Response to Questions on the FY 2010
County's Line of Business & Schools Program Review Processes
Fall 2008

Request By: Chairman Connolly

Question: Provide a description of the provision of administrative services within Fairfax County identifying centralized versus decentralized responsibilities providing explanations and examples of each.

Response:

In Fairfax County, administrative services for financial, purchasing, human resource, and budget support are provided via a model that combines work done by centralized agencies (the Departments of Finance, Purchasing and Supply Management, Human Resources, and Management and Budget) supported by staff dispersed to direct service agencies to ensure the most efficient delivery of service and that the necessary controls are in place in each of the administrative service areas. As detailed below, many of the specific administrative functions involve interaction between the administrative service agencies with specific responsibilities assigned to those agencies involved. This model of service delivery also focuses on appropriate audit and control functions residing both in the central service agencies as well as the Office of Internal Audit.

This model is based on the philosophy that the expertise for setting policy and procedures, offering training and guidance and performing the more complex functions outlined below, based on best practices, resides with the central administrative agency and the expertise to perform the processing of specific actions, based on knowledge of agency requirements, resides with the individual agency. Typically the central administrative agency will develop, design, manage and support initiatives related to their area of responsibility. This includes design, development and monitoring of policies, procedures and practices to support countywide goals and objectives. In addition central administrative agencies provide assistance to individual agencies when needed. The direct service agencies typically interpret County policies and implement practices that support their individual initiatives. Within the human resources arena for example this would include preparing employee time sheets, providing assistance on employee relations issues, alternative dispute resolutions, appeals of performance evaluations, disciplinary actions and the grievance process, assistance to managers on recruiting and staffing, preparing the annual diversity plans and supporting efforts to ensure that goals are met. Within public safety this would be expanded to include applicant testing and applicant background investigations. Within a number of agencies this would also include organizational development to address agency specific requirements.

The criteria used for determining the specific position(s) assigned to an agency is dependant on the size and complexity of the direct service agency. For example, in smaller agencies administrative assistants serve as payroll contact, process financial documents, order and receive supplies (with appropriate checks and balances in place between ordering, receiving and process payments) in addition to their other support services. In larger more complex agencies, for example public safety agencies, staff are

assigned to more discrete responsibilities within these functional areas, for example a management analyst assigned to employment functions that include applicant background check and exam administration *or* to financial and budget functions that include generating and monitoring agency budgets, approving expenditures, reviewing financial transactions and reconciling expenditure and revenue reports.

In addition to the centralized and decentralized model described above, a hybrid of this model was created in FY 1996 for the County's Human Services system resulting in the creation of the Department of Administration for Human Services which includes administrative service staffing for the Departments of Family Services, Health, Community and Recreation Services, Systems Management for Human Services and the Fairfax-Falls-Church Community Services Board. The decentralized staff support for these agencies are funded in the Department of Administration for Human Services and are detailed to the direct service agencies as necessary.

The specific breakdown of functions and responsibilities between centralized and decentralized staff and between centralized agencies are outlined by function as follows. A number of the functions include management of the corporate systems supporting financial, purchasing, payroll, human resource and budget activities and also include significant coordination with the Department of Information Technology which is responsible for the systems. It should be noted as well that a number of functions are primarily the responsibility of the centralized agencies in such areas as Risk Management, Cash Management and Investments and Debt Management and are not included below.

Finance

Function	Centralized	Decentralized
Compliance Assessments	➤ Conduct compliance assessments of agency adherence to Department of Finance (DOF) accounting policies and procedures	➤ Complete checklist and assess adherence to DOF policies and procedures
Policy/Procedure Development	➤ Develop comprehensive financial policies and procedures ➤ Ensure agencies adhere to federal, state and financial requirements	➤ Develop department-specific policies adapted from DOF standardized policies and procedures
Financial Training	➤ Deliver comprehensive training on financial policies	➤ Conduct internally developed training on DOF policies and procedures
Electronic Collections Program Support	➤ Coordinate the implementation of electronic collections programs in county agencies	
Hotline Support	➤ Maintain DOF call center to support County staff on questions related to financial policies, procedures and related system applications	

