

# COUNTY OF FAIRFAX, VIRGINIA OFFICE OF FINANCIAL AND PROGRAM AUDIT

---



**October 2019**

**Quarterly Report**

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

[www.fairfaxcounty.gov/boardauditor](http://www.fairfaxcounty.gov/boardauditor)

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



**Jim L. Shelton, Jr., MBA, CRP (Auditor of the Board)**

**[Jim.Shelton@FairfaxCounty.gov](mailto:Jim.Shelton@FairfaxCounty.gov)**

**Ehab Ghobrial, (Financial & Program Auditor)**

**[Jim.Shelton@FairfaxCounty.gov](mailto:Jim.Shelton@FairfaxCounty.gov)**

**Mathew S. Geiser, Office Project Manager (Financial & Program Auditor)**

**[Mathew.Geiser@FairfaxCounty.gov](mailto:Mathew.Geiser@FairfaxCounty.gov)**

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

**Table of Contents**

**ABSTRACT.....4**

**FCEDA STUDY.....5**

- FCEDA Internal Bond Tracking.....8
- FCEDA Credit Card Use.....9
- FCEDA Procurement Practices.....10
- IRB Application Process.....12
- FCEDA Credit Card Policy.....13

**HEALTH DEPARTMENT BILLINGS STUDY.....14**

- FCHD Aged Receivables Write Offs.....17
- FCHD Waiver Process.....19
- Late Fees Tracking.....20
- Pharmacy Inventory Audit Process.....21
- Vaccine Use & System Tracking.....22
- Vaccine Use & Inventory Tracking.....23

**STATUS REPORT ON PRIOR PERIOD RECOMMENDATIONS.....25**

**INQUIRIES TO OFPA.....45**

**APPENDICIES.....46**

**LIST OF ACRONYMS.....56**

**ADDENDUM SHEET.....57**

**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  
Office of Financial and Program Audit**

**FCEDA OPERATIONAL/FINANCIAL/COMPLIANCE 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.

OFPA executed a financial, operational and compliance review of FCEDA. This study included **(but not limited to)** reviews of; industrial revenue bonds (IRB) applications, IRB approval process, businesses post performance, bond proceeds, treasury & banking, procurement, credit card transactions, inventory & fixed assets, usage of County funds, etc. The period of review for this study was FY18-YTD. OFPA with the assistance of FCEDA compiled FY18 FCEDA statistical data in the table below:

FCEDA FY18 Statistical Data	
Fairfax County Economic Development Authority	
Data Metrics	Stats
<i>Aggregate Businesses Brought to FFX (1)</i>	158
<i>Aggregate No. of Jobs Created in FFX (1)</i>	11,460
<i>Total Budget (2)</i>	\$7,900,000.00
<i>Costs Per Job (3)</i>	\$689.35
<i>Data Source (1): FY18 YE Combined Report / EDA Commission</i>	
<i>Data Source (2): FY18 EDA Budget per FY20 Adopted Budget</i>	
<i>Data Source (3): EDA Budget /Jobs Created</i>	

The FCEDA is an independent public body. As such, the FCEDA operates independently of the Fairfax County Government in some areas, such as policy enactment, employee status, recruitment and procurement of goods and services. There is a Memorandum of Understanding (MOU) between the FCEDA and the County which states Section 1.1 Procurement of goods and services The FCEDA shall be responsible for independently procuring FCEDA goods and services pursuant to the Virginia Public Procurement Act, 11-35, et set. of the Code of Virginia, with the exception of offices supplies and other equipment, paper goods and other or services as agreed upon and as provided in section 1.2 below. Section 1.2 Cooperative Procurement FCEDA and the County shall participate in a cooperative procurement with respect to the purchase of office supplies and equipment and paper goods, and other such goods and services as may be agreed upon by the parties where such an arrangement will allow the parties to obtain substantial costs savings and reduce administrative expenses by combining requirements. The FCEDA shall adhere to the Fairfax County Purchasing Resolution with respect to those goods and services procured through a cooperative arrangement with the County”.

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

However, the FCEDA also maintains a cooperative relationship with Fairfax County and shares functions in areas such as; personnel/payroll, budget, and financial management. The FCEDA does participate in the County payroll system for the purpose of providing FCEDA employees access to County benefits, including health, life, and pension benefits. In addition, the county's insurance for workers' compensation coverage is extended to FCEDA employees. FCEDA does not issue loans, incentive payments, incentives to businesses participating in the IRB Tax Exempted program.

FCEDA is an independent authority that provides direct assistance to qualified businesses that are considering establishing or expanding their business operations in Fairfax County. The Fairfax County Board of Supervisors (BOS) appoints the seven members of the FCEDA's Commission, which in turn, appoints the FCEDA's CEO. The BOS also appropriates funding annually to FCEDA for its personnel and programs. In FY18, the BOS appropriated ~\$7.9M to FCEDA from the general fund. FCEDA provides prospective companies with several free services to include; provision of commercial real estate information, demographics, introduction to County staff, etc. FCEDA has offices around the globe to help companies that want to expand or relocate to Fairfax County. These worldwide locations include; Tysons Corner, Los Angeles, London, Bangalore, Berlin, Tel Aviv and Seoul. Per FCEDA, no FCEDA staff is assigned to work in these overseas locations. FCEDA procures contractors for these offices.

FCEDA serves as a conduit for IRB financing for organizations that fully qualify for the federal IRB program. The FCEDA has the authority to issue revenue bonds to be used in financing the acquisition, construction or equipping of various types of facilities. In order to qualify, a facility must be one of the following: (1) a non-profit 501(c)(3) entity; or (2) a for-profit "manufacturing facility", as defined by the IRS Code. Interest on the qualified bonds issued by the FCEDA is exempt from taxation under the Internal Revenue Code. The availability of this tax benefit generally results in a lower interest rate for the user of the borrowed funds. It is important to note that the revenue bonds do not constitute a general obligation of the FCEDA, nor will the full faith and credit of Fairfax County or the Commonwealth of Virginia be pledged to the payment of any such bonds.

OFPA obtained several sources of data from FCEDA to select samples and perform substantive testing. Testing was performed on several areas to include; bond issuance fees, credit card transactions, AP disbursements, inventory & fixed assets, wire transfers, bond investments, internal controls, etc. Some testing results are provided in **Appendices A-D**.

OFPA performed several onsite visits and interviewed FCEDA staff to understand the nature of the operations. We have identified observations and recommendations based on this review. The areas identified for potential enhancements are detailed in further in this document.

FCEDA FOCUS User Access & Banking/Treasury Controls assessment presented in **Appendix E**.

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

**OBJECTIVES AND RESULTS**

Business Objectives	Study Assessments
FCEDA Wire Transfer Process	Satisfactory
A/P Support for Disbursements	Satisfactory
FCEDA Internal Bond Tracking	Needs Improvement
FCEDA Credit Card Use	Needs Improvement
FCEDA Procurement Practices	Needs Improvement
IRB Application Process	Needs Improvement
FCEDA Credit Card Policy	Needs Improvement

Performance Summary	
Good Controls	Performance Enhancement Opportunities
<ul style="list-style-type: none"> <li>All wire transfers properly executed and approved by FCEDA, for the sample tested.</li> <li>All A/P support reconciled to the related disbursements, for the sample tested.</li> </ul>	<ul style="list-style-type: none"> <li>Segregation of County revenue bonds and IRBs for accurate reporting and reduction of rework.</li> <li>Credit Card policy control enhancements.</li> <li>Optimization of procurement process both operationally and financially.</li> <li>Completion of IRB applications in accordance with application guidance.</li> <li>Credit card Standard Operating Procedure (SOP) updated to provide guidance for several spend types not noted.</li> </ul>

**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**

**FCEDA INTERNAL BOND TRACKING**

**Risk Ranking**

**HIGH**

FCEDA issues two types of bonds, IRBs and revenue bonds issued on behalf of the County. During a review of the bond tracking document provided by FCEDA, OFPA with the assistance of the Department of Finance (DOF) identified several bonds that were not segregated by type. For our sample of bonds selected for review, we noted **4 out of 14** or **29%** were incorrectly categorized on the internal FCEDA bond tracker. Additionally, OFPA identified a reporting discrepancy for IRBs between the County's Comprehensive Annual Financial Report (CAFR) and FCEDA's financial statement for FY2018. The FY2018 recorded amounts are **\$1,623,296,901** and **\$1,635,296,901** respectively. These amounts result in a **\$12,000,000 difference**. We reviewed the reporting process with DOF and noted, the data compilation goes through several iterations, between FCEDA counsel and DOF, to finalize the reporting. We were also shown several spreadsheets related to this compilation effort that reflected different amounts for the same bond activity. While no fiduciary responsibilities reside with FCEDA, it is important that the issued bonds are tracked by the issuer should any issues and or concerns arise. While FCEDA and DOF are not responsible for Principal and interest payments (**debt service**) for IRBs, maintaining proper records will reduce rework and ensure DOF is provided accurate information.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Victor Hoskins (President & CEO, FCEDA)	April 8, 2020	<a href="mailto:VHoskins@FCEDA.org">VHoskins@FCEDA.org</a>
Catherine Riley (VP Business Investment, FCEDA)		<a href="mailto:CRiley@FCEDA.org">CRiley@FCEDA.org</a>
Donna Hurwitt (VP Operations, FCEDA)		<a href="mailto:DHurwitt@FCEDA.org">DHurwitt@FCEDA.org</a>

**MANAGEMENT RESPONSE:**

The FCEDA will add a column to the internal bond-tracking spreadsheet to indicate the type of bond: 501(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.



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

**FCEDA CREDIT CARD USE**

**Risk Ranking**

**MEDIUM**

FCEDA staff are issued corporate credit cards for T&E to 23 of 46 employees. The FCEDA corporate credit cards are issued through Bank of America (BoA) & American Express (Amex). OFPA did not identify any incentives such as rebates remitted to the FCEDA. FCEDA pays an annual fee for each Amex card holder in the amount of \$55.00 each September. There are no fees for the BoA Visa cards. The FCEDA total card spend for FY18-YTD on the BoA & Amex cards was ~\$220K & ~\$377K, respectively. Additionally, OFPA identified several instances whereby FCEDA staff utilized personal credit cards and were reimbursed by the County. FCEDA has a policy on cards use, the guidance on this policy could be enhanced. There is a \$5K spending limits on BoA cards, there is no spending limit on the Amex cards. Lastly, there are no purchase category restrictions on either the BoA or Amex cards, e.g. merchant codes. These control gaps unduly expose the FCEDA through; lost, stolen, misuse, etc. of credit cards.

**Recommendation**

We recommend that FCEDA address the following control gaps by setting spending limits (*at levels 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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Victor Hoskins (President & CEO, FCEDA)	April 8, 2020	<a href="mailto:VHoskins@FCEDA.org">VHoskins@FCEDA.org</a>
Catherine Riley (VP Business Investment, FCEDA)		<a href="mailto:CRiley@FCEDA.org">CRiley@FCEDA.org</a>
Donna Hurwitt (VP Operations, FCEDA)		<a href="mailto:DHurwitt@FCEDA.org">DHurwitt@FCEDA.org</a>

**MANAGEMENT RESPONSE:**

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.

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

**FCEDA PROCUREMENT PRACTICES**

**Risk Ranking**

**MEDIUM**

FCEDA is an independent authority for which administrative functions are funded by the County. Under this independence, FCEDA retains procurement authority for purchases and contracts. Since FCEDA is not utilizing County contracts, there is a possibility they may not be receiving the best prices for the products/services purchased. Additionally, the use of the County's purchase orders through the FOCUS system would add additional controls and retention of support beyond the record retention policy of three years.

Other authorities with procurement authority in the County have MOUs with the County that creates relationships which provides access and use to the County's procurement process. These other authorities include; Fairfax County Park Authority, Fairfax County Housing and Community Development, and Fairfax County Public Schools (*Department of Procurement and Material Management [DPMM] Director is the Procurement Officer but delegates purchasing to the schools*). There is an active MOU between the County and FCEDA (**which has not expired**). Based on our review, FCEDA has access to the County's contracts and would receive benefits from including their procurement through the County; e.g. economies of scale for the FCEDA and the County. This process would be beneficial to both DPMM and the FCEDA. Additionally, a sample review of procurements made by FCEDA from prior periods have been reviewed with Department of Information Technology (DIT). It has been determined that these items can be procured through the County as contracts currently exist for these products.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Victor Hoskins (President & CEO, FCEDA)	October 8, 2020	<a href="mailto:VHoskins@FCEDA.org">VHoskins@FCEDA.org</a>
Catherine Riley (VP Business Investment, FCEDA)		<a href="mailto:CRiley@FCEDA.org">CRiley@FCEDA.org</a>
Donna Hurwitt (VP Operations, FCEDA)		<a href="mailto:DHurwitt@FCEDA.org">DHurwitt@FCEDA.org</a>

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

Cathy Muse (Director, DPMM)		<a href="mailto:Cathy.Muse@FairfaxCounty.gov">Cathy.Muse@FairfaxCounty.gov</a>
Emily Smith (Asst. County Attorney, OCA)		<a href="mailto:Emily.Smith2@FairfaxCounty.gov">Emily.Smith2@FairfaxCounty.gov</a>

**MANAGEMENT RESPONSE:**

The FCEDA currently uses the county contract with Guernsey 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.

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

**IRB APPLICATION PROCESS**

**Risk Ranking**

**MEDIUM**

As part of our testing we reviewed a sample of **10** FCEDA IRB; Applications, Fiscal Impact Statements (FIS) and Statements of Understanding (SOU). Our testing revealed the following; **1 out of 10** FIS were not complete, **1 out of 10** SOU was not complete, **1 out of 10** SOU was missing. For the SOU, the test attributes not completed were the applicant signature, date and stamped seal. In the IRB Review/Approval Process by FCEDA document provided, the following language is listed “Staff and counsel to the EDA review application for completeness”. Also, the SOU details guidelines regarding applicant’s reimbursement to the FCEDA, relief of liability, and other agreements.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Victor Hoskins (President & CEO, FCEDA)	October 8, 2020	<a href="mailto:VHoskins@FCEDA.org">VHoskins@FCEDA.org</a>
Catherine Riley (VP Business Investment, FCEDA)		<a href="mailto:CRiley@FCEDA.org">CRiley@FCEDA.org</a>
Donna Hurwitt (VP Operations, FCEDA)		<a href="mailto:DHurwitt@FCEDA.org">DHurwitt@FCEDA.org</a>

**MANAGEMENT RESPONSE:**

FCEDA will implement a process review procedure to occur upon final approval of IRBs.

