

Financial and Program Auditor

Administration

Mission

Working under the guidance and direction of the Audit Committee, the Financial and Program Auditor provides an independent means for determining the manner in which policies, programs and resources authorized by the Board of Supervisors are being deployed by management and whether they are consistent with the intent of the Board and in compliance with all appropriate statutes, ordinances and directives.

Focus

This two-member agency, comprised of the Director and a Management Analyst II, plans, designs and conducts audits, surveys, evaluations and investigations of County agencies as assigned by the Board of Supervisors or the Audit Committee acting on behalf of the Board of Supervisors. The Financial and Program Auditor works apart from the Office of Internal Audit which focuses on day-to-day administration of the County as requested by the County Executive. In addition, the Financial and Program Auditor operates the Fairfax County Government Audit Hotline, which was established by the Board of Supervisors to obtain citizen comments and suggestions for improving County programs and services.

THINKING STRATEGICALLY

Strategic issues for the agency include:

- o Continuing to positively respond to, and reinforce, the Audit Committee's goal of effective and efficient resource utilization by County agencies.

For each audit it conducts, the agency focuses primarily on the County's Corporate Stewardship vision element. The agency does this by developing, whenever possible, information during its audits that can be used to maximize County revenues or reduce County expenditures.

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New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

|  Exercising Corporate Stewardship | Recent Success | FY 2008 Initiative |
|--|-----------------------|---------------------------|
| Reviewed the size of the County's vehicle fleet and performed additional analysis of under-utilized vehicles. As a result, the County Executive created a Fleet Utilization Management Committee (FUMC) to provide recommendations on vehicle-related matters including performing an annual review of under-utilized vehicles. Starting in 2004, three separate reviews have been conducted resulting in 167 vehicles, or 17 percent, of light/passenger vehicles being rotated, reassigned or sold. These reviews have resulted in total one-time savings of approximately \$1,760,000 and annual savings of about \$315,000. It is anticipated that these reviews will continue to be conducted on an annual basis. | ✓ | ✓ |
| Identified the need to better control the fuel issued at the County's 47 fueling sites, especially with regard to the use of miscellaneous fuel codes. During the three month period June, July, and August of 2006, the County took action to tighten controls over the use of miscellaneous fuel codes. | ✓ | |
| Monitor and report on the status of the new Public Safety and Transportation Operations Center (PSTOC) project in terms of project costs and timeliness of completion. Anticipated completion of is the spring/summer 2008. The total estimated cost of PSTOC is \$135.5 million, which includes the County share of \$102.5 million, the Commonwealth share of \$20 million, and the Forensics Facility of \$13 million. The County is proceeding with construction and costs are within budget. | | ✓ |
| Reviewed Fairfax County Specialized Transportation (FASTRAN) to determine that this paratransit bus system had enough buses to accomplish their mission, but not more than they needed. Compared FASTRAN bus fleet size to guidelines published by the Federal Transportation Administration and determined that there were 11 more buses than appeared to be required to provide transportation for disabled and/or low income residents of Fairfax County and the cities of Fairfax and Falls Church. FASTRAN will initiate a gradual reduction of the bus fleet to the number of buses required to maintain services and an acceptable spare ratio. | ✓ | |
| Continue to check on the number of projects in default from time to time, and ensure that a decrease does, in fact, occur. The County currently has approximately 3,000 construction projects ongoing, of which about 1,500 require public or proffered improvements, and are therefore bonded. Of the 1,500 bonded projects, 633 projects were in default as of August 31, 2006. After briefing the Audit Committee on the number of projects in default, the Audit Committee proposed that additional positions be provided to reduce the backlog. Four additional positions were proposed by the County Executive and subsequently agreed to by the Board of Supervisors at the September 11, 2006, Board meeting. | ✓ | ✓ |

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Budget and Staff Resources

| Agency Summary | | | | |
|----------------------------------|-------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Category | FY 2006 Actual | FY 2007 Adopted Budget Plan | FY 2007 Revised Budget Plan | FY 2008 Advertised Budget Plan |
| Authorized Positions/Staff Years | | | | |
| Exempt | 2/ 2 | 2/ 2 | 2/ 2 | 2/ 2 |
| ----- | | | | |
| Expenditures: | | | | |
| Personnel Services | \$184,109 | \$210,144 | \$210,144 | \$219,625 |
| Operating Expenses | 10,992 | 15,166 | 15,166 | 15,166 |
| Capital Equipment | 0 | 0 | 0 | 0 |
| Total Expenditures | \$195,101 | \$225,310 | \$225,310 | \$234,791 |

| Position Summary | |
|--------------------------------------|----------------------------|
| 1 Auditor E | 1 Management Analyst II E |
| <u>TOTAL EXEMPT POSITIONS</u> | |
| 2 Positions / 2.0 Staff Years | E Denotes Exempt Positions |

FY 2008 Funding Adjustments

The following funding adjustments from the FY 2007 Revised Budget Plan are necessary to support the FY 2008 program:

- ◆ **Employee Compensation** **\$9,481**
An increase of \$9,481 is associated with salary adjustments necessary to support the County's compensation program.

Changes to FY 2007 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2007 Revised Budget Plan since passage of the FY 2007 Adopted Budget Plan. Included are all adjustments made as part of the FY 2006 Carryover Review and all other approved changes through December 31, 2006:

- ◆ There have been no revisions to this agency since approval of the FY 2007 Adopted Budget Plan.

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Key Performance Measures

Objectives

- ◆ To review County agency operations to identify opportunities for savings and/or more efficient and effective operations, and achieve agreement with agency directors on implementing at least 90 percent of recommended improvements.

| Indicator | Prior Year Actuals | | | Current Estimate | Future Estimate |
|---|--------------------|----------------|-------------------------|------------------|-----------------|
| | FY 2004 Actual | FY 2005 Actual | FY 2006 Estimate/Actual | FY 2007 | FY 2008 |
| Output: | | | | | |
| Audit reports issued to the BOS | 5 | 4 | 4 / 4 | 4 | 4 |
| Efficiency: | | | | | |
| Savings achieved as a percent of the agency's budget (1) | 60% | 879% | 200% / 256% | 200% | 200% |
| Service Quality: | | | | | |
| Percent of audit reports completed on time | 100% | 100% | 100% / 100% | 100% | 100% |
| Outcome: | | | | | |
| Percent of recommended improvements in operations accepted and implemented by County agencies | 100% | 90% | 90% / 100% | 90% | 90% |

(1) FY 2004 savings calculation does not include \$1.6 million that the Office of the Financial and Program Auditor found being held erroneously in an escrow account for developers. It was determined that the money belonged to the County's Department of Transportation so the \$1.6 million was transferred to that agency in FY 2004.

Performance Measurement Results

This agency performs audits to identify and implement cost-saving recommendations. Audits are initiated under the direction of the Audit Committee of the Board of Supervisors. Savings achieved will vary based on the type of audits undertaken and conditions found. In FY 2006, audit recommendations to reduce the County's fleet resulted in one-time and ongoing savings of \$500,000 which represents 256 percent of the agency's FY 2006 operating costs of \$195,101.

For FY 2008, the Financial and Program Auditor has identified a target of at least 90 percent acceptance of audit recommendations by County agencies, which are projected to result in savings equal to or in excess of twice the agency's annual operating budget of \$234,791.