOT staffing level.</p>	<p>December 31, 2019</p>	<p>DOT has created an additional reconciliation form that will reconcile deposits "in transit". Implementing this new reconciliation form was not possible before contract transitioned. DOT is working with the new contractor to add this form to their current monthly reporting requirements. This should be completed by December 31, 2019.</p>
<p>Updated Management Response: DOT has revised the reconciliation form to include reconciling deposits "in transit". The new service provider started using the form starting in September 2019. The FY20 variance through January is -1.06%. The new service providers/armored car service has significantly decreased the monthly variances.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Transit Development Methodology Enhancement (FCDOT) February 2019</p>	<p>We recommend that the TDP is updated to include assessing Connector Bus routes where ridership is below bus capacity. This assessment process should be performed periodically, by system and/or routes, in time intervals as deemed appropriate by the agency on the current FCDOT staffing level.</p>	<p>On-going</p>	<p>DOT reiterates the prior response in its entirety. Routes with lower ridership are routinely evaluated as part of normal planning processes. Measures of utilization (low or high) are included in several factors that determine service level adjustments.</p> <p>As an update to the Route Optimization Process and our strategic planning efforts, staff is working on route optimization efforts within the Franconia-Springfield and Reston-Herndon areas. These efforts are expected to be completed by the end of 2019. Staff is presently developing service alternatives for each area, and conducting public outreach. It is anticipated the service adjustments for the Reston-Herndon area will be implemented in mid to late 2020. For the Franconia-Springfield area, the service improvements will be implemented over the next five years depending on funding. The route optimization analysis will be integrated into the full Transit Development Plan.</p>
<p>Updated Management Response: DOT reiterates the prior response in its entirety. Routes with lower ridership are routinely evaluated as part of normal planning processes. Measures of utilization (low or high) are included in several factors that determine service level adjustments.</p> <p>As an update to the Route Optimization Process and our strategic planning efforts, staff is working on route optimization efforts within the Franconia-Springfield and Reston-Herndon areas. These efforts are expected to be completed by September 2020. Staff is presently developing preferred service plans for each area, and conducting public outreach. It is anticipated the service adjustments for the Reston-Herndon area will be implemented in late 2020. For the Franconia-Springfield area, the service improvements will be implemented over the next five years depending on funding. The route optimization analysis will be integrated into the full Transit Development Plan.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p style="text-align: center;">Farebox Revenue Audit Frequency (FCDOOT)</p> <p style="text-align: center;">February 2019</p>	<p>Given that the farebox revenues in FY18 were ~\$10.9M, (44% cash & 56% SmartTrip revenue) and the process of the contractor (AV Transportation) performing the collections, deposits, netting process (collections netted to charges), and the variances between current data provided by FCDOOT, we recommend that FCDOOT increase collection count audits by staff at a frequency as deemed appropriate by the agency head on the current FCDOOT staffing level. Additionally, the audit received by FCDOOT was a collection count sheet. A more formalized audit approach, including farebox collections to farebox deposits, would assist staff in not only identifying count discrepancies, it would also assist staff in identifying control breakdowns.</p>	<p style="text-align: center;">June 30, 2020 (Updated)</p>	<p>DOT's transit service provider contract transitioned July 1, 2019. FCDOOT is coordinating with the new contractor to schedule and complete a revenue collection audit by October 31, 2019.</p>
<p>Updated Management Response: DOT's transit service provider contract transitioned July 1, 2019. Due to the amount of work involved in a transition of a contract this size, the cash count audit has yet to be conducted. FCDOOT is coordinating with the new contractor to better define the audit approach/procedures and is targeting a revenue collection audit by June 30, 2020. In the interim, FCDOOT coordinated with the new contractor on the selection of a different money carrier. The result has been good with variances being positive and only about one percent.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Forebox Collections and Bank Deposits (FCDOT)</p> <p>February 2019</p>	<p>We recommend FCDOT coordinate with the appropriate parties to identify and document the variances between the collections and deposits. This process should be performed at a frequency as deemed appropriate by the agency head on the current FCDOT staffing level.</p>	<p>September 1, 2020 (Updated)</p>	<p>DOT's transit service provider contract transitioned July 1, 2019. Management is currently working with the new contractor to review all revenue collection standard operating procedures (SOP's) and train new staff. Any changes to the revenue collection procedures will be included in revised SOP's and implemented by December 31, 2019.</p>
<p><u>Updated Management Response:</u></p> <p>DOT's transit service provider contract transitioned July 1, 2019. Management is currently working with the new contractor to review all revenue collection standard operating procedures (SOP's). Due to the amount of work involved in the transition of a contract this size this item is not yet completed. Any changes to the revenue collection procedures will be included in revised SOP's and implemented by September 1, 2020. In the interim, FCDOT coordinated with the new contractor on the selection of a different money carrier. The result has been good with variances being positive and only about one percent.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Caseload Assignment (DFS)</p> <p style="text-align: center;">November 2018</p>	<p>OFPA discussed the opportunity of developing caseload standards, for new and experienced staff in DFS (where applicable). These caseload standards could be used to monitor, control and potentially reduce overtime hours and spend (where appropriate).</p>	<p>November 30, 2019</p>	<p>DFS will review existing data currently compiled and implement a process to track data related to caseload assignment and completion over periods deemed appropriate for analytics based on various DFS service deliveries). This information along with external data will be utilized to interpolate measurable analytics. This information will be used to monitor, control and potentially reduce overtime hours and overtime spend.</p> <p>DFS Senior Management Team (SMT) will be meeting tomorrow to discuss caseload measurements. Target implementation remains by November 30, 2019.</p>
