



# Fairfax County Internal Audit Office

**Clerk Services and Board of Supervisors  
Business Process Audit  
Final Report**

**September 2021**

*"promoting efficient & effective local government"*

# Executive Summary

We performed a business process audit covering procurement, reconciliation, and personnel/payroll administration within Clerk Services and the Board of Supervisors. The audit included review of procurement cards, FOCUS marketplace cards, purchase orders, non-purchase orders, open-ended purchase order payments, monthly reconciliations, limited review of accounts receivable and revenue collections, and verifying compliance with Personnel/Payroll Administration Policies and Procedures (PPAPP). The areas covered in PPAPP included time/attendance system and controls, attendance/absence reporting, employee clearance record processing, credit check requirements for positions of trust, and procedures for completing criminal background investigations for employment in sensitive positions.

We found that the department had effective procedures and internal controls in place for the handling of purchasing functions, and transactions had adequate evidence of compliance with county policy. Reconciliations were independently performed and were completed in a timely manner.

We noted the following areas where controls will be strengthened as a result of this audit:

- Exceptions in receipt documentation were noted in eight out of 40 procurement cards, and three out of 25 Marketplace transactions. Clerk Services staff will ensure that packing lists or invoices have been signed and dated indicating the goods/services have been received. Supporting documentation will be kept on file with Clerk Services.
- We noted that for one out of 15 non-PO sample transactions for the Board of Supervisors, travel expense vouchers were missing supporting mileage detail (i.e., Google Map or MapQuest Routes or full addresses) for various types of travel. Clerk Services staff will ensure that travel reimbursement requests include map documentation and/or complete addresses when processing and approving travel reimbursements.
- Five out of the six Employee Clearance Record Checklists reviewed did not include signatures of the terminated or transferred employees. Clerk Services HR staff will continue to follow up with department employee supervisors to ensure the interview and checklist is fully completed for terminating/transferred employees and returned to the HR point of contact.

## Scope and Objectives

This audit was performed as part of our fiscal year 2021 Annual Audit Plan and was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our

audit objectives were to review Clerk Services and the Board of Supervisors' compliance with county policies and procedures for purchasing processes, personnel/payroll administration, and financial reconciliation. We performed audit tests to determine internal controls were working as intended and transactions were reasonable and did not appear to be fraudulent.

The audit population included procurement card, FOCUS marketplace, purchase order, open-ended purchase order, and non-purchase order transactions that occurred during the period of April 1, 2020, through March 31, 2021. For that period, the department's purchases were \$102,578 for procurement cards, \$12,366 for FOCUS marketplace, \$19,925 for purchase orders, and \$55,791 for non-purchase order payments.

## Methodology

Audit methodology included a review of the department's business process procedures with analysis of related internal controls. Our audit approach included an examination of expenditures, records and statements; interviews of appropriate employees; and a review of internal manuals and procedures. We evaluated the processes for compliance with county policies and procedures. Information was extracted from the FOCUS and PaymentNet systems for sampling and verification to source documentation during the audit.

## Findings, Recommendations, and Management Response

### 1. Receipt Documentation

We noted the following exceptions when reviewing the receipt of goods and services purchased and ordered via procurement card and marketplace:

- Procurement Card: Eight out of 40 procurement card transactions reviewed were not supported by a signed and dated packing slip, invoice or other documentation indicating who confirmed receipt of goods/services and when it was confirmed/reviewed.
- Marketplace: Three out of 25 Marketplace transactions reviewed had a signed packing slip on file, however, the packing slip did not include a date indicating when the items were received.

Procedural Memorandum 12-16, On-Line Procurement of Office Supplies, requires that all agencies verify goods received against the packing list and the original order. The packing list should then be signed and dated to document proper receipt of goods.

Improper confirmation of receipt of goods/services increases the risk of payment for goods/services that were not received.

**Recommendation:** Clerk Services and the Board of Supervisors should ensure that sufficient receipt documentation is maintained on file for all procurement card and FOCUS Marketplace transactions. If a packing slip is not included with the shipment, receipt of the ordered goods should be documented on the invoice or a separate receiving report with receiver's initials and date. All receiving documentation should be maintained on file with the supporting documentation for the transaction and received by an individual other than the purchaser/approver.

**Management Response:** Clerk Services staff will ensure that packing lists or invoices have been signed and dated indicating the goods/services have been received. Supporting documentation will be kept on file with Clerk Services. Management anticipates completing this action by October 1, 2021.

## 2. Inadequate Travel Supporting Documentation

We noted that for one out of 15 non-PO sample transactions for the Board of Supervisors, travel expense vouchers were missing supporting mileage detail (i.e., Google Map or MapQuest Routes or full addresses) for various types of travel.

*DOF's Travel Tips and Reminders* (published on their website), states that supporting map detail as back-up documentation should be maintained. Finally, an element of a good and mature internal control environment is to have sufficient supporting documentation for an independent third party to be able to determine where and why the employee traveled, and if the correct travel expense was reimbursed.

Not having sufficient supporting documentation to be able to verify travel expenses increases the risk of unauthorized travel, fraud, or waste of county funds.

**Recommendation:** We recommend that Clerk Services and the Board of Supervisors reinforce *DOF Travel Tips and Reminders* with staff and ensure complete supporting documentation (i.e., Google Map or MapQuest Routes or complete addresses) for mileage reimbursements is maintained on file.

**Management Response:** Clerk Services staff will ensure that travel reimbursement requests include map documentation and/or complete addresses when processing and approving travel reimbursements. Management anticipates completing this action by October 1, 2021.

## 3. Employee Clearance Record Checklists

Five out of the six Employee Clearance Record Checklists reviewed did not include signature of the terminated or transferred employee. Per conversations with Clerk Services, supervisors of those employees did not complete the checklists and return them to the HR point of contact. The HR point of contact confirmed that all items on the checklists were collected prior to the employees' last day and completed the checklists.

Per *Personnel/Payroll Administration Policies and Procedures (PPAPP)* Memorandum No. 33, *Employee Clearance Record*: “Departments are required to complete an Employee Clearance Record Checklist with each employee transferring from one department to another or leaving County service for any reason, employees receive a copy of the Employee Clearance Record Checklist and sign verifying receipt, and responsibility for completing Employee Clearance Record Checklists must be included in the job description(s) for staff assigned to this function.”

Failure to maintain adequate controls over the process of completing the Employee Clearance Checklists increases the risk of County property not being returned; terminated employees having access to County systems; and disputes between the County and prior employees, should an issue arise later.

**Recommendation:** We recommend that employee supervisors conduct interviews with employees and fully complete checklists for employees transferring from one department to another or leaving the County service. The completed checklists should be sent to the HR point of contact.

**Management Response:** Clerk Services HR staff will continue to follow up with department employee supervisors to ensure the interview and checklist is fully completed for terminating/transferred employees and returned to the HR point of contact. Management anticipates completing this action by October 1, 2021.