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

**FCEDA CREDIT CARD POLICY**

**Risk Ranking**

**LOW**

As part of our testing, we reviewed a sample of credit card transactions by FCEDA staff. FCEDA utilizes credit cards through two banks, BoA & Amex. FCEDA has an internal SOP that provides guidelines to staff for approved purchases. We tested 30 A/P disbursements and related support; no exceptions were noted. Based on our tested sample, **15 out of 30** or **50%** of the purchase categories were not on the approved usage list in the SOP. These spend types included; marketing expenditures, meeting rooms, retail stores, and online subscriptions. These transactions accounted for a total of **~\$10K**. Continuing to utilize this policy with the current guidelines, limits the ability to ensure purchases made fall within the approved categories.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Victor Hoskins (President & CEO, FCEDA)	April 8, 2020	<a href="mailto:VHoskins@FCEDA.org">VHoskins@FCEDA.org</a>
Catherine Riley (VP Business Investment, FCEDA)		<a href="mailto:CRiley@FCEDA.org">CRiley@FCEDA.org</a>
Donna Hurwitt (VP Operations, FCEDA)		<a href="mailto:DHurwitt@FCEDA.org">DHurwitt@FCEDA.org</a>

**MANAGEMENT RESPONSE:**

The FCEDA Standard Operating Procedure Manual (SOPM) will be updated as recommended to indicate all approved purposes for use of the cards.

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

**HEALTH DEPARTMENT BILLINGS STUDY**

**OVERVIEW AND UPDATES**

The purpose of this study was to execute a performance review on the Fairfax County Health Department (FCHD) billings, collections and operations performed. This study included **(but not limited to)** reviews of; financial support methodology, receipt of funds from the Virginia Health Department (VDH) and City of Falls Church, service billings, client billing information accuracy, inventories, recognition of funds, etc. The period of review for this study was FY 2018. OFPA with the assistance of FCHD compiled FY 2018 statistical data (*data points vary by category due to availability*) in the table below:

<b>FY18 FCHD OPERATIONS</b>	
<i>Fairfax County Health Department</i>	
Overall Statistics	
Data Metrics	Stats (Note 1)
<i>No. of Office Locations</i>	18
<i>Revenues Garnered</i>	\$19,825,030
<i>Operating Expenses</i>	\$18,704,094
<i>No. of Services Provided</i>	21
Laboratory Testing Statistics	
Data Metrics	Stats (Note 1)
<i>No. of Vector Borne Disease Tests</i>	5,000
Patient Care Services	
Data Metrics	Stats (Note 1)
<i>No. of Clinics</i>	8
<i>No. of Vaccines Issued</i>	28,277
<i>General Medical Services</i>	9,000 QuantiFERON Tests for TB
Community Health Care Network	
Data Metrics	Stats (Note 1)
<i>No. of Patient Visits</i>	35,388
<i>Avg. Cost Per Visit</i>	\$271.37
<i>Avg. Cost Per Patient</i>	\$570.36
Supplemental Nutrition for Women, Infants and Children (WIC)	
Data Metrics	Stats (Note 1)
<i>No. of Clients</i>	14,373
<b>Note 1: Data provided by FCHD.</b>	

FCHD provides several services to residents in the County and the cities of Falls Church and Fairfax. There is a total of 18 health offices whereby clients receive services. These services include; dental, medical, x-rays, immunizations, pregnancy testing, pool and well/septic permits, vital records (e.g. death certificates), pharmacy, adult day care, etc. For each service provided, FCHD charges fees to the clients. Fees collected are captured in the Avatar system utilized by FCHD. In addition to the revenues garnered for the services provided, FCHD receives additional funding from the City of Falls Church and the VDH. Total revenues collected in FY 2018 were **~\$19.8M.**

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

OFPA obtained several sources of data from FCHD to select samples and perform substantive testing. Testing was performed on several areas to include; aged receivables, billings & collections, fixed assets & inventories, refunds, waivers, VDH & City of Falls Church remittances, etc. Memorandums of Agreement (MOAs), State of VA Statutes, County Policies and other related documents were referenced to facilitate the testing processes. Some testing results are provided in **Appendices F-J**.

For every study performed, OFPA endeavors to perform benchmarking to similar jurisdictions, private industry and/or other areas. At the time of this study, no benchmarking data related to this study was available from FCHD or through research. Benchmarking and Cost Benefit Analysis re: County versus Outside Providers, may be performed later as standalone studies.

OFPA performed several onsite visits and interviewed FCHD staff to understand the nature of the operations. We have identified observations and recommendations based on this review. The areas identified for potential enhancements are detailed in further in this document.

**OBJECTIVES AND RESULTS**

Business Objectives	Study Assessments
FCHD Refund Process	Satisfactory
VDH & City of Falls Church Remittances	Satisfactory
FCHD Aged Receivables Write offs	Needs Improvement
FCHD Waiver Process	Needs Improvement
Late Fees Tracking	Needs Improvement
Pharmacy Inventory Audit Process	Needs Improvement
Vaccine Use & System Tracking	Needs Improvement
Vaccine Use & Inventory Tracking	Needs Improvement

Performance Summary	
Good Controls	Performance Enhancement Opportunities
<ul style="list-style-type: none"> <li>Refunds properly documented and remitted by FCHD, for the sample tested.</li> <li>VDH &amp; City of Falls Church remittances reconcile to the FCHD invoice, for the sample tested.</li> </ul>	<ul style="list-style-type: none"> <li>Write-off aged receivables that fall within the FCHD specified timeframe.</li> <li>Perform periodic reviews of the NTST Default Payor waiver category.</li> <li>Track late fees for outstanding receivables in the new EMR system, if procured.</li> <li>Perform vaccine inventory audits on a more frequent basis at the Pharmacy District Offices.</li> <li>Implement a required timeframe for data entry of vaccines used.</li> </ul>

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

<b>Performance Summary</b>	
<b>Good Controls</b>	<b>Performance Enhancement Opportunities</b>
	<ul style="list-style-type: none"><li>• Enhance accounting for vaccine doses.</li></ul>

**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**

**FCHD AGED RECEIVABLES WRITE OFFS**

**Risk Ranking**

**HIGH**

FCHD aged receivables for services provided to clients were reviewed through a sample of **15** clients with balances exceeding 730+ days outstanding. The aged receivables report used for testing was provided by FCHD. Based on our analysis of this sample, the aged receivables & amounts range from **942 to 10,967** days & **\$130 to \$3,648** outstanding, respectively. The total balance of FCHD aged receivables in the 730+ days outstanding category is **~\$205K**. Based on a cursory review of the aged receivables reports provided by FCHD, aged receivables in the Avatar system (implemented in 2005) go back to the 1980's. As a management practice, FCHD does not write-off aged receivables. FCHD informed us that this data is not purged from the Avatar system, it remains until monies are collected from the respective clients.

Per the DOF policy FPS 436 (Billing and Collection Procedures / Non-Tax Accounts), **“Receivables with expiring statute of limitations shall be written off from the department’s accounting records and FOCUS or other external business system of record”**. For reference, the statute of limitations for these aged receivables is 3 years per the Code of Virginia §8.01-246. The below table details the sample of aged receivables reviewed (**full testing sheet is in Appendix E**):

FCHD Aged Receivables > 730 Days Sample				
Sample Attributes	Testing Attributes			
Client Name	Service Date	No. Days Outstanding As of 7/31/19 (Note 1)	Original Amount Due	Aged Balance
Client 1	5/14/1998	7,717	\$325.71	\$325.71
Client 2	12/20/1995 - 06/26/1996 (22 Services)	8,593- 8,405	\$170.88	\$170.88
Client 3	11/02/2005 & 04/05/2006	4,989 & 4,835	\$173.00	\$173.00
Client 4	9/25/2003 & 04/07/2004	5,758 & 5,564	\$169.29	\$169.29
Client 5	5/28/2015- 12/01/2016 (49 Services)	1,495-1,308	\$2,216.59	\$2,216.59
Client 6	6/30/2012 - 12/01/16 (89 Services)	2,558 - 942	\$3,647.58	\$3,647.58
Client 7	09/27/2013 - 12/01/2016 (42 Services)	2,104 - 942	\$378.76	\$378.76
Client 8	06/22/1989 - 04/07/1992	10,967- 9,947	\$162.62	\$162.62
Client 9	12/19/1996	8,595	\$159.89	\$159.89
Client 10	09/22/2008- 01/08/2009	3,158- 3,935	\$156.00	\$156.00
Client 11	12/09/1998 - 02/05/1999	7,509- 7,454	\$230.00	\$230.00
Client 12	02/10/2006- 10/06/2009	4,892-3,555	\$149.00	\$149.00
Client 13	04/26/1993- 04/14/1994	9,210- 9,563	\$605.63	\$605.63
Client 14	9/1/2006- 11/03/2015	4,687-1,337	\$146.00	\$146.00
Client 15	03/05/2012- 10/31/2012	2,674-2,435	\$130.00	\$130.00

**Tick Mark Legend**  
**Note 1:** Days outstanding were calculated from 30 days after service date to July 31, 2019.

**Recommendation**

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.

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

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Dr. Gloria Addo-Ayensu (Director, FCHD)  Jessica Werder (Deputy Director, FCHD PHO)  Suzanne Lane (Fiscal Manager, FCHD)	April 30, 2020	<a href="mailto:Gloria.Addo-Ayensu@fairfaxcounty.gov">Gloria.Addo-Ayensu@fairfaxcounty.gov</a>  <a href="mailto:Jessica.Werder@fairfaxcounty.gov">Jessica.Werder@fairfaxcounty.gov</a>  <a href="mailto:Suzanne.Lane@fairfaxcounty.gov">Suzanne.Lane@fairfaxcounty.gov</a>

**MANAGEMENT RESPONSE:**

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.

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

**FCHD WAIVER PROCESS**

**Risk Ranking**

**MEDIUM**

A review of **2,131 FY 2018 waivers (totaling \$260K)** were provided for review by FCHD. The guarantor (or payor) for these waivers were labeled as NTST Default Payor. Per FCHD, this is a code utilized in the Avatar system to represent services provided to eligible (for waivers) clients 18 and under. Clients are deemed eligible/non-eligible following a questionnaire performed by FCHD staff. Based on our interviews, FCHD is only able to pursue collections for non-eligible (for waivers) clients (**per Code of Virginia § 32.1-46 Immunization of clients against certain diseases**). Additionally, while these questionnaires are performed, no final approval is performed for clients deemed eligible and not charged for these services. Communication was provided by FCHD stating the supporting documentation for these waivers do not exist.

**Recommendation**

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 Payor. 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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Dr. Gloria Addo-Ayensu (Director, FCHD)	April 30, 2020	<a href="mailto:Gloria.Addo-Ayensu@fairfaxcounty.gov">Gloria.Addo-Ayensu@fairfaxcounty.gov</a>
Jessica Werder (Deputy Director, FCHD PHO)		<a href="mailto:Jessica.Werder@fairfaxcounty.gov">Jessica.Werder@fairfaxcounty.gov</a>
Suzanne Lane (Fiscal Manager, FCHD)		<a href="mailto:Suzanne.Lane@fairfaxcounty.gov">Suzanne.Lane@fairfaxcounty.gov</a>

**MANAGEMENT RESPONSE:**

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.

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

**LATE FEES TRACKING**

**Risk Ranking**

**MEDIUM**

FCHD utilizes Nationwide Credit Corporation (NCC) for receivables that are aged past 180 days. These receivables remain with NCC until 3 years past the date of service. Collections for these receivables can only be pursued for 3 years per the statute of limitations in the Code of Virginia §8.01-246. No collection efforts are made past that date. NCC calculates & tracks late fees by the clients for receivables under their charge. These late fees are not tracked in the Avatar system. When clients with outstanding balances come for service, FCHD staff attempts to obtain payment for aged receivables. FCHD only collects the original amount owed as the late fees are not tracked internally (except for Adult Day Care Services). We could not quantify the potential uncollected late fees given the financial practices employed. OFPA was informed that FCHD is in the process of procuring a new Electronic Medical Record (EMR) system to replace Avatar. If procured & implemented, the new system should have the capability to track late fees barring any statutes.

**Recommendation**

We recommend that FCHD include and track late fees within the new system barring any statutes, if EMR 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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Dr. Gloria Addo-Ayensu (Director, FCHD)	April 30, 2020	<a href="mailto:Gloria.Addo-Ayensu@fairfaxcounty.gov">Gloria.Addo-Ayensu@fairfaxcounty.gov</a>
Jessica Werder (Deputy Director, FCHD PHO)		<a href="mailto:Jessica.Werder@fairfaxcounty.gov">Jessica.Werder@fairfaxcounty.gov</a>
Suzanne Lane (Fiscal Manager, FCHD)		<a href="mailto:Suzanne.Lane@fairfaxcounty.gov">Suzanne.Lane@fairfaxcounty.gov</a>

**MANAGEMENT RESPONSE:**

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 4<sup>th</sup> quarter of FY 2020 or early in FY 2021.

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

**PHARMACY INVENTORY AUDIT PROCESS**

**Risk Ranking**

**MEDIUM**

There are five FCHD offices of which pharmacy services are provided to clients. We reviewed **5** out of **23** vaccines at the Springfield & Annandale Pharmacy District Offices for inventory testing. The costs of these vaccines to the County range between **\$.01 & \$268.95**. We noted discrepancies between the inventory counts and inventory on hand. Reconciliations between vaccine inventory on-hand and count required significant rework by staff at both District Offices. Staff performs inventory counts on a monthly basis, which contributed to the labored recomputing process to reconcile the on-hand inventory.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Dr. Gloria Addo-Ayensu (Director, FCHD)	March 31, 2020	<a href="mailto:Gloria.Addo-Ayensu@fairfaxcounty.gov">Gloria.Addo-Ayensu@fairfaxcounty.gov</a>
Jessica Werder (Deputy Director, FCHD PHO)		<a href="mailto:Jessica.Werder@fairfaxcounty.gov">Jessica.Werder@fairfaxcounty.gov</a>
Suzanne Lane (Fiscal Manager, FCHD)		<a href="mailto:Suzanne.Lane@fairfaxcounty.gov">Suzanne.Lane@fairfaxcounty.gov</a>

**MANAGEMENT RESPONSE:**

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.

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

**VACCINE USE & SYSTEM TRACKING**

**Risk Ranking**

**MEDIUM**

The vaccine tracking records did not accurately reflect the vaccine use. One area that contributed to the rework and time needed to identify relief of inventory, was the delayed data entry of vaccines used. Currently, the inventory relief of vaccines used is a manual process performed by FCHD District Office staff. While the Springfield District Office was only backlogged one day, the Annandale District Office was approximately two weeks in arrears. Annandale staff did inform us that the backlog was due to the high volume of clients coming in for services in August. At the time of this study, no data input timeframe requirement (e.g. by end of week) for vaccine services was identified.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Dr. Gloria Addo-Ayensu (Director, FCHD)	March 31, 2020	<a href="mailto:Gloria.Addo-Ayensu@fairfaxcounty.gov">Gloria.Addo-Ayensu@fairfaxcounty.gov</a>
Jessica Werder (Deputy Director, FCHD PHO)		<a href="mailto:Jessica.Werder@fairfaxcounty.gov">Jessica.Werder@fairfaxcounty.gov</a>
Suzanne Lane (Fiscal Manager, FCHD)		<a href="mailto:Suzanne.Lane@fairfaxcounty.gov">Suzanne.Lane@fairfaxcounty.gov</a>

**MANAGEMENT RESPONSE:**

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.