<p>Updated Management Response:</p> <p>Individual and unit level caseloads are reviewed on a regular basis to determine appropriate levels to meet state and local performance measures, and the need for redistribution. Case assignments are done by regional offices who serve particular zip codes. Periodically, zip codes are reviewed to ensure growth in a particular area is being addressed and that caseloads are equitably balanced.</p> <p>The Self-Sufficiency Division monitors the number cases per worker on a monthly basis for purposes of assessing if actions are required to ensure the equitable distribution of the workload. In addition, the Division plans for known instances of short-term increased work such as the uptick in applications during the Open Enrollment period for the Federal Marketplace health insurance. By managing workloads and planning for known increases in work, the Division is managing overtime and has shown a reduction from the prior year. CVF managers and supervisors have discussed the need to minimize the use of overtime with their staff. They closely monitor requests for overtime to ensure it is always justified. Adult and Aging Division, which has limited overtime use, also closely monitors overtime. All DFS staff are following DFS new protocols for requesting, approving, and documenting overtime. These protocols are outlined above in the "Tracking Overtime" section.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Safe Keys for FCPA Facilities (FCPA) October 2018</p>	<p>OPPA recommends that FCPA obtain and distribute new keys for door locks when replaced that reflect "Do Not Duplicate". This process should enhance the physical key controls.</p>	<p>Ongoing: as safes are replaced.</p>	<p>Recommendation will be implemented in an ongoing manner as keys and safes are replaced.</p>
<p>Updated Management Response: Recommendation will be implemented in an ongoing manner as keys and safes are replaced.</p>			
<p>Telestaff System Utilized by FCPD (FCPD) October 2018</p>	<p>We recommend that FCPD staff liaise with the appropriate agency(s) to procure and implement the Telestaff System to be utilized for off-duty employment staff scheduling, where applicable. This system should assist management in reducing the costs and amount of time needed for scheduling tasks. These scheduling hours could be used to perform other assigned operational duties. Additionally, this system should assist in tracking and maintaining source documentation (re: above in the observation) for prior pay periods.</p> <p>For staff scheduling processes that cannot be managed through the Telestaff software, consideration should be given to creating a repository to capture and retain overtime supporting documentation. The retention of this information should comply with standards compiled by OCA, DHR and other related parties.</p>	<p>June 30, 2020 (Updated)</p>	<p>Fairfax County Police Department (FCPD) is still reviewing these items and will be holding additional meetings in order to come up with a decision on whether or not the scheduling option in Telestaff can be used by FCPD.</p> <p>Per FCPD, recommendation is still in progress and a new target implementation date was requested to October 31, 2019.</p>
<p>Updated Management Response: TeleStaff did not have the ability to capture secondary OT. We were initially exploring options within TeleStaff to make this happen, however, TeleStaff is at "end of life" and no longer supported. With that said, we are exploring other options from the TeleStaff vendor, Kronos. They have two applications, Workforce TeleStaff and Dimensions. Workforce TeleStaff is more designed for scheduling and Dimensions is specifically designed for Time & Attendance. Dimensions does have the ability to capture secondary OT if configured to do so. This is the application we are currently considering. If everything goes as planned, we should be in production by 4th quarter 2020.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Agency Reconciliation Support for External Systems Data to FOCUS (CSB/FCHD/LDS)</p> <p style="text-align: center;">June 2018</p>	<p>CSB - We recommend that adjustments are made by CSB staff to Credible to reflect the adjustments made in FOCUS. These entries/updates should reconcile the balances in both systems.</p> <p>FCHD - We recommend HD staff compile aggregate balances on a lead sheet for reconciliations as performed by other agencies/departments within the County.</p> <p>LDS - We recommend that LDS staff develop and implement a documented (and consistently executed) monthly reconciliation process for both the EIS and FIDO external systems.</p>	<p>CSB - March 31, 2019 June 30, 2020 (Completed)</p> <p>FCHD - March 31, 2021</p> <p>LDS - July 21, 2018 (Completed)</p>	<p>FCHD - The Health Department continues with its current manual daily and monthly detailed reconciliation process, as efforts to complete reconciliation between Avatar data and FOCUS data required extensive data manipulation (i.e., this limits the data's usefulness in a reconciliation process). The Health Department is on track to secure an EMR that has the capacity to conduct daily reconciliation, our target completion date remains March 2021, once the EMR is in place.</p>
<p>Updated Management Response: In progress, Targeted Completion date remains March 31, 2021.</p>			
<p>External Systems Oversight and Tracking (DIT/DOF/DMB)</p> <p style="text-align: center;">June 2018</p>	<p>Efforts should be made to enhance the oversight/tracking of external systems, as no report could be generated which detailed ALL stand-alone systems with financial activity. Additionally, consideration should be given to identifying and accounting for ALL external systems. This could assist in ensuring system related procurements are properly tracked.</p>	<p>July 1, 2020 (Updated)</p>	<p>In progress, FBSSG, DIT and the Business Process Owner agencies (e.g. DOF, DPMM) have been working with departments as they move forward with system upgrades and/or replacements to insure that we are knowledgeable of systems being used in the County. DIT is in the process of working with departments to produce an active list of stand alone systems, which will then be reviewed on an annual basis to confirm any additions, deletions or edits. Request an extension in the Target Implementation Date to July 1, 2020.</p>