Function	Centralized	Decentralized
Accounts Receivable Oversight	➢ Prepare aging reports and contact agencies to follow up on delinquent items ➢ Identify electronic deposits from state and federal sources	➢ Issue bills for services provided
Unclaimed Property	➢ Research, identify and return monies to rightful owners ➢ Respond to claims submitted by vendors and third parties	➢ Respond to request for information from DOF
Bank Reconciliation	➢ Reconcile bank transactions with County's check and deposit registers	➢ Respond to request for information from DOF
FAMIS	➢ Application oversight and user support ➢ Manage user permissions to mitigate fraud and unauthorized transactions ➢ Ensure the nightly transfer of data is correct and matches the agency input ➢ Test application upgrades and changes to ensure accounting standards are met	➢ Process financial transactions
CASPS-Accounts Payable	➢ Application oversight and user support ➢ Manage user permissions to mitigate fraud and unauthorized transactions ➢ Ensure the transfer of data within system is correct ➢ Test application upgrades and changes to ensure accounting standards are met	➢ Process financial transactions
Data Warehouse	➢ Application oversight and user support ➢ Interpret agency accounting requirements and develop standard reports that are used Countywide ➢ Reconcile nightly interfaces to ensure that the database matches the General Ledger ➢ Test application upgrades and changes to ensure accounting standards are met	➢ Use financial reports for analysis and reconciliation
Fixed Asset System	➢ Application oversight and user support ➢ Manage user permissions to mitigate fraud and unauthorized	➢ Track and account for agency assets

Function	Centralized	Decentralized
	transactions ➢ Test application upgrades and changes to ensure accounting standards are met	
Invoices with Purchase Order	➢ Review and authorize transactions over $10,000 ➢ Ensure proper accounting, three way match, check for duplicates and apply discounts	➢ Review and authorize transactions under $10,000
Invoices without Purchase Order	➢ Review and approve in accordance with purchasing policy ➢ Ensure proper accounting, three way match, check for duplicates and apply discounts	➢ Initiates invoice and preliminary approval
Department of Human Service Payment	➢ Receive and verify interface files ➢ Print and mail checks	➢ Initiates and approves payments through Harmony Case Management Services
Utility Payments	➢ Resolve payment issues/problems and review accuracy of data prior to posting in FAMIS	➢ Review energy management data and payment information
Travel Reimbursement	➢ Review and approve travel in accordance with County policy ➢ Ensure that County travel policy is updated and communicated Countywide ➢ Conduct training/workshops to agencies on travel policy and related items	➢ Requests travel authorization from agency management and completes travel voucher with necessary documentation
Master Vendor Files	➢ Validate and authenticate vendor file information with IRS records ➢ Approve vendor add/change requests ➢ Coordinate with vendors to obtain information	➢ Coordinates with vendor to obtain W-9/W-8 or other required documentation
IRS Reporting	➢ Prepare IRS filing ➢ Consolidate County and FCPS files to prepare IRS filing ➢ Research p-card activity for reportable transactions and solicits tax ids ➢ Responds to IRSB-notice penalties, penalty notice process, and perform required back-up withholding and levy actions	➢ Reviews preliminary vendor reports provided by DOF for accuracy of IRS 1099/1042-S reportable information

Function	Centralized	Decentralized
Disbursements	➢ Print and mail checks to vendors ➢ Transmit electronic payment data to banks	➢ Requests for special handling of checks
Comprehensive Annual Financial Report	➢ Prepare CAFR for County and Integrates Sewers System ➢ Ensure full compliance with Generally Accepted Accounting Standards	➢ Provide required information for CAFR in support of financial statements ➢ Provide information regarding new activities or programs that may require additional disclosure or special accounting treatment
External Audit	➢ Coordinate annual external audit as required by the Code of Virginia Section 15.2-2511	➢ Process financial transactions in financial system ➢ Maintain support for accounting transactions and provide information in response to auditor requests
Auditor of Public Accounts Comparative Report Transmittal Forms	➢ Prepare the Comparative Report transmittal forms as required by the Virginia Auditor of Public Accounts	➢
Grants Management	➢ Coordinate single audit for expenditures for all federal awards ➢ Compile Schedule of Expenditures and Federal Awards to comply with federal requirements ➢ Provide oversight and guidance to County agencies receiving funds as a result of grants, cooperative agreements and other federal or state assistance	➢ Coordinate grants application and awards process ➢ Ensure compliance with grantor requirements ➢ Coordinate reimbursements and reporting to grantor
Financial Statements for County Boards	➢ Prepare/certify Financial Reports for County Boards – Economic Development Authority (EDA), the Solid Waste Authority and Library ➢ Prepare/certify Financial Reports for Route 28 Tax District for outside authorities	➢