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

**VACCINE USE & INVENTORY TRACKING**

**Risk Ranking**

**MEDIUM**

FCHD staff informed us that some vaccines have multiple doses in each bottle (e.g. **20** doses). FCHD verbally communicated process is to track vaccine use real-time. This resulted in a difference between inventory used and inventory count. At the Springfield District Office, we noted discrepancies in **1 out of 5** vaccines tested. This vaccine contained **20** doses. **12** of the **20** doses were used but the inventory count reflected **19**. The actual count was **8**. To reconcile, staff ran reports in Avatar to obtain the usage. Staff did agree that more oversight with this process is needed to ensure vaccine usage is properly tracked. These count discrepancies impact staff's ability to track inventory levels and process additional orders needed to meet the demand of clients.

**Recommendation**

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.

**Action Plan**

Point of Contact	Target Implementation Date	Email Address
Dr. Gloria Addo-Ayensu (Director, FCHD)	March 31, 2020	<a href="mailto:Gloria.Addo-Ayensu@fairfaxcounty.gov">Gloria.Addo-Ayensu@fairfaxcounty.gov</a>
Jessica Werder (Deputy Director, FCHD PHO)		<a href="mailto:Jessica.Werder@fairfaxcounty.gov">Jessica.Werder@fairfaxcounty.gov</a>
Suzanne Lane (Fiscal Manager, FCHD)		<a href="mailto:Suzanne.Lane@fairfaxcounty.gov">Suzanne.Lane@fairfaxcounty.gov</a>

**MANAGEMENT RESPONSE:**

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-

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

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.



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

**PRIOR PERIOD RECOMMENDATIONS**

**Items to Present**

IMPLEMENTED			
Study Topic & Month/Year	Recommendation Outline	Target Implementation Date	Prior Management Response
Refuse & Collection Cost Recovery (DPWES - SW)  <b>February 2019</b>	We recommend analytics are performed on shortfalls between operational costs and the related operational revenues as a tool for proposing rate increases. This exercise should be employed annually with the goal of reducing revenue shortfalls to a level decided by the SWMP management. We recommended a proposal (based on these analytics) re: increase in charge per home rate are created and presented to the proper governing body, e.g. Board of Supervisors, for approval, adoption, or declination.	June 30, 2019	SWMP included a rate increase as part of its requested budget that was submitted to DMB in October 2018. SWMP will continue to work with DMB as needed on this objective throughout the FY 2020 budgetary adoption process.
<p><b>Updated Management Response:</b>                      The rate was increased to \$385 per home in the first year of a two year increase plan to ensure that we have adequate revenues to cover costs. An increase to \$400 per home will be proposed to the BOS for FY 2021.</p>			
Retention of Payroll Records (DFS/DHR/OCA)  <b>November 2018</b>	Based on conversations with management, we understand that some overtime source documentation may not be retained. We recommend that DFS liaise with DHR and OCA regarding the retention of payroll source documentation.	December 31, 2019	Per the management response from the Public Safety Overtime audit, the findings for DFS overtime will be included in the overall pan-organizational management response. It should be noted that DFS follows County procedures related to employee overtime. The data documentation standard for overtime and support documentation retention is a County wide DHR policy. Any revision to this policy will be coordinated between DHR and OCA, and communicated to County departments. DFS will liaise with DHR and OCA to ensure that the agency is compliant with any policy revisions set forth.  DFS is currently exploring internal policies and procedures to address record retention and will work closely with DHR and OCA to remain compliant with any policy revisions set forth.
<p><b>Updated Management Response:</b>  <b>DHR</b> - DHR will be updating PPAPP 8 to increase the retention period of documents from one to two years. / DHR policy has been updated to reflect two year record retention requirement as of 9-13-19.   <b>DFS</b> - Per the DHR Payroll Division Chief, she is going to update procedural memorandum 8 to extend the retention period for payroll records from one to two years.</p>			

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

**Items to Present (Cont'd)**

IN PROGRESS			
Study Topic & Month/Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>Terms in agreement no Longer Applicable (DPWES &amp; OCA)</p> <p style="text-align: center;"><b>June 2018</b></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 style="text-align: center;">December 31, 2019 (Updated)</p>	<p>DPWES - Wastewater Management and OCA are in agreement that the existing Agreement with the FCWA should be updated. We are reviewing a draft "Amendment" and expect to have the updated agreement signed by Fairfax County and Fairfax Water before July 1, 2019.</p> <p>OCA - A draft Amendment to the Agreement with FCWA has been provided to DPWES for review prior to transmittal to FCWA. It is still expected that the Amendment can be executed by July 1, 2019.</p>
<p><b>Updated Management Response:</b></p> <p><b>DPWES/OCA</b> - 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>External Systems Oversight and Tracking (DIT/DOF/DMB)</p> <p style="text-align: center;"><b>June 2018</b></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 style="text-align: center;">July 1, 2020 (Updated)</p>	<p>Work in progress. No change in the Target Implementation Date.</p>
<p><b>Updated Management Response:</b></p> <p>In progress. FBSG, 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>			

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

**IMPLEMENTED**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
Refuse & Collection Cost Recovery (DPWES - SW)  <b>February 2019</b>	We recommend analytics are performed on shortfalls between operational costs and the related operational revenues as a tool for proposing rate increases. This exercise should be employed annually with the goal of reducing revenue shortfalls to a level decided by the SWMP management. We recommended a proposal (based on these analytics) re: increase in charge per home rate are created and presented to the proper governing body, e.g. Board of Supervisors, for approval, adoption, or declination.	June 30, 2019	SWMP included a rate increase as part of its requested budget that was submitted to DMB in October 2018. SWMP will continue to work with DMB as needed on this objective throughout the FY 2020 budgetary adoption process.
<p><b>Updated Management Response:</b> The rate was increased to \$385 per home in the first year of a two year increase plan to ensure that we have adequate revenues to cover costs. An increase to \$400 per home will be proposed to the BOS for FY 2021.</p>			
Retention of Payroll Records (DFS)  <b>November 2018</b>	Based on conversations with management, we understand that some overtime source documentation may not be retained. We recommend that DFS liaise with DHR and OCA regarding the retention of payroll source documentation.	December 31, 2019	Per the management response from the Public Safety Overtime audit, the findings for DFS overtime will be included in the overall pan-organizational management response. It should be noted that DFS follows County procedures related to employee overtime. The data documentation standard for overtime and support documentation retention is a County wide DHR policy. Any revision to this policy will be coordinated between DHR and OCA, and communicated to County departments. DFS will liaise with DHR and OCA to ensure that the agency is compliant with any policy revisions set forth.  DFS is currently exploring internal policies and procedures to address record retention and will work closely with DHR and OCA to remain compliant with any policy revisions set forth.
<p><b>Updated Management Response:</b> DHR - DHR will be updating PPAPP 8 to increase the retention period of documents from one to two years. / DHR policy has been updated to reflect two year record retention requirement as of 9-13-19.                       DFS - Per the DHR Payroll Division Chief, she is going to update procedural memorandum 8 to extend the retention period for payroll records from one to two years</p>			
Retention of Payroll Records (Pan-Organizational) (FCPD/OCA/DHR)  <b>October 2018</b>	As FOCUS is the payroll system of record and some of the source documents are disposed, we recommend that FCPD liaise with DHR and OCA regarding the retention of payroll source documentation.	December 31, 2019	FCPD will work with DHR and OCA regarding the retention of payroll source documentation and will advise OFPA once the decision has been made.
<p><b>Updated Management Response:</b> DHR - DHR will be updating PPAPP 8 to increase the retention period of documents from one to two years. / DHR policy has been updated to reflect two year record retention requirement as of 9-13-19.                       OCA - DHR will be changing the recommended retention period for unofficial payroll records to two years, and DHR hopes to get an updated procedural memorandum done in two weeks.</p>			
Retention of Payroll Records (Pan-Organizational) (FCFRD/OCA/DHR/DIT)  <b>October 2018</b>	As FOCUS is the payroll system of record and some of the source documents are disposed, we recommend that FCFRD liaise with DHR and the Office of the County Attorney (OCA) regarding the retention of payroll source documentation.	December 31, 2019	Because FCFRD is in compliance with the Countywide DHR Policy PPAPP8 for retention of pay records, FCFRD contends this is not an area of weak control in the agency. FOCUS is the acknowledged system of record for time entry and approval of time worked. Each pay period supervisors review FRD-043's against time entered into FOCUS; their approval of FOCUS entries, documents the data's accuracy. However, FCFRD will consult with OCA, DHR and the County Archivist to re-visit payroll source documentation retention.
<p><b>Updated Management Response:</b> DHR - DHR will be updating PPAPP 8 to increase the retention period of documents from one to two years. / DHR policy has been updated to reflect two year record retention requirement as of 9-13-19.                       OCA - DHR will be changing the recommended retention period for unofficial payroll records to two years, and DHR hopes to get an updated procedural memorandum done in two weeks.                       FCFRD - No further action has been taken on this recommendation.</p>			

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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Retention of Payroll Records (Pan-Organizational) (DPSC/OCA/DHR)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>As FOCUS is the payroll system of record and the source documents are disposed, we recommend that DPSC liaise with DHR and OCA regarding the retention of payroll source documentation.</p> <p>We also recommend that DPSC liaise with the proper parties to formulate a process to track non-minimum overtime staffing similarly to the process for tracking minimum overtime staffing.</p>	<p>December 31, 2019</p>	<p>DPSC has and continues to follow the County policy related to tracking and retaining OT records. DPSC stands ready to implement necessary changes to improve processes in place and is in liaison with recommended county agencies regarding records retention. However, so long as FOCUS lacks the functionalities to support and remains the system of record, no other findings in the report are within DPSCs control. We would welcome inclusion/consideration in any new policy that is developed by the County.</p> <p>We appreciate that there were no findings by the OFPA questioning the equity in which overtime is utilized within DPSC.</p> <p>DPSC takes the management, oversight and assurance of equity in overtime use very seriously. In addition to the processes put in place DPSC regularly monitors the application of overtime. We continue the hard work to resolve staffing issues and in kind reduce overtime use, with these efforts, from 2016 to 2018, DPSC has reduced its use of overtime to nearly 30%.</p>
<p><b>Updated Management Response:</b></p> <p><b>DHR</b> - will be updating PPAPP 8 to increase the retention period of documents from one to two years. / DHR policy has been updated to reflect two year record retention requirement as of 9-13-19.</p> <p><b>DPSC</b> - continues to follow the County policy related to tracking and retaining OT records, to our knowledge no changes have been made to the policy since the beginning of the year. If and when changes to the policy are made I assure you DPSC will follow the policy. The FOCUS system has not changed or modified and still remains the system of record we must work with in the identified policy and the functionality of the system. We are eager and willing to participate in any policy discussions at the County level but as to date we are unaware of any discussions occurring.</p> <p><b>OCA</b> - DHR will be changing the recommended retention period for unofficial payroll records to two years, and DHR hopes to get an updated procedural memorandum done in two weeks.</p>			
<p>Tracking Overtime Worked in FOCUS (OEM/OCA/DHR)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>We recommend that OEM liaise with DHR 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 overtime worked by staff, capturing more specific overtime information in FOCUS should provide management more complete payroll records.</p>	<p>December 31, 2019</p>	<p>OEM follows county procedures relating to employee overtime. In addition, OEM has internal policies addressing overtime specifically with the agency Duty Officer Program and Emergency Operations Center (EOC) activations. Overtime associated with the Duty Officer Program and EOC activations does not require "name of pre-approver, date of pre-approval and verification of work completed" due to the nature of work. The time is coded in FOCUS accordingly such as on call, call back, and emergency work. EOC activations are tracked on FOCUS time sheets with a county internal order. The data documentation standard for overtime and support documentation retention standard is a county wide DHR policy revision in cooperation with OCA. OEM will liaise with DHR and OCA to ensure that the agency is compliant with any policy revision set forth. In addition, OEM concurs that the FOCUS HCM system should be enhanced to include the capabilities recommended by the BOS Auditor. OEM will utilize the new capabilities to enhance overtime management once implemented by DHR.</p>
<p><b>Updated Management Response:</b></p> <p><b>DHR</b> - We initially thought they we 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. / DHR policy has been updated to include Notes field requirement as of 9-13-19.</p> <p><b>OEM</b> - We worked with HR Central to modify the approving manager's screen in FOCUS to include the notes column to review justification for overtime that has satisfied that recommendation.</p>			
<p>E-Commerce Payments in EZLINKS System (FCPA)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>OFPA recommends that efforts are made by FCPA staff to continue reviewing the opportunity to incorporate e-commerce payments in the EZLINKS. This enhancement could assist FCPA staff in expediting the check-in process and reduce cashiering staff time. Upon review, we recommend the assessment is documented for implementation or reason for incompatibility.</p>	<p>September 30, 2019</p>	<p>FCPA has reached out to the vendor and is working through feasibility and cost/benefit. This is not the industry standard so would be a custom and cost associated request by the vendor.</p>
<p><b>Updated Management Response:</b></p> <p>This is not currently a supportable initiative by this vendor. It would require custom coding to implement. This item will be re-evaluated in future should a vendor change occur.</p>			
<p>Time Adjustments in FOCUS not Telestaff (FCFRD)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>We recommend that adjustments are recorded in both Telestaff and FOCUS. Additionally, any related process and procedures should be updated to reflect these changes. These enhancements should assist FCFRD staff when performing reconciliations and/or lookbacks of payroll data should the FRD-043 forms no longer exist.</p>	<p>July 1, 2019 (Updated)</p>	<p>Work location supervisors have been directed to reconcile telestaff with actual hours worked and workcode. Once the shift concludes, it cannot be updated by work location supervisors; therefore roster updates and finalization will occur before the conclusion of each shift. The formal policy will be added into the Fire and Rescue Department Time and Attendance Manual at the next scheduled manual update.</p>
<p><b>Updated Management Response:</b></p> <p>Work location supervisors have worked to reconcile telestaff on a daily basis with actual hours worked and workcode. The formal policy was incorporated into the FRD Time and Attendance Manual.</p>			