<p>Updated Management Response: DIT - No updates at this time. DOF/DMB - Per the October 2019 management response, DOF has no further action on the annual system confirmation requirements. DOF continues to work with DIT/FBSSG/DPMM as departments consider system upgrades and/or replacements.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Terms in agreement no Longer Applicable (DPWES & OCA)</p> <p style="text-align: center;">June 2018</p>	<p>We recommend that consideration is given to WW staff liaising with the OCA to review the current agreement to assess if the above-mentioned areas should be revised or removed. Additionally, as the current agreement is dated as of 1st January 1989, consideration should be given to assessing if this agreement should be terminated and a new agreement should be executed or the existing agreement should be updated.</p>	<p>June 30, 2020 (Updated)</p>	<p>DPWES/OCA - The County's proposed Amendment was transmitted to FCWA's Director of Finance, Michele Moore, on February 14, 2019. At that time, Ms. Moore stated that FCWA would work with its attorney to review the Amendment. Ms. Moore has advised DPWES that FCWA will get a response to the draft Amendment back to the County by July 22, 2019. Due to the lengthy review time required by FCWA, the July 1, 2019 target implementation date could not be met. Management expects that the Amendment will be executed by the end of CY19.</p> <p>OCA sent a revised agreement to Michele Moore, FCWA Financial Director, on February 14th, 2019 for their review and comments. We were promised a response by June 2019. FCWA asked for an extension and promised a response by July 10, 2019 then push it forward to August 16, 2019. A key member of the FCWA financial team had to take some time off in the summer because of a family situation. Wastewater Management contacted Michele on August 28, 2019 and again on September 3rd, 2019 and is waiting for a response.</p>
<p>Updated Management Response: OCA - The County received FCWA's response to our proposed draft Amendment on November 11, 2019. On December 12, 2020 the County submitted some minor additional edits and a few questions on FCWA's responses. On January 21, 2020, the County received FCWA's response to our latest round of comments. Based upon the current status, it is expected that the Amendment will be executed by June, 2020, allowing adequate time for approval by both Boards.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Reconciling Items (DPWES & DOF)</p> <p style="text-align: center;">June 2018</p>	<p>We recommend that SW staff liaise with Department of Finance (DOF) (or the appropriate agency), to reconcile these balances. Also, processes should be developed and efforts should be made to resolve these differences more timely going-forward.</p>	<p>July 1, 2020 (Updated)</p>	<p>During the period of June - September 2018 DOF staff accountant Michelle Ashcraft performed a review and analysis of the (DPWES) SW/MP AR Weighmaster to FOCUS unreconciled difference. She examined sample month to month changes in both systems for the periods of March April and May of 2018 and was able to only identify small discrepancies between the two systems. Therefore, she's posits that most of the large unlocated balance is due to the old difference being carried forward. DOF has to an extent concluded that the unreconciled difference between the two systems is in part attributable to deficiencies in the Weighmaster AR module / Aging reports functions and limitations. We have attached all work papers and email communications generated by DOF/SW/MP so far regarding this matter, to date. SW/MP is making progress on the procurement of the Paradigm system to replace Weighmaster. The new system will utilize FOCUS Accounts Receivable module for billing purposes. County attorney comments on the contract have been received and These actions remains ongoing and we will continue to partner with DOF and FOCUS staff toward resolution of these matters.</p> <p>Only small discrepancies between the two systems were identified. Most of the large unlocated balance is due to the old difference being carried forward. DOF has concluded that the unreconciled difference between the two systems is in part attributable to deficiencies in the Weighmaster AR module / Aging reports functions and limitations. DOF has recommended that DPWES perform a partial write off of the old difference, with final write off upon reconciliation of the</p>
<p>Updated Management Response: The contract with Paradigm was signed in the fall of 2019 and implementation work and conversion from the Weighmaster and the development of an interface with FOCUS began in December 2019. SW/MP hopes to have this finalized by the end of the current fiscal year. Please note that all Accounts Receivable activity will be managed and processed through the FOCUS Accounts Receivable Module. The current difference between the two systems will be written off as soon as the system conversion is completed.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Integrated Tax and Finance Systems (DTA) February 2018</p>	<p>If not already included in the scope of work of the project (Tax PP) implementation, consideration should be given to working with DIT to interface the (Tax PP) with FOCUS to reduce uploads and/or manual data entries. While our review of three reconciliations between INovah and FOCUS did not reveal errors, this is a recommendation for process enhancement if feasible.</p>	<p>December 31, 2020 (Updated)</p>	<p>DIT's work for TABS Implementation continues. Phase 1 is scheduled to go live by the end of the 3rd quarter of FY20 or soon thereafter. FOCUS Interface is included in Phase 2, and the plan is for DIT to begin Phase 2 soon after the completion of Phase 1.</p>
<p>Updated Management Response: DIT's work for TABS Implementation continues. Phase 1 is scheduled to go live by the end of calendar year 2020. FOCUS Interface is included in Phase 2, and the plan is for DIT to begin Phase 2 soon after the completion of Phase 1.</p>			
<p>Standardized IT Procurement Contract Templates (DIT/OCA/DPMM) February 2018</p>	<p>We recommend that consideration is given to OCA liaising with DIT and DPMM to standardize sections of the contracts, where appropriate. This recommendation is designed to make reductions in the resources needed to compile contracts.</p>	<p>July 1, 2020 (Updated)</p>	<p>OCA - OCA will continue to work with DPMM and DIT to meet the new target implementation date of December 2019.</p> <p>DPMM - Work in progress. New target implementation date is December 2019.</p> <p>DIT - Ongoing. It was hoped that State legislation in the 2019 session might provide additional guidance/standardization in the area of IT contracts; however, the legislation was not enacted. It is likely to be brought forward again in some form in the 2020 session. In the interim, DIT, DPMM and OCA will need to discuss alternate options. Request an extension in the Target Implementation Date to July 1, 2020.</p>
<p>Updated Management Response: OCA - Will continue to work with DPMM and DIT to implement this recommendation. DPMM - DPMM is currently drafting an IT template. DIT - Ongoing. It was hoped that State legislation in the 2020 session might provide additional guidance/standardization in the area of IT contracts; however, as of this writing there has not been any legislation proposed in the current session. In the interim, DIT, DPMM and OCA will meet to discuss alternate options.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
