

# 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 three-member agency, comprised of the Director and two part time Management Analysts 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.

### Budget and Staff Resources

Agency Summary		
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan
Authorized Positions/Staff Years		
Exempt	2/ 2	2/ 2
Expenditures:		
Personnel Services	\$202,565	\$219,625
Operating Expenses	11,978	15,166
Capital Equipment	0	0
<b>Total Expenditures</b>	<b>\$214,543</b>	<b>\$234,791</b>

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### SUMMARY OF ALL AGENCY LOBS (FY 2008 Adopted Budget Data)

<i>Number</i>	<i>LOB Title</i>	<i>Net LOB Cost</i>	<i>Number of Positions</i>	<i>LOB SYE</i>
37-01	Independent Reviews of County Operations As Directed By the Board of Supervisors Through Its Audit Committee	\$234,791	2	2.0
<b>TOTAL</b>		<b>\$234,791</b>	<b>2</b>	<b>2.0</b>

### LOBS SUMMARY

#### 37-01: Independent Reviews of County Operations As Directed By the Board of Supervisors Through Its Audit Committee

<i>Fund/Agency: 001/37</i>		<i>Office of the Financial and Program Auditor</i>	
<i>LOB #: 37-01</i>		<i>Independent Reviews of County Operations As Directed By the Board of Supervisors Through Its Audit Committee</i>	
Personnel Services			\$219,625
Operating Expenses			\$15,166
Recovered Costs			\$0
Capital Equipment			\$0
<b>Total LOB Cost:</b>			<b>\$234,791</b>
Federal Revenue			\$0
State Revenue			\$0
User Fee Revenue			\$0
Other Revenue			\$0
<b>Total Revenue:</b>			<b>\$0</b>
<b>Net LOB Cost:</b>			<b>\$234,791</b>
Positions/SYE involved in the delivery of this LOB			2 / 2.0

#### ► LOB Summary

The Board of Supervisors decided it needed its own independent auditor to assist it in determining the manner in which policies, programs, and resources authorized by the Board 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.

The current Office of the Financial and Program Auditor came into existence in March 1997. The office is under the direction of an Audit Committee of the Board of Supervisors. The Audit Committee determined that it would meet quarterly, and that the Office of the Financial and Program Auditor would submit four status reports annually, timed to coincide with the quarterly Audit Committee meetings.

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Working together, the Audit Committee and the Office of the Financial and Program Auditor determines the areas to be reviewed by the Office. These areas have included the operation of the Retirement Administration Agency, as well as expediting requests for grant reimbursements by various County agencies. The latter review has added millions of dollars to the County's pooled cash and hundreds of thousands of dollars in investment income. Other areas reviewed include the collection of overdue accounts receivable that were at least a year old, which has resulted in the County receiving hundreds of thousands of dollars it might otherwise not have collected.

The Audit Committee most recently has requested a review of the size and use of the County's vehicle fleet, including its FASTRAN vehicles, and controls over the issuance of fuel at the County's 47 fueling sites. As a result of the Office's work, the County Executive created the Fleet Utilization Management Committee to provide recommendations on under-utilized vehicles. This has resulted in 178 vehicles being rotated, reassigned or sold, resulting in total one-time savings of approximately \$1,890,000 and annual maintenance savings of about \$330,000. Also, FASTRAN managers have begun a gradual reduction of 11 buses that will result in one time savings of \$670,000 and annual savings of \$77,000.

Regarding the Office's review of fuel dispensing procedures, the County tightened controls over the use of miscellaneous fuel codes. Consequently, fuel consumption declined by 56,726 gallons compared to the previous 12 months. The decline saved the County \$115,000. While other factors such as fuel conservation undoubtedly contributed to the reduction, the improved controls have achieved their intended impact.

The Audit Committee also requested a review of the system used to track proffers pledged by developers for the County's school system. The Office worked with School and County officials to help develop a reporting system that provides a coordinated tracking process and periodic reports to the County and the public on the use of proffer money. As a result, the County transferred \$5.4 million in undesignated proffer money to the Schools and will make quarterly transfers in the future. The Schools will provide semiannual reports on how the money has been, or will be, spent.

It is a goal of the Office of the Financial and Program Auditor to maximize revenue for the General Fund, or prevent unnecessary General Fund expenditures. As part of its performance measurement goals, the Office strives to save money amounting to at least 200 percent of its own budget. The amount saved as a result of the Office's reviews since March 1997 is approximately \$12.3 million. The cost of operating the Office during that period was approximately \$1.7 million through June 30, 2007, a ratio of over \$7 saved for every \$1 spent. The audits are conducted under the direction of an Audit Committee and the savings achieved by audits will vary depending on the type of audits undertaken and the conditions found.

### ► Method of Service Provision

The audits are conducted by the Director and two part-time Management Analysts II. The hours of operation are from 8:00 a.m. to 5:00 p.m. Monday through Friday.

### ► Mandate Information

There is no federal or state mandate for this LOB.

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## **AGENCY 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	LOB Reference Number
	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009	
<b>Output:</b>					
Audit reports issued to the BOS	4	4 / 4	4	4	37-01
<b>Efficiency:</b>					
Savings achieved as a percent of the agency's budget	256%	200% / 553%	200%	200%	37-01
<b>Service Quality:</b>					
Percent of audit reports completed on time	100%	100% / 100%	100%	100%	37-01
<b>Outcome:</b>					
Percent of recommended improvements in operations accepted and implemented by County agencies	100%	90% / 100%	90%	90%	37-01