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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Manual Calls for Overtime not Integrated into Telestaff (FCFRD)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>We recommend that efforts are made by FCFRD to either incorporate a tracking process in Telestaff or develop and implement a tracking process for manual calls made to staff for available overtime shifts. This enhancement to the process should provide FCFRD management the support needed if any equity concerns arise.</p>	<p>January 1, 2019 (Updated)</p>	<p>Implementation In Progress: Staffing &amp; Incident Command Post Officers (SICPO), who are responsible for daily staffing, will begin entering manual calls into the Telestaff system on January 1, 2019 to coincide with the upgrade to Workforce TeleStaff.</p>
<p><b>Updated Management Response:</b>                      We did move away from the automated process this past spring. However in May of 2019, we adjusted our practice to ensure all manual calls are logged. They are captured in one of two ways in Telestaff.                      1.If the employee accepts the overtime opportunity it is logged in Telestaff on the roster for that day and the employees calendar. This creates a specific date and time stamp that is maintained and used to determine future overtime opportunities.                      2.If the employee declines or fails to answer it is also logged in Telestaff as CBNR, indicating either no answer or declining the overtime opportunity. This too has a date and timestamp.</p>			
<p>Grant Funding Recognized as Miscellaneous Expenditures (DFS/DMB/DOF)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>OFPA recommends that DFS staff liaise with the OFPA Study Support Team to update the related grant processes for submission to the Federal &amp; State granting agencies for approval. DFS receives grant funds from Federal and State agencies. These funds are currently being recorded in the County's Miscellaneous G/L Account. In order to change how funds are being recognized, the County must go through an approval process with the granting agencies. If a change in the fund recognition is approved, a significant reduction to the Miscellaneous G/L Account balance will be realized.</p> <p>If approved, we recommend that DFS staff code these grant expenditures utilizing the new process on a going-forward basis.</p>	<p>July 1, 2019</p>	<p>DFS will submit the request to the Grantor to request approval of the change in coding. DFS is working with DOF and FBSG on creation of new General Ledger accounts pending approval by the Grantor. No change in the Target Implementation Date.</p>
<p><b>Updated Management Responses:</b>                      DFS - VPI changes were made effective July 1, 2019 (FY 2020), as planned. DFS sent the new coding (GL 521080 Other Prof Consultant) to FCPS for FCPS charges.                      For Head Start, DFS received approval from the grantor to change the General Ledgers used. DFS worked with DOF to create a new GL, and incorporated it into updated policies and procedures for the FY20 Head Start federal refunding application. As of July 1, 2019 (FY20), FCPS Head Start charges are charged to GL 521080 Other Professional Consultants, and Higher Horizons charges go against the new GL 521085, Head Start Contractual Services.                      DOF/DMB - DFS received approval from the grantor to move forward with creation of the General Ledgers. New General Ledger codes were created on 3/29/2019 and they are available for use by DFS.</p>			
<p>NIGP Codes on Contracts Posting to G/L (DMB/DOF/DPMM)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>We recommend that the OFPA Study Support Team and DPMM collaborate on a change management process for routing expenditures currently tied to NIGP codes. This process should be performed to gain reasonable assurance that all expenditures are recorded in the most appropriate G/L Accounts. As part of this review, the OFPA Support Team should keep in view, efforts to reduce the County's Miscellaneous Account balances to a de minimis or minimized balance.</p>	<p>July 1, 2019</p>	<p>OFPA Study Support Team and DPMM on track to complete this task by July 1, 2019.</p>
<p><b>Updated Management Response:</b>                      DPMM and FBSG reviewed the NIGP coding mapped to miscellaneous expense and identified General Ledgers that provided a more specific description of the expense activity. The NIGP/GL crosswalk table was updated accordingly. FBSG is continuing to review and monitor the NIGP crosswalk to General Ledger mapping as new GLs are created.</p>			
<p>No or Vague Expenditure Descriptions in FOCUS (DMB/DOF)</p> <p style="text-align: center;"><b>October 2018</b></p>	<p>As this data was aggregated by the OFPA Study Support Team, we recommend continued coordination to identify feasible remedies to reduce the recognition of expenditures in this account based on any amendments to the County's Chart of Accounts. Further to this issue; any previously County disseminated memorandums/communiques related to this issue should be reviewed for amendments.</p>	<p>July 1, 2019</p>	<p>Work in progress. No change in the Target Implementation Date.</p>
<p><b>Updated Management Response:</b>                      The changes to Head Start GL, Harmony, individual departments changing their use of miscellaneous codes to more specific coding and the NIGP code mapping have been completed. DOF and FBSG will continue to monitor the miscellaneous category during the course of FY 2020 and DOF will continue to look for opportunities to educate agencies and provide guidance as well as create new GL codes (as needed) to more accurately depict expense activity.</p>			

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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
Payment agreement between the County & Town of Vienna (DPWES)  June 2018	We recommend that consideration is given to WW staff liaising with the DOF and Office of the County Attorney (OCA) to explore the opportunity of formalizing the deferred payment arrangement between the County and Town for the Town's allocated share of capital costs at the County's wastewater treatment facility.	July 1, 2019	Wastewater Management along with OCA drafted a Letter of Agreement (LOA) and sent it to the Vienna, Director of Finance for review. Vienna agreed with the LOA except for a few minor edits. The LOA is expected to be signed by Fairfax County and the Town of Vienna before July 1, 2019.
<b>Updated Management Response:</b> DPWES provided the signed Letter Agreement between the County & Town of Vienna. This letter documents the payment agreement for a share of capital costs at the County's wastewater treatment facility and actual costs paid by the Town of Vienna.			
Oversight of Billing & Collection Functions Provided by FCWA (DPWES)  June 2018	We recommend that WW staff develop and implement a documented (and consistently executed) process whereby periodic reviews (based on a timeframe as deemed appropriate by DPWES management, e.g. on a sample basis and/or annually) for billing compilation and remittance of funds from FCWA to the County. Staff should review source documentation for billings and remittances re: the fiscal interest of the County. This would assist staff in gaining reasonable assurance that financial activity for WW has been adequately processed.	July 1, 2019	Wastewater Management met with FCWA financial staff and we agreed the most convenient time of year to conduct this review/audit would be during the month of May. The review/audit will be performed on an annual basis beginning in May 2019.
<b>Updated Management Response:</b> In May 2019, Wastewater management completed the 1st annual review of Fairfax Water Financial information regarding the billing compilation and remittance of funds from FCWA to the County.			
Management of BOS County Owned Land (DOF)  February 2018	OFPA recommends that DOF review the remaining 54 of the 58 identified items and address the issues for each parcel (e.g. remove parcel from FOCUS inventory, update Tax Map Number, and update recorded historical costs). But for this review, these parcels of land remained unreconciled.	June 30, 2019	DOF has coordinated with FBSSG and met with DTA. DTA has developed an I-care query that can be run upon request to provide a file that the asset team can use to reconcile to the I-care records to the FOCUS land asset records. This process is currently being developed and documented. In order for this process to function effectively, the FOCUS records will need to be completely reconciled and edited to ensure the tax ID is recorded in the same format in both systems so excel functionality can be used to identify changes or items to be researched. This will become a priority for the asset team upon completion of the FY 2018 external audit.  Of the 54 items noted in the recommendation, 5 require additional review of contracts and agreements to determine if actions are required. The remaining items have been reviewed. Actions have been taken on a number of items and the remainder will be cleared in conjunction with the clearing of items identified in the Tracking of BOS County Owned Land section. The projected completion date is June 30, 2019.  Work in progress. No change in the Target Implementation Date.
<b>Updated Management Response:</b> (1) COMPLETE; I-care records to the FOCUS land asset records reconciliation process has been documented. (2) 49 of 54 items -- COMPLETE; last 5 items -- see (3) below. (3) COMPLETE; Last 5 items were resolved in March 2019.			
Tracking of BOS County Owned Land (DOF)  February 2018	OFPA recommends that DOF review the remaining 148 of the 358 parcels identified and address any issues (e.g. remove parcel from FOCUS inventory, update Tax Map Number, update recorded historical costs, and any other relevant data). Further to this process, consideration should be given to DOF reconciling its records to the Circuit Court records. But for this review, these parcels of land remained unreconciled. We recommend that this review process is performed on a periodic basis with existing staff levels to evaluate and restate data relevant to the land parcels. Any lessons learned should be utilized to identify and close any process gaps. Finalized results will be presented as part of the bi-annual follow up reporting.	June 30, 2019	Of the 358 items, a total of 251 items have been identified as below the threshold for capitalization. FBSSG has proposed a solution to enter these items into the system independent from any future consideration to a change in the capitalization policy. This will be initiated in December/January timeframe.  The 107 remaining items have been identified as assets residing in the FOCUS system. The corrective actions needed to these asset records will occur through the effort required to implement the reconciliation process noted in Management of BOS County Owned Land response. The projected completion date is June 30, 2019.  Work in progress. No change in the Target Implementation Date.
<b>Updated Management Response:</b> The 358 parcels identified in the original study have been reviewed and addressed. FBSSG and DOF worked with DTA to close a process gap between iCare and SAP. New reports have been created and a new bi-annual review procedure has been developed and implemented.			

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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>BOS County Owned Land Historical Costs Recorded in FOCUS (DOF)</p> <p style="text-align: center;"><b>February 2018</b></p>	<p>As part of the records review between FOCUS and Circuit Courts (mentioned in the above observation), the update of relevant data should include validation of historical costs. Consideration should be given to performing this process under the same parameter as mentioned above, e.g. performed at the frequency and quantity deemed feasible utilizing the existing staff. Any lessons learned should be utilized to identify and close any process gaps. Finalized results will be presented as part of the bi-annual follow up reporting.</p>	<p>February 1, 2019</p>	<p>The DOF assets team has initiated a practice of creating an attachment note to the file when creating the asset in the system indicating how the valuation was determined and attaching supporting documentation where applicable. This functionality was not available in the previous asset tracking system.</p> <p>DOF has identified agency contacts with whom to request assistance with attempting to locate some auditable support for these historic valuations. This outreach has been deferred due to the demands of the fiscal year end external audit and will resume with the reconciliation effort. The projected completion date is February 1, 2019, for determining and locating any existing historical documentation.</p> <p style="text-align: center;">Work in progress. No change in the Target Implementation Date.</p>
<p><b>Updated Management Response:</b></p> <p>(1) COMPLETE; DOF has completed the department outreach and obtained all relevant information that was available for the four historic asset valuations identified in the initial management response. However, the information provided was not sufficient enough to support adjustments to any asset values currently capitalized. Going forward, a process has been established to accurately capture and support asset valuation.</p> <p>(2) COMPLETE; DOF has established a process to attach documentation regarding the determination of the asset valuation and any additional supporting documentation when applicable.</p>			
<p>Acknowledgement Certification (DPMM &amp; OCA)</p> <p style="text-align: center;"><b>February 2018</b></p>	<p>We recommend that consideration is given to creating An Acknowledgement Certification including terms and conditions that comport with statutory requirements. This document could be inserted in the procurement process when and where deemed appropriate by OCA.</p>	<p>February 28, 2019</p>	<p>DPMM is on track to meet the target implementation date.</p> <p style="text-align: center;">OCA - Completed.</p>
<p><b>Updated Management Response:</b> Completed/Support Provided</p>			
<p>RFP Procurements Process Timeline to Award (DPMM)</p> <p style="text-align: center;"><b>February 2018</b></p>	<p>As the initial backlog in the procurement process is perceived to be created by the procurement request intake bottleneck, we recommend this process is reviewed to identify gaps for remedies. We also recommend that contract templates are reviewed and updated, changes should be communicated in the most efficient manner to needed parties. Lastly, we recommend that RFP predetermined timelines are managed using an existing project management tool to assist in staying with proposed completion dates, to the extent feasible.</p>	<p>February 28, 2019</p>	<p>DPMM is on track to meet the target implementation date.</p>
<p><b>Updated Management Response:</b> Completed/Support Provided</p>			
<p>Coordination of Annual IT Plan between DIT, DPMM &amp; OCA (DPMM/OCA/DIT)</p> <p style="text-align: center;"><b>February 2018</b></p>	<p>To assist improving the efficiency in obtaining legal expertise, we recommend that the DIT Annual IT plan is reviewed with DPMM and OCA to discuss upcoming procurements and other strategic initiatives. This process should be implemented based on the frequency and depth as deemed appropriate by the related parties.</p>	<p>February 28, 2019</p>	<p>DPMM is on track to meet the target implementation date.</p> <p>DIT: Completed. Afsaneh Tibbs, IT PMO director in DIT held a meeting in Summer 2018 to brief DPMM director and CA office representatives on the FY 20 IT Plan with emphasis on if an RFP and contract negotiation task were anticipated for existing or new projects.</p> <p style="text-align: center;">OCA - Completed.</p>
<p><b>Updated Management Response:</b> Completed</p>			

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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
Negotiations with Vendor's Counsel (DPMM & OCA)  February 2018	We recommend that a trigger is included in the Contract Specialist Procedural Reference (if exists) to include an early indicator for contacting OCA to assist in procurement when legal expertise is needed. There was considerable discussion around this issue and it appeared this process is expedited when OCA starts the dialogue early in the process with vendor counsel of the vendors.	February 28, 2019	DPMM is on track to meet the target implementation date.  OCA concurs with this recommendation and will provide legal review when requested by DPMM.
<b>Updated Management Response:</b> Completed			
Collaborative Cross Departmental Work Group (DPMM/OCA/DIT)  February 2018	We recommend that a work group is formulated with representatives from DPMM, DIT, OCA (and/or other parties as deemed appropriate) to strategize in the earliest (or most appropriate phase) of the procurement cycle.	February 28, 2019	DPMM is on track to meet the target implementation date.  DIT: Completed. DIT senior management attend monthly meetings that are set-up by DPMM between OCA, DPMM and DIT to go over and status pending IT contracts. Other DIT stakeholders may be included based on a specific contract issue needing more SME input.  OCA - Completed.
<b>Updated Management Response:</b> Completed			
SAC Committee Evaluation Timeline (DPMM)  February 2018	We recommend that the project predetermined timelines are managed through the use of an existing management tool. As DPMM has an oversight function, and utilizes a procurement project management tool to manage the predetermined timelines established in the DPMM project plan. We also recommend that DPMM strategize with the SAC chair to ensure that the project schedule is maintained.  Additionally, consideration should be given to structuring the SAC with SME's with background in the project subject matter. When appointing SAC members, consideration should also be given to the level and/or grade of the employee as the limited availability of senior management may adversely impact the procurement cycle time.	February 28, 2019	DPMM is on track to meet the target implementation date.
<b>Updated Management Response:</b> Completed			
Acquiring and Maintaining Disposal Certificates (DIT & DPMM)  November 2017	We recommend that DIT maintain disposal certificates ( <i>utilizing DIT's prescribed record maintenance format, e.g. electronically and in compliance with the record retention policy</i> ) with the serial numbers to better track their inventoried property. Additionally, reconciliations should be performed between ( <i>E-Waste Recycler Inventory Reconciliation Forms to Original E-Waste Recycler Disposals Request</i> ).	June 30, 2019	DPMM is on track to meet the target implementation date.  DIT: Implemented with ongoing assessment of future options. DIT and DPMM agreed on a process for proper disposal with documented certificates based on a compliant, existing service integrated with PC replacement program. Due to new cost concerns, DIT is also looking at other alternatives that would automate this process with IT asset tracking, thus completed the initial requirement, but validating cost and efficiency for other options for implementation in summer 2019.
<b>Updated Management Responses:</b> DPMM awarded a new contract, 4400009259, for the provision of e-waste services which includes the identified recommendations as performance requirements.  DIT: Completed using alternate process. As noted in the previous management response, DIT was looking at alternative approaches in this area due to cost and other concerns. In Spring 2019, the decision was made to handle this process in house in lieu of sending devices to a third party vendor to wipe, dispose, and provide a disposal certificate. DIT has procured a device known as a degausser that wipes all data and a shredder-like device that destroys the hard drive. As this process is completed, DIT enters the destruction confirmation/date in its Service Now tracking system for each device once wiped and hard-drive destroyed.			