FCDOT Aged Cash Proffer Balances (FCDOT) September 2017	<p>OPFA staff recommends that FCDOT staff review and validate the aged cash proffer balances presented during this study. Determinations should be made, if these items are no longer supported by projects or programs. Upon completion, efforts should be made to work with the appropriate agency to reverse the entries and/or release unsupported funds as appropriate. As this process may address management accounting issues only, additional consideration must be given to whether these funds may be allocated to other projects or remitted to the Commonwealth Transportation Board. OPFA recommends that FCDOT execute a process to review and clean-up aged proffer balances in accordance with the County Attorney's advice.</p>	Ongoing	<p>A review and validation of the documentation of each proffer in the DOT AGED PROFFERS Compilation (1973 to 2010) was completed by June 30, 2019. Additional research may be required for some deposits. Work has begun to determine if proffers can be allocated to projects or if proffers are no longer supported by programs/projects.</p>
<p>Updated Management Response: No update at this time.</p>			
FCDOT Cash Proffers Management/Oversight (FCDOT) September 2017	<p>A review and validation of the documentation for each aged cash proffer and the balances should be performed. OPFA recommends that FCDOT staff develop and implement a documented (and consistently executed) process whereby aged FCDOT proffer balances that remain on the FCDOT cash proffer list without disbursement activity are reviewed (based on a timeframe as deemed appropriate by FCDOT management, e.g. every three years).</p>	May 31, 2020	<p>A review and validation of the documentation of each proffer in the DOT AGED PROFFERS Compilation (1973 to 2010) was completed by June 30, 2019. Additional research may be required for some deposits before they can be disbursed. A Standard Operating Procedure has been drafted, but is not yet final. Review and validation of all proffers is ongoing.</p>
<p>Updated Management Response: No update at this time.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Court Case Status Tracking to Inventoried Property (FCPD)</p> <p>September 2017</p>	<p>OPPA recommends that FCPD implement a tracking mechanism to timely capture court case status for respective inventoried properties. We are aware that FCPD is currently exploring system enhancements which could provide opportunities in designing system tools not available in the current computing environment.</p> <p>Additionally, while FCPD staff performs periodic reviews at the main property room, these review results should be utilized to liaise with the respective evidence officers (on a sample rotating basis) to determine if any evidence can be disposed, released, sold, or remain as evidence.</p>	<p>October 31, 2019</p> <p>New Date To Be Provided by FCPD</p>	<p>The Evidence Division continues to dispose for property on a regular basis. FCPD is working with the personnel assigned to various divisions in order to determine what can be released, destroyed or archived. FCPD continues to work with the vendor to fully implement the QueTel software. Older evidence has been successfully moved from the BEAST program into QueTel. The Quartermaster will begin using the program to track inventory the week of January 28, 2019. FCPD is working toward moving evidence from the current LEADS RMS into the new system. It is expected that the Leads data will be pushed into QueTel and all frontline users will be trained and using the program by June 2019 of this year.</p> <p>Per FCPD, recommendation is still in progress and a new target implementation date was requested to October 31, 2019.</p>
<p>Updated Management Response:</p> <p>We have not transferred the evidence function from LEADS to QUETEL. Technical issues arose which have delayed the process. The Department is currently looking at an RMS system that would completely replace LEADS for all functions to include evidence. For that reason we are holding off any further implementation of QUETEL with regard to evidence until we determine the capability of the new RMS. QUETEL is still being used to track issued gear in the Quartermaster section as well as digital evidence in our Crime Scene section. Concerning the recommendation for the need to track items out to court and their status, we are still able to do that with a manual query in LEADS.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>FCPA Aged Cash Proffer Balances (FCPA)</p> <p>June 2017</p>	<p>OFPA staff recommends that FCPA staff review and validate the aged cash proffer balances presented by OFPA during this study. FCPA should analyze these items to determine whether they may be used to support projects or programs. Upon completion, efforts should be made to work with DOF or appropriate agencies to reverse the entries and/or release unsupported funds as appropriate. As this process may address management accounting issues only, additional consideration must be given to whether these funds may be used on other projects or whether they must be returned and/or escheated.</p> <p>The County Attorney will advise FCPA related to the use of funds and other issues which impact proffers as County staff execute a review and clean-up process. OFPA recommends that FCPA staff engage DOF staff to facilitate the review and clean-up process in accordance with the County Attorney's advice, if needed.</p>	<p>June 30, 2020 (Updated)</p>	<p>At 6/30/19, the Park Authority spent \$1,659,412.97 in available proffers. Another \$2,112,069.06 in available proffers are committed to established projects. Additionally, several small proffers have been identified that need consultation with the County Attorney for repurposing as they cannot be used as per the current terms. One other proffer appears to have come to the Park Authority incorrectly in that the proffer terms were met by the developer. Attempts to reach the developer are unsuccessful so further action will be addressed with the County Attorney in FY2020.</p>
<p>Updated Management Response:</p> <p>FCPA continues to make progress on spending proffer dollars. As of June 30, 2019 the total expenditure reported in proffer WBS was \$1,659,412.97. Parks collected \$3,161,033.72 in FY2019 which was appropriated in September 2019 (FY2020). Since July to date total expenditure in proffer project is \$408,535.02. We submitted four proffers for repurpose to county attorney's office in September 2019, out of which one will be used by the Parks trails team for repairs and renovation of trails and three are sent to the Park Planning Branch to present it to Parks Board and BOS for repurpose on January 13.</p>			

