



Fairfax County Internal Audit Office

Office of Public Affairs
Business Process Audit
Final Report

October 2023

"promoting efficient & effective local government"

Executive Summary

We performed a business process audit covering procurement, reconciliation, and personnel/payroll administration within the Office of Public Affairs. 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 offboarding checklist processing, credit check requirements for positions of trust, and procedures for completing criminal background investigations for employment in sensitive positions.

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

- The P-card transaction log did not reflect the card was in the possession of the card user, as the users were signing across both the sign-out and sign-in at the same time to indicate usage, writing only “autopay” across both lines, or not signing at all (the logs did contain a note at the bottom to the effect that “all transactions performed by “card user name” unless otherwise noted.”) OPA has begun using the P-card log included in PTB 12-1009 (electronically), attachment C. The date and time and person possessing the p-card will be recorded for each purchase.
- 9 of 25 P-card purchases tested were made without going through the proper technical review from the Department of Information Technology (DIT). These items should have been purchased using either the FOCUS marketplace or a FOCUS purchase order. By using either of these purchasing methods, DIT could review the software being purchased to determine that there is not a more cost-effective alternative available to the department. Prior to procuring specialized equipment or services, OPA will contact the appropriate technical review department to complete the tech review process. The requestor and financial team will start the tech review for the current purchases.
- 2 of 3 employees terminated during the audit period did not complete the Employee Offboarding Checklist. In addition, the checklist used by OPA did not contain all the required elements as listed in the official checklist contained in PPAPP 33. Offboarding checklists will be completed on all separations from the County no matter the circumstance, and will be signed by the HR Manager and Supervisor.
- 1 person on the department’s Positions of Trust list did not have a credit check performed in a timely manner. A credit check will be run for this person and reminder emails will be sent periodically.

Scope and Objectives

This audit was performed as part of our fiscal year 2023 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 the Office of Public Affairs' 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 May 2022, through April 2023. For that period, the department's purchases were \$34,782 for procurement cards, \$4,846 for FOCUS marketplace, \$128,167 for purchase orders, \$108,248 for open-ended purchase orders, and \$380 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. Procurement Card Transaction Log

The p-card transaction log did not reflect that the card was in possession of the card user - for 15 out of 25 transactions tested, p-card users were signing across both the sign-out and sign-in space on the log at the same time to indicate usage, or not signing at all (the logs contained a note at the bottom to the effect that "all transactions performed by "card user name" unless otherwise noted."). Additionally, for 3 transactions, "autopay" was written across both lines in the space for checkout and check-in information.

Procurement Technical Bulletin (PTB) 12-1009, *Use of the County Procurement Card*, indicates that "A system that tracks possession of the p-cards and records p-card purchases as they occur must be in place." Furthermore, the policy requires agencies to protect all p-card information such as the p-card name, account number, and expiration date.

If possession of the p-card is not accurately tracked, the risk of not identifying fraudulent transactions in a timely manner is increased. Since the bank does not offer as much fraud protection for departmental cards as named cards it is imperative to accurately and completely track the possession and usage of the p-cards. Having vendors store credit card information for autopay increases the risk of payments made for services that are no longer in use or unauthorized purchases.

Recommendation: We recommend p-card users sign each slot on the transaction log individually upon signing out and returning the card. Providing vendors with credit card information for autopay is generally discouraged. However, in the event this cannot be avoided, supporting documentation for the transaction should include a copy of the detailed invoice for the product/service purchased with an approval signature from the person using the product/service.

Management Response: OPA is utilizing the p-card log included in PTB 12-1009 (electronically), attachment C. The date and time and person possessing the p-card will be recorded for each purchase. Management has completed these actions as of October 2, 2023.

2. Technical Review

9 of 25 P-card purchases tested were purchased without going through the proper technical review from the Department of Information Technology (DIT). One of the purchases was computer hardware; the remaining purchases were either online services (primarily for social media management) or downloadable software. These items should have been purchased using either the FOCUS marketplace or a FOCUS purchase order. By using either of these purchasing methods, DIT could review the software being purchased to determine that there is not a more cost-effective alternative available to the department.

Procurement Technical Bulletin (PTB) 12-1009, *Use of the County Procurement Card*, states that: “Unless formally exempted by the responsible technical review agency, no agency may purchase an item or service requiring technical review without first completing the review process. For this reason, items and service requiring technical review may not be purchased using a procurement card.”

Purchasing technical items on the p-card increases the risk of overpayment for goods, purchases not compatible with the county’s systems, or not compliant with the county’s standards, and purchases from a vendor that does not offer technical support.

Recommendation: All purchases that require technical review approval should be purchased using either FOCUS Marketplace or a FOCUS purchase order to ensure that appropriate quality control procedures take place. If procurement card method is used, written approval documentation of exemption granted by the technical review agency should be maintained on file.

Management Response: Prior to procuring specialized equipment or services, OPA will contact the appropriate technical review department to complete the tech review process. The requestor and financial team will start the tech review for the current purchases. Management has initiated steps for completing these actions as of October 5, 2023.

3. Employee Offboarding Checklist

2 of 3 employees terminated during the audit period did not complete the Employee Offboarding Checklist. In addition, the checklist used by OPA did not contain all the required elements as listed in the official checklist contained in PPAPP 33. Per *Personnel/Payroll Administration Policies and Procedures (PPAPP) Memorandum No. 33, Procedures and Information for Employees Terminating from or transferring within Fairfax County*, “Departments are required to complete an employee offboarding interview with each employee leaving County service for any reason.”

Both departures for which a form needed to be filled out had extenuating circumstances. One of the employees was terminated while they were out of the office and they refused to return during the work week to complete the offboarding form, return their computer, etc. Instead, they returned on a weekend when the office was unoccupied. The other employee departed after a long illness for which they were on leave but never returned.

Failure to maintain adequate controls over the process for completing Employee Offboarding 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 at a later date. Failure to include all required elements from the checklist template provided in PPAPP 33 increases the risk of not maintaining adequate controls over the offboarding process.

Recommendation: OPA should properly complete and retain an Employee Offboarding Checklist for employees transferring from one department to another or leaving the County service. If circumstances do not allow an employee to complete the Offboarding Checklist in person, department staff should complete the checklist without the employee’s signature and note the circumstances to ensure that all offboarding tasks have been completed. In addition, OPA should update its checklist to include all the elements from the template provided in PPAPP 33.

Management Response: Offboarding checklists will be completed on all separations from the County no matter the circumstance, and will be signed by the HR Manager and Supervisor. We will fill out the unique circumstance on the form going forward when needed. Management has initiated steps for completing these actions as of October 5, 2023.

4. Credit Checks for Positions of Trust

Our review of credit checks noted that 1 person on the department’s Positions of Trust list did not have a credit check performed in a timely manner.

Personnel/Payroll Administration Policies and Procedures Memorandum (PPAPP) No. 56, *Credit Check Requirements for Positions of Trust*, states “Employees who occupy positions of trust are subject to a credit check.” Moreover, “The department director or designee will ensure that new hires, as well as employees promoted, demoted or transferred to a position of trust, are processed for a credit check in a timely manner.”

Obtaining credit checks for those in positions of trust (i.e., those with fiduciary responsibility) decreases the risk of potential for abuse or fraud.

Recommendation: OPA should obtain credit checks in a timely manner for all individuals on the Positions of Trust list. The credit checks should be completed upon initial hire, promotion, transfer, or demotion to a position of trust, and repeated every 4 years thereafter.

Management Response: Reminder emails will be sent out periodically. A credit check will be performed for the individual for whom one is lacking. Management anticipates completing these actions by October 31, 2023.