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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
Tracking of DIT Inventoried Property (DIT)  November 2017	Subsequent to this review, DIT documented processes to implement an IT Management overview whereby relevant procurement equipment could be traced through the lifecycle to effect appropriate actions, e.g. recognition, retired, disposed, and/or etc. This would allow DIT to implement processes whereby all relevant asset related data are maintained in a centralized repository. Further to the process, reconciliations to FOCUS (as prescribed by the appropriate oversight function, e.g. DPMM and/or DOF) could be performed.  We also recommend any/all shipping documentation related to Printers be executed (by both parties / the County and the service provider's representative) and maintained by DIT (utilizing DIT's prescribed record maintenance format, e.g. electronically and in compliance with the record retention policy).	February 28, 2019	DIT: Development of the new system is complete, now in testing phase. The anticipated go-live is in the Spring 2019.
<p><b>Updated Management Response:</b>                      DIT: Staff has completed Phase 2 work which allows for asset tracking and lifecycle management of PCs, laptops and windows tablets. As noted earlier, integration to FOCUS will be part of the separate audit related to system integration into FOCUS and prioritized by the joint DIT/FBSG development team.</p>			
Recycled Equipment Revenue Recognition (DIT)  November 2017	We recommend that a policy is codified (to centralize the collection and recycle initiatives through DIT) whereby a process could be implemented to capture potential revenue leakage related to any available recycled revenue receipts for all agencies / departments in the County. We also recommend that DIT and DPMM (if applicable) liaise with DOF to determine the most efficient manner for receiving, recognizing, and tracking the receipt and use of these funds.	February 28, 2019	DIT: Ongoing. Previous comment still valid. DIT is in the process of refining existing policy based on the new process and associated operations, with completion on track for late FY19.
<p><b>Updated Management Response:</b>                      DIT: Completed. Since implementation of the revised policy, DIT has received and recorded just over \$63K in revenue associated with the mobile phone recycle program. Revenues are being deposited in the Telecomm Svcs Fund Center (G707003004) in Fund 60030, Technology Infrastructure Services, using internal order 1G70-001-000. Starting with payments received in April 2019, by-device documentation is now attached in FOCUS accompanying payments received.</p>			
FCDOT Cash Proffer Internal Tracking (FCDOT)  September 2017	OFPA recommends that efforts are made to complete cash proffer statuses on the internal tracking spreadsheet ( <i>going forward</i> ) utilized by FCDOT for management and oversight of these items.	June 30, 2019	No change in previous status. Still ongoing.
<p><b>Updated Management Response:</b>                      Proffer availability status was completed by June 30, 2019 for all deposits received after September 2017.</p>			
FCDOT Cash Proffers Close-Out Procedures (FCDOT)  September 2017	We recommend FCDOT staff collaborate with DOF, to develop a documented ( <i>and consistently executed</i> ) close-out process for cash proffers. <i>As this process is being implemented based on prior quarter's reviews for other agencies, we also recommend that FCDOT and DOF leverage off of that project to address this recommendation.</i>	June 30, 2019	The Transportation Planner position has been filled, and work on this task is still on track for completion by June 30, 2019.
<p><b>Updated Management Response:</b>                      A close-out process was developed by June 30, 2019, and has been reviewed and supported by staff from DOF. This new close-out process is now in use.</p>			

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

**IMPLEMENTED (CONT'D)**

IMPLEMENTED			
Study Topic & Month / Year	Recommendation Outline	Completed	Prior Management Response
<p>Aged Escrows Management/Oversight (LDS)</p> <p style="text-align: center;"><b>June 2017</b></p>	<p>OFPA staff recommends that LDS staff develop and implement a process whereby aged escrow balances that remain on the County's books are reviewed (based on a timeframe as deemed appropriate by LDS management, e.g., every three years) to identify whether the funds can be utilized as earmarked, deployed to other projects, returned to the developer, and/or escheated, as appropriate. This initiative should assist staff in reducing the number and amount of aged balances ongoing.</p>	<p>July 1, 2019</p>	<p>January 2019 - LDS is in the process of reviewing the aging conservation escrows, as detailed previously, and anticipates the review to be completed by the 7/1/19 deadline.</p>
<p><b>Updated Management Response:</b>                      July 2019 - LDS has completed our internal review of the aging conservation process. This review included a focus on all existing conservation escrows greater than \$5,000 and we have begun the escheating process on those items that have been designated as unclaimed property. Going forward, LDS is working with OCA and other associated agencies to develop language that could give additional flexibility for funds to be used on other related projects is the original intent of the funds has been fulfilled. Going forward, LDS is reviewing all aging conservation escrows for proper disposition on an annual basis.</p>			
<p>Cash Proffer Internal Tracking (FCPA)</p> <p style="text-align: center;"><b>June 2017</b></p>	<p>OFPA recommends that efforts be made to complete cash proffer receipt dates on the internal tracking spreadsheet utilized by FCPA for management and oversight of these items. OFPA's review of this tracking spreadsheet provided by FCPA revealed 80 aged items. The total Remaining Balances for these items was \$2,539,345. As this information was obtained by a review after the receipt of the missing dates on the spreadsheet, OFPA asserts this information is critical to the tracking and oversight of these items.</p>	<p>June 30, 2019 (Updated)</p>	<p>We are actively working to address all of the proffers on the list. This is a continuum of effort on which we are making progress and anticipate meeting the 6/30/19 deadline</p>
<p><b>Updated Management Response:</b>                      Proffers needing dates in order to meet prescribed terms for use are updated where possible and relevant to use requirements.</p>			
<p>Non-Tax Accounts Receivable (DTA)</p> <p style="text-align: center;"><b>October 2015</b></p>	<p>OFPA recommended the DTA work with FOCUS Business Support Group to develop complete system-generated AR aging reports using existing resources.</p>	<p>February 28, 2019 (Updated)</p>	<p>The SACC Department has met with the vendor and they will begin a process with FBSG to put a monthly aging report in the Fairfax County Secure FTP folder for review. This report will provide detailed and summary reports of account for current, 30, 60, 90, 120, 150 and accounts over 180 days.</p>
<p><b>Updated Management Response:</b>                      This study has been completed as of February 20, 2019. The SACC Department runs the aging report in their billing system Dynaxy's and the file is uploaded for DTA to review. The report provides detailed and summary reports of accounts for current, 30, 60, 90, 120, 150 and accounts over 180 days.</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>Expensed Repairs Under Warranty (DPWES - SW)</p> <p><b>February 2019</b></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>March 1, 2020</p>	<p>SWMP proposes the following corrective action: It is proposed that SWMP provide internal communication to DVS senior management that any authorizations to waive or expense warranty work on any SWMP vehicle maintained by DVS be submitted in writing to the designated DVS contact by the SWMP Vehicle Coordinator or Division Director of Operations. No other authorizations will be permitted. Further to this process, a log of these repairs will be maintained to identify similarities to build out routine repairs maintenance procedures.</p>
<p><b>Updated Management Response:</b> 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><b>Note: This item will remain open until audit evidence is provided to close-out this recommendation.</b></p>			
<p>Approvals for Non-Preventative Repairs (DPWES - SW)</p> <p><b>February 2019</b></p>	<p>We recommend that SWMP &amp; 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>SWMP proposes the following corrective action: All repairs of SWMP equipment and vehicles maintained by DVS by an outside third party vendor or DVS that exceed \$5,000 must be pre-approved in writing (e-mail accepted) by the SWMP Vehicle Coordinator or Division Director of Operations. No work exceeding \$5,000 shall be authorized without this approval. This process will begin immediately.</p>
<p><b>Updated Management Response:</b> 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.</p> <p><b>Note: This item will remain open until audit evidence is provided to close-out this recommendation.</b></p>			
<p>Contractor Repair Invoices Not Sent to DVS (DPWES - SW)</p> <p><b>February 2019</b></p>	<p>We recommend that SWMP &amp; 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>July 31, 2019 <b>New Target Date Needed</b></p>	<p>SWMP proposes the following corrective action: SWMP will supply copies of all invoices for vehicles and equipment maintained by DVS to a designated contact. Further to this process all related invoice repairs will be copied by DVS in the MS system.</p>
<p><b>Updated Management Response:</b> 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>Part Inventory Maintained by the SWMP (DPWES - SW)</p> <p><b>February 2019</b></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>December 31, 2019</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.</p>
<p><b>Updated Management Response:</b> Staff has drafted an inventory policy.</p>			

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

**IN PROGRESS (CONT'D)**

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
Transit Development Methodology Enhancement (FCDOT)  February 2019	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.	On-going	The methodology used in this capacity analysis is not one that is typically used in the transit industry. Capacity analysis are normally examined by reviewing peak load factors and other measures of utilization such as passenger per mile or per hour and overall ridership. Typically, transit systems would not want capacity to exactly equal or exceed demand. If it did, the transit system would likely be turning riders away. In addition, although mid-day and evening services might not be as well used, the existence mid-day and late night service is often important to ensuring/encouraging peak period ridership. In addition, even routes performing on the lower spectrum of ridership may provide critical services to special populations, including seniors, low income and transit dependent populations, and persons with disabilities. Services to these communities are given further analysis as required under the provisions of Title VI. These routes may also serve a significant facility, such as a hospital, regional mall or recreation center. For fixed route transit to be a viable alternative to single occupant vehicles, bus service designs must have a desired level of frequency and span to provide customers with flexibility in travel options while meeting demand. Low service levels typically have further negative impacts on ridership and, as a result, increase traffic congestion. FCDOT agrees that routes with lower utilization must be reviewed routinely and currently has processes in place to do so. (This process is described in more detail below). FCDOT has adopted a route optimization methodology for regular evaluation of performance at the route and system level. The process includes review of several key performance metrics, including passenger utilization and capacity. New technologies implemented with the Intelligent Transportation System have increased the data available for analysis and improved FCDOT's focus on key performance measures. With expanded data capability, FCDOT has developed an improved strategic approach to planning which will result in improved recommendations to the Board. The route optimization planning process and improved data analytics have been fully integrated into the larger Transit Development Planning (TDP) process. The TDP must be updated once every five years. To address this requirement, FCDOT has divided the Connector service area into five regions. During each five year period, the FCDOT team will review the routes in each of these regions. As part of this review, FCDOT seeks to optimize routes to make them more efficient and to increase ridership. Poor performing routes are either modified or recommended for elimination. Currently, FCDOT is evaluating all routes in the Reston-Herndon area as part of the Silver Line
<p><b>Updated Management Response:</b>                      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>			
Farebox Revenue Collection Reconciliations (FCDOT)  February 2019	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.	December 31, 2019	FCDOT agrees the current reconciliation method should be enhanced and include additional documentation to the process. FCDOT will make improvements to the current reconciliation process. With input received from the OFPA, FCDOT should be able to implement the improved process in the next month and continue this process with the new contractor.
<p><b>Updated Management Response:</b>                      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>			
Farebox Revenue Audit Frequency (FCDOT)  February 2019	Given that the farebox revenues in FY18 were ~\$10.9M, (44% cash & 56% SmartTrip revenue) and the process of the contractor (MV Transportation) performing the collections, deposits, netting process (collections netted to charges), and the variances between current data provided by FCDOT, we recommend that FCDOT increase collection count audits by staff at a frequency as deemed appropriate by the agency head on the current FCDOT staffing level. Additionally, the audit received by FCDOT 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.	December 31, 2019	FCDOT agrees with the recommendation to increase audit frequency and to improve the audit approach, and welcomes OFPA's suggestions for improving the approach. The Coordination and Funding Division and the Transit Services Division will work together with MV Transportation (who has primary responsibility for cash discrepancies) to review cash collection procedures and estimate a frequency for more detailed audits of cash collections and reconciliations.
<p><b>Updated Management Response:</b>                      DOT's transit service provider contract transitioned July 1, 2019. FCDOT is coordinating with the new contractor to schedule and complete a revenue collection audit by October 31, 2019.</p>			
Farebox Collections and Bank Deposits (FCDOT)  February 2019	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.	December 31, 2019	FCDOT expects to award a new contract for the operation of the Fairfax Connector by June 2019. As part of the implementation of the new contract, FCDOT will review all cash collection procedures with the new contractor and estimate a timeframe for more detailed audits of cash collections and reconciliations.
<p><b>Updated Management Response:</b>                      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>			

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

**IN PROGRESS (CONT'D)**

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
Tracking Overtime Worked in FOCUS (DFS)  November 2018	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.	December 31, 2019	Per the management response from the Public Safety Overtime audit, the findings for DFS overtime will be included in the overall pan-organizational management response. It should be noted that DFS follows County procedures related to employee overtime. The data documentation standard for overtime and support documentation retention is a County wide DHR policy. Any revision to this policy will be coordinated between DHR and OCA, and communicated to County departments. DFS will liaise with DHR and OCA to ensure that the agency is compliant with any policy revisions set forth.
<p><b>Updated Management Response:</b>  <b>DHR</b> - We initially thought they we 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.  <b>DFS</b> - 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).  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>			
Caseload Assignment (DFS)  November 2018	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).	November 30, 2019	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><b>Updated Management Response:</b>  <b>DFS</b> - DFS Senior Management Team (SMT) will be meeting tomorrow to discuss caseload measurements. Target implementation remains by November 30, 2019.</p>			
Safe Keys for FCPA Facilities (FCPA)  October 2018	OFPA 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.	Ongoing; as safes are replaced.	Recommendation will be implemented in an ongoing manner as keys and safes are replaced.
<p><b>Updated Management Response:</b>  Recommendation will be implemented in an ongoing manner as keys and safes are replaced.</p>			
Telestaff System Utilized by FCPD (FCPD)  October 2018	<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>	October 31, 2019	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><b>Updated Management Response:</b>  Per FCPD, recommendation is still in progress and a new target implementation date was requested to October 31, 2019.</p>			