**Fairfax County
Office of Financial and Program Audit**

IN PROGRESS (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Tax Recovery and Collection (Part 1) (DTA)</p> <p>July 2015</p>	<p>OFFPA recommended the DTA have tax auditors review prior periods to ensure Federal Information Processing Standard (FIPS) codes are correct.</p> <p>If the FIPS codes are incorrect efforts should be made by the tax specialists to communicate with the business of what it needed.</p>	<p>December 31, 2020 (Updated)</p>	<p>This is part of the new TABS System, which continues in the user testing phase. We are currently anticipating implementation of TABS sometime in calendar year 2020.</p>
<p>Updated Management Response: This is part of the new TABS System, which continues in the user testing phase. We are currently anticipating implementation of TABS sometime in calendar year 2020.</p>			
<p>Tax Recovery and Collection (Part 2) (DTA)</p> <p>July 2015</p>	<p>OFFPA recommended that DTA staff should continue efforts to review all filers over a 36 month period, within the statute of limitations for collections.</p> <p>OFFPA recommended that DTA should incorporate use of excel formulas which would match unique identifiers quicker therefore speeding up the review process.</p>	<p>December 31, 2020 (Updated)</p>	<p>This is part of the new TABS System, which continues in the user testing phase. We are currently anticipating implementation of TABS sometime in calendar year 2020.</p>
<p>Updated Management Response: This is part of the new TABS System, which continues in the user testing phase. We are currently anticipating implementation of TABS sometime in calendar year 2020.</p>			