Function	Centralized	Decentralized
Capital Assets/Projects	➢ Accounting and financial reporting of all County resources and capital assets ➢ Ensure compliance with generally accepted accounting principles ➢ Ensure proper tracking and identification of assets purchased by County resources ➢ Monitor projects monthly to track expenditures and report on progress	➢ Perform work required to facilitate purchases and awards to contractors for the County ➢ Ensure proper coding of purchases to identify capital outlays vs. expenditures and that escrow accounts are established and modified
Accounting Oversight	➢ Provide support to County agencies regarding proper accounting treatment and compliance ➢ Monitor compliance with Accounting technical Bulletins ➢ Develop corrective plans and/or corrective actions to ensure continuous improvement and increased efficiencies	➢ Communicate significant or unusual events and ensure proper accounting treatment

Purchasing and Supply Management

Function	Centralized	Decentralized
Small Purchase < $10,000 18,764 orders issued $35.3 million	➢ Policy, Procedures, Oversight, Training ➢ System Administration	➢ Obtain quotes as required ➢ Enter and approve PR ➢ Issue PO
Large Purchase Against Existing Contract > $10,000 5,252 orders issued $351 million	➢ Policy, Procedures, Oversight, Training ➢ Review and approve PR, convert to PO and issue PO ➢ System Administration ➢ Document Control	➢ Enter and approve PR

Function	Centralized	Decentralized
Blanket Order Under Existing Contract 1,596 Base BP Established $198.6 million	➢ Policy, Procedures, Oversight, Training ➢ System Administration ➢ Document Control	➢ Establish BP Agreement ➢ Enter, approve and issue BP Calls
Informal Request for Proposal < $30,000 for professional services < $50,000 for non-professional services 27 processed	➢ Policy, Procedures, Oversight, Training ➢ Review procurement package and approve reject award recommendation ➢ Award and administer contract	➢ Develop scope of work ➢ Solicit proposals ➢ Evaluate proposals and make award recommendation
Formal Solicitation (IFB & RFP) 185 issued 511 contract awards	➢ Policy, Procedures, Oversight, Training ➢ Acquisition Strategy and consultation ➢ Review and approve specifications ➢ Develop, issue and manage solicitation ➢ Review bids/proposals ➢ Manage evaluation process ➢ Contract Negotiation ➢ Analyze award recommendation ➢ Award contract ➢ Contract Administration ➢ Document Control	➢ Develop specifications and/or scope of work ➢ Review bids/proposals ➢ Make award recommendation ➢ Manage contract programmatically
Special Large Procurements (Sole Source & Emergency) > $10,000 133 processed and awarded	➢ Policy, Procedures, Oversight, Training ➢ Review and approve request ➢ Negotiation ➢ Develop contract and associated documents ➢ Award contract ➢ Contract administration	➢ Initiate Request

Function	Centralized	Decentralized
P-Card 3150 cards Limit $2,500 177,000 purchases $74.4 mil $420 per purchase	➢ Policy, Procedures, Oversight, Training ➢ Card issuance controls & limits ➢ Receive, process and pay weekly e-bill ➢ Audit random samples	➢ Card Custodian ➢ Day-to-Day Use ➢ Reconcile purchases to receipts to card charges
eVA 135 users 89 purchases $2.8 mil $31,461 per purchase	➢ e-Quotes to $50,000 ➢ Policy, Procedures, Oversight, Training ➢ User set-up: roles, permissions, limits, workflow approvals ➢ Purchases > $10,000	➢ Purchase goods & services < $10,000 ➢ e-Quotes to $50,000 (established users)
Office Depot 2,900 users 57,900 orders $12 mil $207 per purchase	➢ Policy, Procedures, Oversight, Training ➢ User set-up: roles, permissions, workflow approvals ➢ Receive, process and pay weekly e-bill	➢ Daily orders ➢ Reconcile purchases to receipts to charges
Fixed Assets Equipment > $5,000 17,700 items $523 mil Accuracy 97% (book to items)	➢ Policy, Procedures, Oversight, Training ➢ Establish, maintain asset records ➢ Spot checks, inventories, reviews ➢ Manage disposals: auctions, donations ➢ Validate CAFR	➢ Acquire & report assets ➢ Custody of assets ➢ Triennial Inventory ➢ Initiate asset disposal