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

**IN PROGRESS (CONT'D)**

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
Lack of Source Documentation for Overtime Pay (Office of the Sheriff)  <b>October 2018</b>	We recommend that the Office of the Sheriff staff liaise with the appropriate agency(s) to procure an electronic medium to be utilized for scheduling purposes. This system should assist management amount of time needed for scheduling tasks. Additionally, this system should assist in tracking and maintaining source documentation (re: above in the observation) for prior pay periods.	July 31, 2020	Our IT Manager has been tasked with reviewing options related to Telestaff as it relates to source documentation for overtime pay. She has met internally with our HR Manager to discuss its use. She has also scheduled a meeting next week with the Police Department to get an overview of how they use the program. In addition, she has reached out to the vendor for more information on the program and its cost.
<b>Updated Management Response:</b> The Sheriff's Office has made progress in identifying a sole vendor and is moving forward with potential procurement. We still anticipate implementation on July 31, 2020.			
Non-Minimum Staffing Overtime Not Recorded in Telestaff or Retained (FCFRD/DHR/DMB/DIT)  <b>October 2018</b>	We recommend that FCFRD liaise with DHR, FBSG, 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.	July 31, 2020 (Updated)	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 OFPA 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.
<b>Updated Management Response:</b> 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.			
Travel Related Costs Recognized as Miscellaneous Expenditures (DMB/DOF)  <b>October 2018</b>	OFPA recommends that the OFPA Study Support Team review the existing Chart of Accounts to ascertain if opportunities exist for enhancements to the Travel and Related Costs accounts. Any applicable pan-organizational enhancements to the G/L accounts for travel related costs should be disseminated County-wide.	July 1, 2020 (Updated)	Work in progress. No change in the Target Implementation Date for alternative General Ledger accounts for travel and related costs for US&R program.  We request a change in the target implementation date for the review of General Ledger accounts organization-wide relating to travel. The follow-up on this portion of the recommendation will include a review of best practices and application of costs that will be done once the new system for travel is finalized. Estimated target implementation date of July 1, 2020.
<b>Updated Management Response:</b> Since the new travel system implementation has been put on hold, DOF will work with USAR to identify alternative G/L accounts for recording travel-related expenditures; DOF will continue to look for opportunities to educate agencies and provide guidance as well as create new GL codes (as needed) to more accurately depict expense activity.			
Agency Reconciliation Support for External Systems Data to FOCUS (CSB/HD/LDS)  <b>June 2018</b>	<p><b>CSB</b> - 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><b>HD</b> - We recommend HD staff compile aggregate balances on a lead sheet for reconciliations as performed by other agencies/departments within the County.</p> <p><b>LDS</b> - 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>	CSB - March 31, 2019 June 30, 2020  HD - March 31, 2021  LDS - July 21, 2018	<p>The CSB financial team will develop and implement a procedure by March 31, 2019 to reconcile the Electronic Health Record (Credible) for the Community Services Board (CSB) with FOCUS. This procedure will establish a monthly process by which CSB financial staff will make necessary accounting adjustments to either Credible or FOCUS.</p> <p>The Health Department has made further efforts to produce the recommended report using the existing Avatar system. An initial comparison of Avatar data to FOCUS data has revealed complications based on how the system is set-up and our related business processes. Significant manipulation of the raw data in Excel (by choosing values to filter in or filter out) would be required before aggregate totals could be compared to FOCUS data. This limits the data's usefulness in a reconciliation process. Our target completion date remains March 2021 once the new EHR is in place. The HD continues with its current daily and monthly detailed reconciliation process.</p> <p>LDS - January 2019 - All associated documentation and procedures were updated and operational as of July 1, 2018. No further updates anticipated.</p>
<b>Updated Management Response:</b> CSB - Recommendation completed.  HD - 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, out target completion date remains March 2021, once the EMR is in place.			

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

**IN PROGRESS (CONT'D)**

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
External Systems Oversight and Tracking (DIT/DOF/DMB)  June 2018	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.	July 1, 2020 (Updated)	Work in progress. No change in the Target Implementation Date.
<p><b>Updated Management Response:</b>                      In progress. FBSG, 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>			
Reconciling Items (DPWES & DOF)  June 2018	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.	July 1, 2019	During the period of June - September 2018 DOF staff accountant Michelle Ashcraft performed a review and analysis of the (DPWES) SWMP 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/SWMP so far regarding this matter, to date. SWMP 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><b>Updated Management Response:</b>                      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 balances loaded to the new system. DOF will work with DPWES to implement a new monthly reconciliation process upon implementation of the new Paradigm AR system.</p>			
Terms in agreement no Longer Applicable (DPWES & OCA)  June 2018	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.	December 31, 2019 (Updated)	DPWES - Wastewater Management and OCA are in agreement that the existing Agreement with the FCWA should be updated. We are reviewing a draft "Amendment" and expect to have the updated agreement signed by Fairfax County and Fairfax Water before July 1, 2019.  OCA - A draft Amendment to the Agreement with FCWA has been provided to DPWES for review prior to transmittal to FCWA. It is still expected that the Amendment can be executed by July 1, 2019.
<p><b>Updated Management Response:</b>  <b>DPWES/OCA</b> - 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.                       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>			
Integrated Tax and Finance Systems (DTA)  February 2018	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.	December 31, 2019	DIT's work for TABS Implementation continues. Phase 1 is scheduled to go live by end of 3rd quarter of FY19. FOCUS Interface is included in Phase 2, and the plan is still for DIT to begin Phase 2 during the 4th quarter of FY 2019.
<p><b>Updated Management Response:</b>                      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>			

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

**IN PROGRESS (CONT'D)**

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>BPOL License Monitoring and Issuance (DTA)</p> <p style="text-align: center;"><b>February 2018</b></p>	<p>OFPA 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 &amp; 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 vLookups. 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>DTA completed work with the vendor on the analytics and data. System was implemented on December 15.</p>
<p><b>Updated Management Response:</b> 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>Standardized IT Procurement Contract Templates (DIT/OCA/DPMM)</p> <p style="text-align: center;"><b>February 2018</b></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 complete contracts.</p>	<p>July 1, 2020 (Updated)</p>	<p>DIT- Ongoing. Final implementation of new templates anticipated by summer 2019, which allows time to incorporate any legislative changes to the Code of Virginia related to IT contracts. There is pending legislation that may provide better flexibility for reasonableness for certain provisions that have been difficult to negotiate by IT firms and industry (ref: 2019 Session: House Bill 2324 TBD).</p> <p>DPMM is on track to meet the target implementation date.</p> <p>OCA will continue to work with DPMM and DIT to meet the target implementation date.</p>
<p><b>Updated Management Response:</b> OCA - OCA will continue to work with DPMM and DIT to meet the new target implementation date of December 2019. DPMM - Work in progress. New target implementation date is December 2019. 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>FCDOT Aged Cash Proffer Balances (FCDOT)</p> <p style="text-align: center;"><b>September 2017</b></p>	<p>OFPA staff recommends that FCDOT staff review and validate the aged cash proffers 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. OFPA recommends that FCDOT execute a process to review and clean-up aged proffer balances in accordance with the County Attorney's advice.</p>	<p>Ongoing</p>	<p>Still on track for June 30, 2019 completion of process and beginning to reallocate old proffers.</p>
<p><b>Updated Management Response:</b> 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>FCDOT Cash Proffers Management/Oversight (FCDOT)</p> <p style="text-align: center;"><b>September 2017</b></p>	<p>A review and validation of the documentation for each aged cash proffer and the balances should be performed. OFPA 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>	<p>May 31, 2020 (Updated)</p>	<p>Development of the SOP will begin Spring 2019. Review of all proffers is ongoing, and tracking tables are being updated appropriately.</p>
<p><b>Updated Management Response:</b> 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>Court Case Status Tracking to Inventoried Property (FCPD)</p> <p style="text-align: center;"><b>September 2017</b></p>	<p>OFPA 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 (Updated)</p>	<p>The Evidence Division continues to dispose of 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 ILEADS RMS into the new system. It is expected that the ILeads 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><b>Updated Management Response:</b> Per FCPD, recommendation is still in progress and a new target implementation date was requested to October 31, 2019.</p>			



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

**IN PROGRESS (CONT'D)**

IN PROGRESS			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>FCPA Aged Cash Proffer Balances (FCPA)</p> <p><b>June 2017</b></p>	<p>OFPA staff recommends that FCPA staff review and validate the aged cash proffers 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. 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>The Park Authority continues to make solid progress on spending proffers. In calendar year 2018, \$1,901,427.34 of available proffers was spent. The FCPA has pulled available documentation on the very old proffers for review of conditions and future use. On target for 6/30/19.</p>
<p><b>Updated Management Response:</b> 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>Oversight of Fund Manager Fees (RAA)</p> <p><b>March 2017</b></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>Contract for the service of building automation has been completed. RAA is working with developers to create the fee analysis system within RAA's Azure, cloud environment. RAA is the "beta" for this type of technology procurement and development through the various County agencies involved. This frequently delays progress, but we are working to meet the proposed deadline.</p>
<p><b>Updated Management Response:</b> 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 DIT 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>Tax Recovery and Collection (Part 1) (DTA)</p> <p><b>July 2015</b></p>	<p>OFPA 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 by the end of 3rd quarter of FY19.</p>
<p><b>Updated Management Response:</b> 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><b>July 2015</b></p>	<p>OFPA 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>OFPA 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 by the end of 3rd quarter of FY19.</p>
<p><b>Updated Management Response:</b> 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>FCRP 3rd Party Contactor Net Revenue Support &amp; Oversight (DHCD)</p> <p style="text-align: center;"><b>June 2019</b></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 the; 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><b>Part 1:</b> June 30, 2020 (or earlier)</p> <p><b>Part 2:</b> 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><b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.</p>			
<p>FCRP Operating &amp; Capital Reserves (DHCD)</p> <p style="text-align: center;"><b>June 2019</b></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><b>Part 1:</b> June 30, 2020</p> <p><b>Part 2:</b> 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><b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.</p>			
<p>Contractor Invoice Charges Oversight (DHCD)</p> <p style="text-align: center;"><b>June 2019</b></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>September 30, 2019</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><b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.</p>			
<p>Rental Revenue Maximization (DHCD)</p> <p style="text-align: center;"><b>June 2019</b></p>	<p>OFPA 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 &amp; net revenues where exists.</p>	<p><b>Part 1:</b> September 30, 2019</p> <p><b>Part 2:</b> January 31, 2020</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><b>Updated Management Response:</b> 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)**

IMPLEMENTATION NOT STARTED			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
<p>Vehicle Accident Claims Process (DVS/DOF)</p> <p><b>June 2019</b></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 MS system. The addition of the claims number in the Work Order/MS 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, MS. 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><b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.</p>			
<p>Part Warranty Details in MS (DVS)</p> <p><b>June 2019</b></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 MS going-forward. Imbedded in the MS 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 MS 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><b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.</p>			
<p>Aftermarket Part Warranties (DVS)</p> <p><b>June 2019</b></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><b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.</p>			
<p>Vehicle Dispositions/Sales Net Revenue Support &amp; Oversight (DVS)</p> <p><b>June 2019</b></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.</p> <p>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><b>Updated Management Response:</b> 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)**

IMPLEMENTATION NOT STARTED			
Study Topic & Month / Year	Recommendation Outline	Target Implementation Date	Prior Management Response
Fleet Vehicle Repair vs. Replace Analysis (DVS)  June 2019	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.	July 1, 2019	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.
<b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.			
Direct Issue Parts Tracking (DVS)  June 2019	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.	October 31, 2019	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.
<b>Updated Management Response:</b> OFPA will follow-up on this recommendation in the next status update.			

**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 Resident	Fairfax County	Complete	2/15/2019	Concerns levied by constituent on tax late fee assessment, in person. Connected constituent with appropriate DTA staff.
City of Alexandria Acting Chief Internal Auditor	City of Alexandria	Complete	3/20/2019	City of Alexandria Acting Chief Internal Auditor requested assistance, via email, with developing an ambulance contract study. OFPA advised him based on prior study field work.
Poland Resident	Poland	No Action Required	3/21/2019	A citizen of the country of Poland requested assistance with obtaining police uniform patches for their collection, via email. Public safety was on copy of request. No action taken.
Vienna Resident	Town of Vienna	Complete	4/16/2019	Vienna constituent requested a copy of Fairfax County Audit Committee by-laws, via email. Request forwarded to the Clerk of the Board, already contacted under separate cover.
Fairfax County Resident	Dranesville / Fairfax County	No Action Required	5/8/2019	Constituent contacted OFPA via email (along with the housing staff) re: inspection staff entering the person's apartment home. No action taken.
Fairfax County Resident	Dranesville / Fairfax County	In Progress	7/2/2019	Mclean Citizen Association (MCA) requested a follow up via email, to a meeting held December 2018. MCA is proposing an on-going meeting schedule. November 2019 meeting confirmed.
Fairfax County Resident	Fairfax County	In Progress	8/29/2019	Constituent levied procurement practice concerns via email, re: One University Partners PPEA. OFPA is working with OCA on next steps.
Fairfax County Resident	Fairfax County	In Progress	9/10/2019	Constituent continues to express concerns via email, re: PPEA procurement practices and responses. OFPA following OCA on next steps.
Fairfax County Resident	Fairfax County	Complete	9/11/2019	Constituent sent email correcting typos in 9/10/19 communique re: PPEA procurement process. Updated changes forwarded to OCA.

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

**APPENDICIES**

**APPENDIX A**

FY18 FCEDA IRBs Assistance Testing									
Sample Attributes			IRB Application Review			IRB Fiscal Impact Statement Estimates - Not Tracked by FCEDA			
Date	Name of Applicant	File No.	IRB Application Complete	FIS Complete	SOU Complete	Stated Est. Goods & Services Purchases w/ Locality	Stated Est. Services Purchases VA w/ Locality	Stated Est. Employees	Comments
7/1/2018	American College of Radiology	30-59	Yes	No	Yes	\$740,000	\$13,500,000	250	FIS Missing
9/27/2016	Burgundy Farms	30-99	Yes	Yes	No	\$684,000	\$340,000	57	SOU Missing
8/10/2017	The Congressional Schools of Virginia (REFUNDING)	30-25	Yes	Yes	Yes	\$1,300,000	\$1,100,000	N/A	
6/1/2019	Flint Hill School Project Middle School	30-138	Yes	Yes	Yes	\$4,955,716	\$3,816,787	36	
12/5/2017	George Mason University Foundation Inc., (Potomac Heights)(REFUNDING)	30-11	Yes	Yes	Yes	\$503,119	\$673,716	2.14 (FTE)	
5/18/2018	George Mason University Administration (REFUNDING)	30-117	Yes	Yes	Yes	\$2,193,700	\$420,900	27	
9/28/2016	Goodwin House (REFUNDING)	30-104	Yes	Yes	Yes	\$12,075,000	\$8,264,000	356	
10/27/2016	Greenspring Village	30-98	Yes	Yes	No	\$2,100,000	\$1,000,000	HC - 1,219 FTE - 842	SOU Not Executed
8/1/2017	Madeira School (REFUNDING)	30-78	Yes	Yes	Yes	\$372,000	\$1,583,000	115	
8/1/2018	National Wildlife Federation Projects	30-39	Yes	Yes	Yes	\$7,130,928	Included in Goods/Services Purchases w/Locality	Total - 330 Local - 138	

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

**APPENDIX B**

FY18 Investments of Bonds (Interest Earned) Testing						
Sample Attributes			Testing Attributes			
Account ID	Bank	Account Name	Interest per DOF Recon to Support FOCUS Entry	Interest Amount Per Bank Statement	Interest Recog'd In FOCUS	Notes
385243	BNY	FAIRFAX SILVER LINE DEBT SVS RSRV	\$148,188.56	\$148,187.50	\$420,119.12	Interest Recognized In Aggregate: Individual Accounts Reconciled to Aggregate / Diff of \$1.06 Deemed De minimis
385243	BNY	FAIRFAX SILVER LINE DEBT SVS RSRV	<i>Amt Reflected Above</i>	<i>Amt Reflected Above</i>	<i>Amt Reflected Above</i>	
385243	BNY	FAIRFAX SILVER LINE DEBT SVS RSRV	<i>Amt Reflected Above</i>	<i>Amt Reflected Above</i>	<i>Amt Reflected Above</i>	
385244	BNY	FAIRFAX SILVER LINE REV STABLZN	<i>Amt Reflected Above</i>	<i>Amt Reflected Above</i>	<i>Amt Reflected Above</i>	