Fairfax County
Office of Financial and Program Audit

Implementation Not Started

IMPLEMENTATION NOT STARTED			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>FCEDA Internal Bond Tracking (FCEDA) October 2019</p>	<p>We recommend that FCEDA review/update their internal bond tracker procedure to ensure the bonds are properly segregated by type. This enhancement will assist staff in gaining reasonable assurance that the FCEDA records are accurate, and reduce rework, should this tracker need to be referenced or shared with other parties.</p>	<p>April 8, 2020</p>	<p>The FCEDA will add a column to the internal bond-tracking spreadsheet to indicate the type of bond: SO1(c)(3), manufacturing entity, or governmental unit. Amounts of outstanding IRBs are obtained by FCEDA legal counsel from the banks/financial institutions that fund the bonds.</p>
<p>Updated Management Response: The information in the spreadsheet is accurate and we don't have any changes to the target dates listed.</p>			
<p>FCEDA Credit Card Use (FCEDA) October 2019</p>	<p>We recommend that FCEDA address the following control gaps by setting spending limits (at level determined by FCEDA management) on the Amex credit cards or mirror spending controls set for the BoA cards. Secondly, we recommend FCEDA set purchase category restrictions on the BoA and Amex cards, e.g. merchant codes. These control enhancements will limit exposure related to; lost, stolen, misuse, etc., of credit cards.</p>	<p>April 8, 2020</p>	<p>The FCEDA will apply spending limits to American Express accounts in line with individual staff requirements. The FCEDA will also conduct research into the feasibility of using purchase category restrictions and implement such restrictions as feasible.</p>
<p>Updated Management Response: The information in the spreadsheet is accurate and we don't have any changes to the target dates listed.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTATION NOT STARTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>FCEDA Procurement Practices (FCEDA/DPMM/OCA)</p> <p style="text-align: center;">October 2019</p>	<p>We recommend that FCEDA consider implementing the use of the County's contracts and purchase orders where applicable. Utilizing these methods should assist with ensuring that FCEDA is receiving the best prices for the products procured. To facilitate this process, we also recommend that FCEDA liaise with DPMM and Office of the County Attorney (OCA) to explore MOU and contracting opportunities.</p>	<p>October 8, 2020</p>	<p>The FCEDA currently uses the county contract with Guemsey to procure the majority of our office supplies, via the FOCUS procurement module, and we will continue this practice. The FCEDA will meet with DPMM to explore additional opportunities to work with them where feasible.</p>
<p>Updated Management Response: FCEDA - The information in the spreadsheet is accurate and we don't have any changes to the target dates listed.</p> <p>OCA - Agrees with this recommendation and will provide legal review/coordination with FCEDA's counsel when requested by DPMM.</p> <p>DPMM - OFPA recommended in its report that FCEDA liaise with DPMM and the County Attorney (OCA) regarding the use of County contracts. The 1999 MOU provides full authority for the EDA to access all contracts established by DPMM. DPMM supports the use of cooperative contracts, shared by DPMM and EDA, as a means to achieve better pricing and reduce administrative costs. As OPFA notes in the October report, FCEDA currently has access to contracts released by DPMM.</p>			
<p>IRB Application Process (FCEDA)</p> <p style="text-align: center;">October 2019</p>	<p>We recommend that FCEDA perform process reviews at the end of the executed applications for the FIS, SOU and/or other IRB application documents. Ensuring applications are complete aligns with the application instructions and assists in addressing the FCEDA's interest.</p>	<p>October 8, 2020</p>	<p>FCEDA will implement a process review procedure to occur upon final approval of IRBs.</p>
<p>Updated Management Response: The information in the spreadsheet is accurate and we don't have any changes to the target dates listed.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTATION NOT STARTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>FCEDA Credit Card Policy (FCEDA)</p> <p style="text-align: center;">October 2019</p>	<p>We recommend that FCEDA enhance their internal Credit Card SOP to include additional approved purchase categories. Enhancements to SOP spend categories will provide clearer guidance on allowable/unallowable credit card use by staff. This enhancement would also assist management in identifying spend frequency which could provide information for negotiations with vendors where able; e.g. hotel, car rental agencies, etc. Lastly, this enhancement would add an additional level of control through categorized spend data when cost reduction initiatives are being employed.</p>	<p>April 8, 2020</p>	<p>The FCEDA Standard Operating Procedure Manual (SOPM) will be updated as recommended to indicate all approved purposes for use of the cards.</p>
<p>Updated Management Response: The information in the spreadsheet is accurate and we don't have any changes to the target dates listed.</p>			