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

**APPENDIX C**

FY18 FCEDA Credit Card- Testing								
Sample Attributes				Testing Attributes				
DOC NO	DOC DATE	VENDOR	INVOICE AMT	Amount on Receipt	Amount on Bank Statement	Approved in Accordance to T&E Policy	Support Documentation Complete	Notes/ Diff.
2200412141	3/27/2018	Bank of America / 1000012342	\$12,962.67					
2200412141	3/25/2018	Sheraton Hotel	\$1,170.00	\$1,170.00	\$1,170.00	No	Yes	Purchase Type Not Expressly Stated in Policy
2200412141	3/1/2018	WPY* The Garnet Group	\$640.00	\$640.00	\$640.00	No	Yes	Purchase Type Not Expressly Stated in Policy
2200412141	3/26/2018	DiscountMugs.com	\$958.35	\$958.35	\$958.35	No	Yes	Purchase Type Not Expressly Stated in Policy
2200412141	3/12/2018	Timeoni Taeksi	\$53.62	\$53.62	\$53.62	Yes	Yes	
2200412141	3/7/2018	Regal Services	\$4,297.00	\$4,297.00	\$4,297.00	Yes	Yes	
2200429457	6/27/2018	Bank of America / 1000012342	\$11,191.04					
2200429457	6/14/2018	Paypal StandishCYB	\$1,000.00	\$1,000.00	\$1,000.00	No	Yes	Purchase Type Not Expressly Stated in Policy
2200429457	6/5/2018	Quicksilver Printing	\$1,064.26	\$1,064.26	\$1,064.26	No	Yes	Purchase Type Not Expressly Stated in Policy
2200429457	6/17/2018	DAEHANJWANJWANGJAEBAL CO SEOUL	\$1,440.43	\$1,440.43	\$1,440.43	Yes	Yes	
2200429457	5/29/2018	Sapphire	\$61.36	\$61.36	\$61.36	Yes	Yes	
2200429457	6/5/2018	Hoefler & Co.	\$299.00	\$299.00	\$299.00	No	Yes	Purchase Type Not Expressly Stated in Policy
2200387131	9/28/2017	Bank of America / 1000012342	\$4,823.08					
2200387131	10/21/2017	LinkedIn	\$325.50	\$325.50	\$325.50	No	Yes	Purchase Type Not Expressly Stated in Policy
2200387131	10/25/2017	Costco	\$49.14	\$49.14	\$49.14	Yes	Yes	
2200387131	10/18/2017	Constant Contact	\$195.00	\$195.00	\$195.00	No	Yes	Purchase Type Not Expressly Stated in Policy
2200387131	10/12/2017	Rackspace Cloud	\$103.25	\$103.25	\$103.25	No	Yes	Purchase Type Not Expressly Stated in Policy
2200387131	10/20/2017	Wash Post Advertisement	\$986.56	\$986.56	\$986.56	No	Yes	Purchase Type Not Expressly Stated in Policy
2200387429	10/28/2017	American Express / 1000006640	\$11,851.85					
2200387429	10/13/2017	Dulles Committee Networking Event	\$250.00	\$250.00	\$250.00	No	Yes	Purchase Type Not Expressly Stated in Policy
2200387429	9/29/2017	Legal Sea food	\$101.43	\$101.43	\$101.43	Yes	Yes	
2200387429	10/24/2017	Parking	\$6.00	\$6.00	\$6.00	Yes	Yes	
2200387429	9/30/2017	IDYLWood Grill	\$42.94	\$42.94	\$42.94	Yes	Yes	
2200387429	10/7/2017	Tower Tysons Vienna - Membership	\$3,838.30	\$3,838.30	\$3,838.30	Yes	Yes	
2200429470	6/28/2018	American Express / 1000006640	\$10,943.02					
2200429470	6/1/2018	United Airlines	\$663.40	\$663.40	\$663.40	Yes	Yes	
2200429470	6/16/2018	Party City	\$20.11	\$20.11	\$20.11	No	Yes	Purchase Type Not Expressly Stated in Policy
2200429470	6/19/2018	Windows catering	\$863.55	\$837.05	\$863.55	No	Yes	Amount does tie to receipt
2200429470	6/15/2018	Lodge Front Office - Williamsburg	\$365.37	\$365.37	\$365.37	Yes	Yes	
2200429470	5/31/2018	Emirates Airlines	\$135.00	\$135.00	\$135.00	Yes	Yes	
2200412677	3/30/2018	American Express / 1000006640	\$3,018.58					
2200412677	3/1/2018	Le Pain Quotidien Mclean	\$50.00	\$50.00	\$50.00	Yes	Yes	
2200412677	3/19/2018	Crains NY business Subscription	\$99.95	\$99.95	\$99.95	No	Yes	Purchase Type Not Expressly Stated in Policy
2200412677	3/29/2018	CDW Government Veron Hills- Symantic	\$524.25	\$524.25	\$524.25	No	Yes	Purchase Type Not Expressly Stated in Policy
2200412677	3/14/2018	Metro Coummuter	\$32.00	\$32.00	\$32.00	Yes	Yes	
2200412677	3/1/2018	CDW Government Veron Hills-supplies	\$2,319.50	\$2,319.50	\$2,319.50	No	Yes	Purchase Type Not Expressly Stated in Policy



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

**APPENDIX D**

FY18 FCEDA Wire Transfer- Testing												
Sample Attributes						Testing Attributes						
Amount	Payee	Vendor No.	Office Location	Date of Service	Description	Wire Amount Per Invoice	Wire Amount Per FOCUS	Diff	Vendor Reconcile to VMF	Wire Transaction Complies w/ DOF Policy	Wire Transaction Complies w/ Industry Practices	Comments
\$ 11,652.64	Critical Outcomes	1000032058	London, UK	2/1/2018	Service Fee + Monthly Expenses	\$11,652.62	\$11,652.62	\$0.00	Yes	Yes	Yes	
\$ 10,611.65	Markus van Tilburg (Global Aldea)	1000034563	Berlin, Germany	12/1/2017	Service Fee + Office + Monthly Expenses	\$10,611.65	\$10,611.65	\$0.00	Yes	Yes	Yes	
\$ 8,966.92	Markus van Tilburg (Global Aldea)	1000034563	Berlin, Germany	2/1/2018	Service Fee + Office + Monthly Expenses	\$8,966.92	\$8,966.92	\$0.00	Yes	Yes	Yes	
\$ 6,653.32	Value Base Mergers and Acquisitions, LTD	1000030937	Tel Aviv, Israel	7/1/2017	Service Fee + Monthly Expenses	\$6,653.32	\$6,653.32	\$0.00	Yes	Yes	Yes	
\$ 6,545.51	LivePR	1000013559	London, UK	9/1/2017	Service Fee + Monthly Expenses	\$6,545.51	\$6,545.51	\$0.00	Yes	Yes	Yes	
\$ 6,500.00	Korea Business Consulting Corporation	1000013560	Seoul, Korea	5/1/2018	Service Fee	\$6,500.00	\$6,500.00	\$0.00	Yes	Yes	Yes	
\$ 5,485.84	Brickwork India Remote Executive Assistance	1000021989	Bangalore, India	11/1/2017	Service Fee + Monthly Expenses	\$5,485.84	\$5,485.84	\$0.00	Yes	Yes	Yes	
\$ 5,227.99	Korea Business Consulting Corporation	1000013560	Seoul, Korea	6/1/2018	Monthly Expenses	\$5,227.99	\$5,227.99	\$0.00	Yes	Yes	Yes	
\$ 4,676.36	Brickwork India Remote Executive Assistance	1000021989	Bangalore, India	1/1/2018	Service Fee + Monthly Expenses	\$4,676.36	\$4,676.36	\$0.00	Yes	Yes	Yes	
\$ 4,509.25	Value Base Mergers and Acquisitions, LTD	1000030937	Tel Aviv, Israel	9/1/2017	Service Fee + Monthly Expenses	\$4,509.25	\$4,509.25	\$0.00	Yes	Yes	Yes	



## County of Fairfax, Virginia

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

### Fairfax County Economic Development Authority FOCUS User Access & Banking/Treasury Controls Close-out Inquiries

OFPA liaised with members of the County's FOCUS, Finance, and Procurement departments to review access and controls to the County's FOCUS User Access & Banking/Treasury functions. Below is the read-out of the assessment for the two FCEDA Administrative Employees for which access has been granted.

#### ***FCEDA FOCUS Modules Access:***

*HCM Payroll module* access appears to be limited to time keeping and onboarding a shell placeholder for new employees. Additions to the system are reviewed and approved for actual setup by the Department of Human Resources (DHR).

*Budget module* access appears to be limited to creating a budget shell (appropriation) which houses no actual funds. The actual appropriation of new funds goes through the budget review and appropriation process. Similarly, budget transfers are reviewed and executed centrally through the Department of Management & Budget upon receipt of an agency's request.

*Finance module* access appears to be strictly limited in that no cash transaction access is granted to FCEDA staff. Accounts payable and accounts receivables activity are executed through request from the FCEDA by the Department of Finance (DOF). The two FCEDA staff do have access to perform some management accounting functions such as recording journal entries.

*Procurement module* access appears to be limited to purchasing in the FOCUS marketplace (the create and approve functions are segregated). FCEDA does create fixed asset shell records which are then reviewed and approved by DOF.

#### ***FCEDA Access to Banks & EFTs servicing the County:***

Access to the ***Banks*** and ***EFT*** process appears to be limited to transaction reporting, paper initiation of EFT requests and bank deposits. As a matter of control, DOF performs daily bank reconciliations and annual Tax Identification Number (TIN) audits to monitor unauthorized account setups. There appears to be no access granted to FCEDA staff to effect/edit/generate ***activity*** or ***accounts*** for either of these functions.

Conclusion: Through this assessment, there appears to be reasonable assurance that the assigned limited access levels provide sufficient controls and reduces financial exposure. With that note; FCEDA staff does have the ability to purchase goods and services outside of the procurement module. This area of the study is discussed in the associated report.

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

**APPENDIX F**

<b>FY18 FCHD VDH Remittance Testing</b>										
<i>Sample Attributes</i>				<i>Testing Attributes</i>						
Posting Date	Doc No.	Amount to be Remitted	Funds Center	Amt. Remitted	Amt. Per MOA/Allocation Docs	Diff	Recorded in Proper G/L	Amt. Remitted	Quarter Op. Costs (Note 1)	Diff
10/18/2017	1300088936	\$2,302,127	G717101001	\$2,302,127	\$2,302,127	\$0.00	Recorded Properly	\$2,302,127	\$2,302,127	\$0.00
11/29/2017	1300090639	\$2,302,127	G717101001	\$2,302,127	\$2,302,127	\$0.00	Recorded Properly	\$2,302,127	\$2,302,127	\$0.00
1/25/2018	1300092479	\$2,302,127	G717101001	\$2,302,127	\$2,302,127	\$0.00	Recorded Properly	\$2,302,127	\$2,302,127	\$0.00
4/25/2018	1300096211	\$2,302,127	G717101001	\$2,302,127	\$2,302,127	\$0.00	Recorded Properly	\$2,302,127	\$2,302,127	\$0.00

**Tick Mark Legend**  
**Note 1:** Average quarterly expenditures calculated based on total expenditures from Year-End Settlement.

<b>FY18 FCHD City of Falls Church Remittance Testing</b>										
<i>Sample Attributes</i>				<i>Testing Attributes</i>						
Posting Date	Doc No.	Amount to be Remitted	Funds Center	Amt. Remitted	Amt. Per MOA	Diff	Recorded in Proper G/L	Amt. Remitted	Quarter Op. Costs	Diff
10/18/2017	1300088901	\$95,337.00	G717101001	\$95,337	\$95,337	\$0.00	Recorded Properly	\$95,337.00	\$95,337.00	\$0.00
11/29/2017	1300090638	\$95,337.00	G717101001	\$95,337	\$95,337	\$0.00	Recorded Properly	\$95,337.00	\$95,337.00	\$0.00
1/25/2018	1300092484	\$95,337.00	G717101001	\$95,337	\$95,337	\$0.00	Recorded Properly	\$95,337.00	\$95,337.00	\$0.00
4/25/2018	1300096212	\$95,337.00	G717101001	\$95,337	\$95,337	\$0.00	Recorded Properly	\$95,337.00	\$95,337.00	\$0.00

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

**APPENDIX G**

FY18 FCHD Refunds Testing														
Sample Attributes						Testing Attributes								
Posting Date	FY	Doc No.	Refund Amt.	Funds Center	Refund Description	Original Amt Due	Payment	Diff	Refund Amt. Per Support	Disbursement Per FOCUS	Diff	Refund Support Complete	Refund Properly Approved	G/L for Refund
1/9/2018	2018	2200396638	\$300.00	G717103002	*REFUND TO CLIENT FOR DOUBLE PAYMENT OF PERMIT	\$300.00	\$300.00	\$0.00	\$300.00	\$300.00	\$0.00	Complete	Properly Approved	424160
11/3/2017	2018	2200386908	\$300.00	G717103002	*OVERPAYMENT OF SOIL AND WATER PERMITS	\$300.00	\$300.00	\$0.00	\$300.00	\$300.00	\$0.00	Complete	Properly Approved	424160
1/9/2018	2018	2200396638	\$200.00	G717103002	*REFUND TO CLIENT FOR DOUBLE PAYMENT OF PERMIT	\$300.00	\$300.00	\$0.00	\$300.00	\$300.00	\$0.00	Complete	Properly Approved	424160
11/3/2017	2018	2200386908	\$200.00	G717103002	*OVERPAYMENT OF SOIL AND WATER PERMITS	\$300.00	\$300.00	\$0.00	\$300.00	\$300.00	\$0.00	Complete	Properly Approved	424160
2/6/2018	2018	2200401705	\$73.11	G717104001	*REFUND TO CLIENT CHARGED IN ERROR	\$73.11	\$73.11	\$0.00	\$73.11	\$73.11	\$0.00	Complete	Properly Approved	440015
2/6/2018	2018	2200401705	\$43.02	G717105001	*REFUND TO CLIENT CHARGED IN ERROR	\$43.02	\$43.02	\$0.00	\$43.02	\$43.02	\$0.00	Complete	Properly Approved	440040
2/6/2018	2018	2200401712	\$35.00	G717104001	*REFUND TO CLIENT DOUBLE PAYMENT	\$35.00	\$35.00	\$0.00	\$35.00	\$35.00	\$0.00	Complete	Properly Approved	440045
3/19/2018	2018	2200408338	\$30.91	G717104001	*CLIENT OVERCHARGED	\$30.00	\$60.91	\$30.91	\$30.91	\$30.91	\$0.00	Complete	Properly Approved	440015
2/6/2018	2018	2200401716	\$11.00	G717104001	*REFUND TO CLIENT CHARGED IN ERROR	\$14.00	\$25.00	\$11.00	\$11.00	\$11.00	\$0.00	Complete	Properly Approved	440015
2/6/2018	2018	2200401701	\$10.00	G717106001	*REFUND FOR DOUBLE PAYMENT	\$10.00	\$10.00	\$0.00	\$10.00	\$10.00	\$0.00	Complete	Properly Approved	440055