<p>Developers Financial Instruments Expiration (LDS)</p> <p style="text-align: center;">November 2019</p>	<p>We recommend LDS develop an automated financial instrument tracking process for developers in the existing agency platform. This information could assist in prioritizing actions needed to ensure the completion of projects, actions to pursue other avenues, and/or limit the use of County funds to complete projects due to, developer bankruptcy, insufficient developer resources, developer abandonment, etc.</p>	<p>December 31, 2020</p>	<p>Quarterly reports are run to identify expired financial instruments. In addition, LDS runs reports every Friday that show projects that identify projects within 60 days and 30 days of expiration of their financial instruments. Appropriate notices are sent at 60 days to expiration, 30 days to expiration, at expiration, 15 days after expiration, 30 days after expiration, 45 days after expiration, and a final notice at 60 days after expiration stating that the developer has 15 days to resolve before additional action will be taken. If the developer fails to take action after the final notice LDS reaches out to OCA for support. Staff send notices out every Friday.</p> <p>LDS recognizes the benefits of an enhanced and more automated tracking process for the expiration of financial instruments. Although we have followed accepted procedures in this area, a proactive and automated approach to reach out to developers and to develop our prioritized workflow could be helpful.</p> <p>At this time, LDS is working with the Department of Information Technology (DIT) and other land development departments on the implementation of the online permitting system (PLUS) which can include this functionality. Given the time horizon for the PLUS program the County will not apply resources into the legacy PAWS system to create this enhancement. This PLUS program is projected to launch in Winter 2020-2021. LDS will work with the PLUS implementation team to identify and potentially add this functionality to the new system.</p>
<p>Updated Management Response: OFFPA will follow-up on this recommendation in the next status update.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTATION NOT STARTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Developer Default Project Oversight/Tracking (LDS)</p> <p style="text-align: center;">November 2019</p>	<p>We recommend LDS review "Default" system coding for the developer default projects to identify a coding methodology that would provide detail which expressly states the reason these projects are sent to OCA. This updated system approach would ensure information is maintained in a manner that makes it readily available reducing management's efforts to research.</p>	<p>December 31, 2020</p>	<p>Currently, the legacy PAWS system allows the LDS Bonds and Agreements Center (BAC) to code projects being sent to the OCA in three different ways for Defaults: Bankrupt (Developer ran out of funds), Inactive (work has not been started), or Default (Developer has not applied for an extension and are noncommunicative). To know why a project is being sent to the Office of the County Attorney (OCA) BAC obtains the Project Punchlist from the Site Inspector. There could be many outstanding items on the Project Punchlist, or just a few items. Listing all the items on the Project Punchlist in PAWS for coding would be redundant when we have the Project Punchlist, which shows exactly which items on the Surety Value Estimate are bonded and still need to be completed. At the same time, LDS recognizes the need for some additional specificity in how projects are coded. Currently, LDS is working with the Department of Information Technology (DIT) and other land development departments on the implementation of the online permitting system (PLUS). The County will apply only limited resources into the legacy PAWS system in order to maintain current functionality until the new system can go live. The PLUS project is projected to launch in Winter 2020-2021. LDS will work with the PLUS implementation team to identify and potentially add some additional codes for this process.</p>
<p>Updated Management Response: OFPA will follow-up on this recommendation in the next status update.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTATION NOT STARTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Developer Default Projects Time-to-Complete Analysis (LDS)</p> <p style="text-align: center;">November 2019</p>	<p>To the items detailed in the observation above, we recommend LDS incorporate in the Developer Default Program oversight, a process whereby inactivity reports are run and reviewed by management to identify emerging issues. The reporting should be run by periods deemed appropriate by management with existing staff (preferably monthly). This report should include the review and analysis of reasons extended periods of inactivity such as; plan revisions, changing of owners, unidentified abandonments, multiple uncoordinated VDOT interactions, etc. Additionally, there appears to be a high level of VDOT interaction on some of these projects. We also recommend that LDS liaise with VDOT to incorporate a documented process to facilitate VDOT inspections and other interactions. This endeavor is being recommended to streamline the process and lessen any delays attributed to these interactions.</p>	<p>December 31, 2020</p>	<p>The long time horizon metrics reflect the difficulty in completing a projects abandoned by their rightful owners. The most efficient process for project completion is for the developer not to default and to complete the project as agreed to in their approval documents. Specific areas of difficulty to address abandoned projects include faulty infrastructure, owing to age or poor construction, that ultimately must be accepted by outside agencies, like VDOT. To this end, LDS has engaged VDOT on various plan review and inspection issues on a regular basis for a number of years. However, since VDOT is under the authority of the state and not the County, LDS authority to push for process changes is limited. At the same time, LDS does appreciate the need to have coordinated and documented VDOT inspections and reviews. We will continue to work with local VDOT staff to develop new processes and to attempt to coordinate on these areas, reporting back regularly on the progress with VDOT coordination. Within available inspector staff resources in SDID, LDS will refine the process to proactively review sites that are in inactive status with a goal to visually visit each inactive site every six months to both ensure that the site is safe and contained and to document any changes. This process should begin in Winter 2020.</p>
<p>Updated Management Response: OFPA will follow-up on this recommendation in the next status update.</p>			