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

**APPENDIX H**

FY18 FCHD Fixed Assets Testing											
Sample Attributes								Testing Attributes			
Asset No.	Asset Description	Serial No.	Inventory No.	First Acq.	Useful Life	Beg Acq. Costs	Net Book Value	Acq. Cost Per Support	Inv. Location	Reg. Reconciles to Physical Inv.	Comments
13000171	PORTABLE AIR CONDITIONER	Not Listed	Not Listed	06/30/2018	0	\$27,653.20	\$0.00	\$27,653.20	10310 Layton Hall Dr.	Reconciled	No serial & inventory number associated with asset. <b>(Note 1)</b>
6001773	EQUIPMENT;Scientific; Autosampler-Chemistry Analyze	000000000000011497	B05909	05/20/2002	5	\$47,820.00	\$0.00	No Support	10310 Layton Hall Dr.	Reconciled	No Acq Support / Past 3 Year Retention
6001812	EQUIPMENT;Scientific; Microscope	000000000000669215	B06636	08/15/2001	5	\$6,701.00	\$0.00	No Support	10310 Layton Hall Dr.	Reconciled	No Acq Support / Past 3 Year Retention
6002418	Computer;Mobile; Laptop-Echopart	EP404037604	B09731	05/06/2004	5	Not Listed	\$0.00	No Support	N/A	N/A	FY15 DISPOSAL Item Surplused 6/12/2005 Disposal Support Exist
6002460	EQUIPMENT;Scientific; Analyzer-Gas-Filter-Correlati	000000000419606967	B09972	08/06/2004	5	\$8,559.00	\$0.00	\$8,559.00	N/A	N/A	FY15 DISPOSAL Item Donated / No Revenue Garnered
6002477	EQUIPMENT;A/V; Camera;Digital-Color	000000000000023766	B09980	09/10/2004	5	\$6,728.80	\$0.00	No Support	10310 Layton Hall Dr.	Reconciled	No Acq Support / Past 3 Year Retention
6018448	EQUIPMENT;SCIENTIFIC;Refrigerator	000125720601150603	B21309	12/04/2015	15	\$5,271.95	\$4,012.55	\$5,271.95	10310 Layton Hall Dr.	Reconciled	Acq. Cost Not in Contract / Reconciled to FA Register
6022332	EQUIPMENT;SCIENTIFIC;AGILITY;AUTO-ELISA-SYSTEM	1GXA0219	B23382	06/13/2018	10	\$99,950.00	\$89,122.08	\$99,950.00	10310 Layton Hall Dr.	Reconciled	Acq. Not in Contract / Reconciled to FA Register
6023071	Handheld X-ray	N/A	N/A	N/A	10	\$6,518.00	N/A	\$6,518.00	N/A	N/A	Asset Not Yet Received

**Tickmark Legend:**  
**Note (1):** Only one fixed asset tested did not have a serial & inventory number. Given this information, OFPA will pass further study work in this area.

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

**APPENDIX I**

FY18 FCHD Billings & Collection Testing													
Sample Attributes						Testing Attributes							
Client	Service Date	Guarantor Name	Fee Charged	Fee Collected	Diff	No. Days Outstanding	Service Provided	Revenue Collected	Revenue Recognized in Avatar	Diff	Bill Complete / Maintained	Outstanding Balance Status	Comments
Client 1	30-Nov	Patient Pay	\$6,213	\$2,071	\$4,142	0	Adult Day Care Services	\$2,071	\$2,071	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 2	30-Mar	Patient Pay	\$4,142	\$2,071	\$2,071	0	Adult Day Care Services	\$2,071	\$2,071	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 3	1-Dec	Patient Pay	\$3,045	\$1,015	\$2,030	0	Adult Day Care Services / Fastran Service	\$1,015	\$1,015	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 4	28-Dec	Patient Pay	\$2,052	\$684	\$1,368	0	Death Certificate	\$684	\$684	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 5	27-Dec	Patient Pay	\$2,064	\$1,032	\$1,032	0	Death Certificate	\$1,032	\$1,032	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 6	20-Jul	Patient Pay	\$1,632	\$816	\$816	0	Death Certificate	\$816	\$816	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 7	31-Aug	Patient Pay	\$767	\$0	\$767	669 <i>(Note 1)</i>	Adult Day Care Services	\$0	\$0	\$0	No Bill Maintained	In Collections	No payment received, Client's file flagged as "In Collections".
Client 8	31-Jul	Patient Pay	\$708	\$0	\$708	699 <i>(Note 1)</i>	Adult Day Care Services	\$0	\$0	\$0	No Bill Maintained	In Collections	No payment received, Client's file flagged as "In Collections".
Client 9	30-Nov	Patient Pay	\$891	\$224	\$667	0	Adult Day Care Services / Fastran Service	\$224	\$224	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 10	1-Nov	Patient Pay	\$1,290	\$660	\$630	0	Adult Day Care Services / Fastran Service / Meal	\$660	\$660	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 11	31-Jul	Patient Pay	\$912	\$304	\$608	0	Adult Day Care Services	\$304	\$304	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 12	1-Aug	Patient Pay	\$1,106	\$553	\$553	0	Adult Day Care Services	\$553	\$553	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 13	29-Sep	Patient Pay	\$413	\$0	\$413	640	Adult Day Care Services	\$0	\$0	\$0	No Bill Maintained	In Collections	No payment received, Client's file flagged as "In Collections".
Client 14	11-Dec	Patient Pay	\$960	\$600	\$360	0	Death Certificate	\$600	\$600	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 15	5-Oct	Patient Pay	\$480	\$160	\$320	0	Participant Donated Money For Their Lunch	\$160	\$160	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 16	31-Oct	Patient Pay	\$499	\$262	\$237	0	Adult Day Care Services	\$262	\$262	\$0	Bill Maintained/Complete	Paid Timely	Per FCHD, the client is on a sliding scale based on income level and was only required to pay the \$262.
Client 17	2-Aug	Patient Pay	\$332	\$102	\$230	0	HEP A/HEP B / Vaccine Administration - 1st	\$102	\$102	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 18	31-Jul	Patient Pay	\$416	\$208	\$208	0	Adult Day Care Services	\$208	\$208	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 19	19-Jul	Patient Pay	\$180	\$0	\$180	0	Death Certificate	\$60	\$60	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 20	1-Jun	Patient Pay	\$415	\$240	\$175	0	YELLOW FEVER / Vaccine Administration - 1st / Preventive Counseling	\$240	\$240	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 21	13-Jun	Patient Pay	\$415	\$240	\$175	0	YELLOW FEVER / Vaccine Administration - 1st / Preventive Counseling	\$240	\$240	\$0	No Bill Maintained	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.
Client 22	23-May	Patient Pay	\$160	\$9	\$151	403	X Ray	\$9	\$9	\$0	No Bill Maintained	In Collections	Partial payment received, Client's file flagged as "In Collections".
Client 23	31-Aug	Patient Pay	\$256	\$128	\$128	0	Adult Day Care Services	\$128	\$128	\$0	Bill Maintained/Complete	Paid Timely	Billing & Collection Report incorrectly calculated Fee Charged column.

**Tickmark Legend**

**Note (1)** - Days outstanding calculated as of July 31, 2019.

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

**APPENDIX J**

FCHD Aged Receivables > 730 Days Testing													
Sample Attributes		Testing Attributes											
Client Name	Aged Balance	Service Date	No. Days Outstanding As of 7/31/19 (Note 1)	Original Amount Due	Payment Remitted	Diff	Receivable w/NCC	Collection Efforts Made by NCC	Late Fees Tracked by NCC	Late Fees Tracked by FCHD	Revenue Rec'd From NCC Complete	Eligible for Write-off	Reason Aged Receivable Exist
Client 1	\$325.71	5/14/1998	7,717	\$325.71	\$0.00	(\$325.71)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 2	\$170.88	12/20/1995 - 06/26/1996 (22 Services)	8,593 - 8,405	\$170.88	\$0.00	(\$170.88)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 3	\$173.00	11/02/2005 & 04/05/2006	4,989 & 4,835	\$173.00	\$0.00	(\$173.00)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 4	\$169.29	9/25/2003 & 04/07/2004	5,758 & 5,564	\$169.29	\$0.00	(\$169.29)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 5	\$2,216.59	5/28/2015 - 12/01/2016 (49 Services)	1,495 - 1,308	\$2,216.59	\$0.00	(\$2,216.59)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 6	\$3,647.58	6/30/2012 - 12/01/16 (89 Services)	2,558 - 942	\$3,647.58	\$0.00	(\$3,647.58)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 7	\$378.76	09/27/2013 - 12/01/2016 (42 Services)	2,104 - 942	\$378.76	\$0.00	(\$378.76)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 8	\$162.62	06/22/1989 - 04/07/1992	10,967 - 9,947	\$162.62	\$0.00	(\$162.62)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 9	\$159.89	12/19/1996	8,595	\$159.89	\$0.00	(\$159.89)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 10	\$156.00	09/22/2008 - 01/08/2009	3,158 - 3,935	\$156.00	\$0.00	(\$156.00)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 11	\$230.00	12/09/1998 - 02/05/1999	7,509 - 7,454	\$230.00	\$0.00	(\$230.00)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 12	\$149.00	02/10/2006 - 10/06/2009	4,892 - 3,555	\$149.00	\$0.00	(\$149.00)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 13	\$605.63	04/26/1993 - 04/14/1994	9,210 - 9,563	\$605.63	\$0.00	(\$605.63)	N/A	N/A	N/A	Not Tracked by FCHD	N/A	Eligible Per FPS 436	Not Tracked by FCHD
Client 14	\$146.00	9/1/2006 - 11/03/2015	4,687 - 1,337	\$146.00	\$0.00	(\$146.00)	\$249.60	Letters: 2 Calls: 66	\$103.60	Not Tracked by FCHD	Paid 4/5/17: \$249.60	Eligible Per FPS 436	Not Tracked by FCHD
Client 15	\$130.00	03/05/2012 - 10/31/2012	2,674 - 2,435	\$130.00	\$0.00	(\$130.00)	\$226.00	Letters: 6 Calls: 56	\$88.46	Not Tracked by FCHD	Removed for PSL 5/8/14	Eligible Per FPS 436	Not Tracked by FCHD

**Tick Mark Legend**

**Note 1:** Days outstanding were calculated from 30 days after service date to July 31, 2019.

**Note 2:** Delinquent Health accounts were first referred to DTA/NCC at the end of FY13. Accounts listed N/A were not placed w/NCC, they were prior to DTA handling the delinquent accounts.

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

**LIST OF ACRONYMS**

AC	Audit Committee
Amex	American Express
BoA	Bank of America
BOS	Board of Supervisors
CAFR	Comprehensive Annual Financial Report
DIT	Department of Information Technology
DOF	Department of Finance
DPMM	Department of Procurement and Material Management
EMR	Electronic Medical Record
FCEDA	Fairfax County Economic Development Authority
FCHD	Fairfax County Health Department
FIS	Fiscal Impact Statement
FY	Fiscal Year
IRB	Industrial Revenue Bond
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NCC	Nationwide Credit Corporation
OCA	Office of the County Attorney
OFPA	Office of Financial and Program Audit
SOP	Standard Operating Procedure
SOU	Statement of Understanding
VDH	Virginia Department of Health
Y-T-D	Year to Date



**ADDENDUM SHEET**

***OFPA (October 2019 /Agency Report and/or Debriefing)***

***10/8/2019***

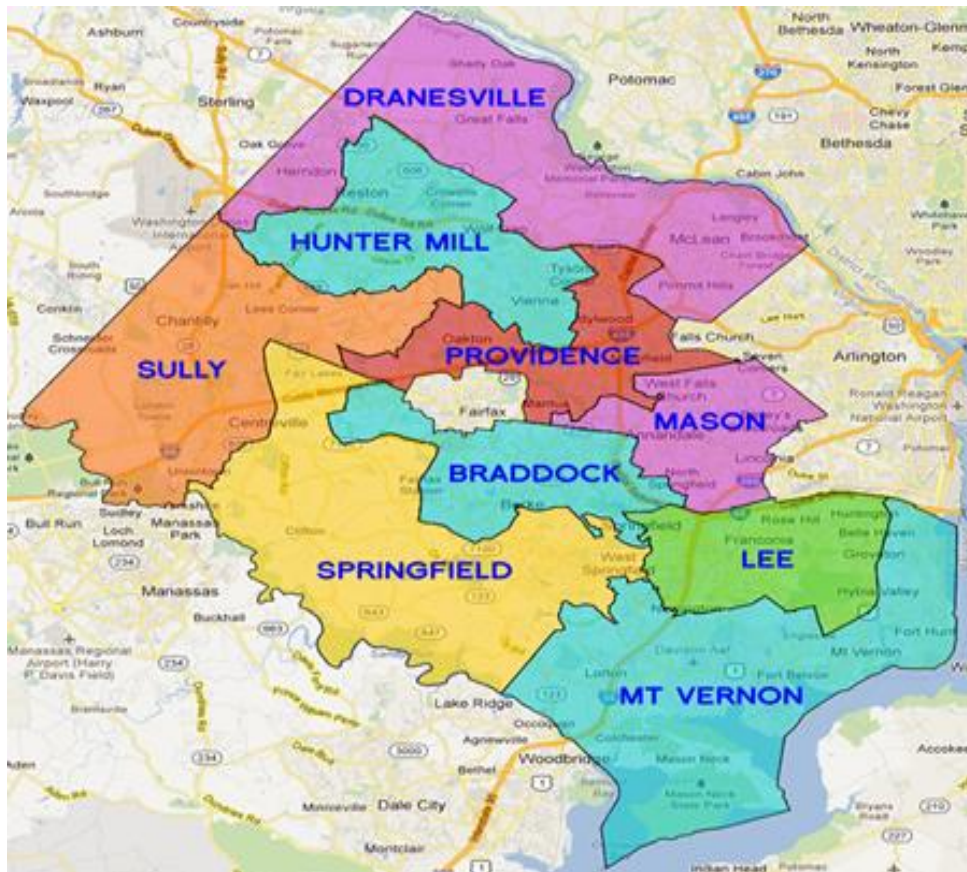
The table below lists discussions from the Audit Committee.

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

***~End~***

This page  
was intentionally  
left blank

This page  
was intentionally  
left blank



**FAIRFAX COUNTY BOARD OF SUPERVISORS**  
**AUDITOR OF THE BOARD**  
[www.fairfaxcounty.gov/boardauditor](http://www.fairfaxcounty.gov/boardauditor)  
**Office of the Financial and Program Audit**  
**12000 Government Center Parkway, Suite 233**  
**Fairfax, Virginia 22035**