**Fairfax County
Office of Financial and Program Audit**

IMPLEMENTATION NOT STARTED (Cont'd)			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Developer Default File Submissions to OCA (LDS & OCA)</p> <p style="text-align: center;">November 2019</p>	<p>We recommend that LDS liaise with OCA to identify a pathway to this operational enhancement whereby LDS developer default program files are submitted electronically, going forward. We recommend that this enhancement be implemented with the existing staff, prioritizing project phases in a manner determined by LDS and OCA.</p>	<p>March 31, 2020</p>	<p>In discussion with OCA, it is clear that the transfer of hard paper files for developer default cases has not slowed down any legal processes. Nonetheless, electronic transfer could make the archiving and retrieval process more efficient. The recommendation to scan files and transfer them to OCA electronically can be implemented as soon as appropriate resources in BAC are available. LDS will work with OCA to define a process for what is scanned, to whom it is sent, and how receipt is confirmed.</p>
<p>Updated Management Response: OFPA will follow-up on this recommendation in the next status update.</p>			

**Fairfax County
Office of Financial and Program Audit**

INQUIRIES TO OFPA



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

INQUIRIES TO THE OFFICE OF FINANCIAL AND PROGRAM AUDIT

Inquiry Received From	District/Location	Status of Inquiry	Date Received	Concern and/or Requests for Audits
Fairfax County Constiuent	Fairfax County	Complete	9/30/2019	Citizen contacted OFPA via phone call re: the independence of the office, auditing practices and the number of staff. OFPA addressed all his concerns in regards to the call.
Constituent (Jurisdiction Not Provided)	Not Provided	No Action Required	11/25/2019	Constituent (Jurisdiction Not Provided) contacted our office via email to address a concern re: mold issues at their apartment. The citizen was referred to DHCD, no further action was required by OFPA.
Constituent (Lee District)	Lee District	Complete	12/6/2019	Citizen contacted OFPA via email re: meeting with the Lee District Supervisor for which he is seeking an exemption that would allow the safety remedy he deployed to remain for Ayer Meadow lane re: a Park Encroachment notice. OFPA forwarded the communique to the Lee District office.

**Fairfax County
Office of Financial and Program Audit**

LIST OF ACRONYMS

AC	Audit Committee
BMP	Best Management Practice
BOS	Board of Supervisors
DIT	Department of Information Technology
DMB	Department of Management and Budget
DTA	Department of Tax Administration
DVS	Department of Vehicle Services
EAM	Enterprise Asset Management
FY	Fiscal Year
MOPS	Maintenance Operations
OFPA	Office of Financial and Program Audit
RMD	Risk Management Division
SLAF	Stormwater Local Assistance Fund
SOW	Scope of Work
STW	Stormwater Management Program
Y-T-D	Year to Date

ADDENDUM SHEET

OFPA (March 2020 /Agency Report and/or Debriefing)

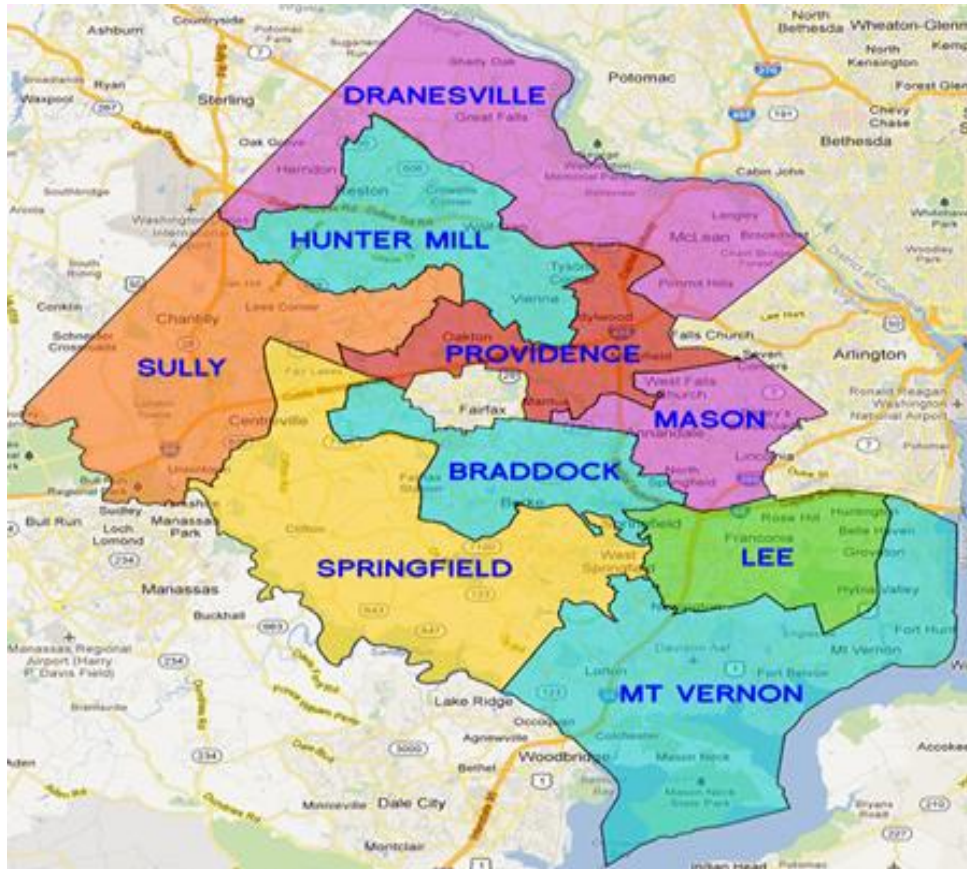
3/17/2020

The table below lists discussions from the Audit Committee.

<i>Location in Document</i>	<i>Comments</i>

~End~

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FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD
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Office of the Financial and Program Audit
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