Function	Centralized	Decentralized
Consumable Inventory $281 million SWAM (45.5% of total spend) 131 vendors attended training	➢ Policy, Procedures, Oversight, Training ➢ Spot checks, cycle inventories, reviews ➢ iCASPS-IM user certification ➢ Validate CAFR	➢ Purchase, stow, issue ➢ Cycle inventory counts
Small Business Enterprise Program $281 million SWAM (45.5% of total spend) 131 vendors attended training	➢ Training ➢ Outreach ➢ Consultation ➢ Reporting	➢ Participate in DPSM Training & Outreach

Human Resources

Function	Centralized	Decentralized
Employee Benefits	➢ Vendor Relations ➢ Contract Negotiations ➢ Handbook ➢ Communications ➢ Open Enrollment ➢ Best Practice Research ➢ Address Benefits Policy Program Issues	➢ Answers Basic/Routine Benefit Questions ➢ Assists in Preparation of Benefit Forms for Dept.
Payroll	➢ Education/Training ➢ Manage mandatory & voluntary deductions ➢ Payroll System Testing ➢ Records & Information Management for County Employees ➢ Processing Personnel & Payroll Actions ➢ Payroll Control Audits ➢ Payroll Accounting	➢ Time & Attendance (T&A) Input ➢ PCF/PAR Preparation ➢ Departmental PRISM Maintenance
Human Resources Information Systems	➢ Systems support to Countywide Personnel/Payroll & Other HR Systems ➢ Special Reports/FOIA ➢ DHR Website Management	➢ PEAQ Reports

Function	Centralized	Decentralized
Employment	- Job Announcements - Resumix & AIMS - Requisition Builder - CBI Management - Advertisements - Certification Process - Interview Training - Resume Review - Requisition Request	- Requisition Requests - Assistance to Managers for recruiting & staffing - Applicant Background Checks (Public Safety) - Testing (Public Safety) - Resume Review - Entry level recruitment & exam administration (Public Safety) - Live-scan fingerprinting (Human Services)
Employee Relations	- Personnel Regulations - Performance Management - Supervisory Training - Procedural Memorandum - Employee Relation Consultations - Grievance Procedures - Best practice research - Regulatory Compliance	Provides guidance on employee relations issues, alternative dispute resolutions, appeals of performance evaluations, disciplinary actions, and grievances
Workforce Planning & Compensation	- Class Specifications - Annual Market Pay Review - Market Studies/Index - Consultative Services - Classification - Succession Planning - Position Control	- Participates in Workforce Planning Process - Position Description Input
Organizational Development & Training	- Employee Development & Learning Program - Facilitation Support - Tuition Assistance - Telework Program	- Training for mandatory licensure/certification - Training (Public Safety, Human Services, Public Works)

Management and Budget

Function	Centralized	Decentralized
Budget Development	- Budget guideline development - Analysis of agency requests - Summary and presentation of issues for decision - Staff support to boards, committees - BPREP Administration - Produce advertised and adopted budget documents	Develop Budget requests at the annual process

Function	Centralized	Decentralized
Expenditure	➢ Monitor for current fiscal year including Third Quarter and Carryover ➢ Process internal reallocation of funds ➢ Historical analysis ➢ Projections ➢ Compensation and benefit modeling and tracking ➢ Position management to include tracking, analysis of fiscal impact related to position actions (regrades, reclassifications, abolish/establish actions) ➢ Grants management ➢ Contributory fund management ➢ Monitoring mandate data	➢ Monitor spending, reconcile accounts monthly, procurement, salary projections, coordinate financial requirements with program managers. ➢ Projections ➢ Compensation and benefit modeling and tracking ➢ Position management to include tracking, analysis of fiscal impact related to position actions (regrades, reclassifications, abolish/establish actions) ➢ Grants management
Revenue	➢ Monitor for current fiscal year including midyear, Third Quarter and Carryover ➢ Revenue Stabilization Fund ➢ Historical analysis ➢ Projections	➢ Monitor for current fiscal year including midyear, Third Quarter and Carryover
Capital Improvement Program	➢ Project tracking and ranking ➢ Coordination with Planning and Zoning and other agencies ➢ Support for the Planning Commission, ➢ Cashflow and paydown capital project analysis	➢ Development and monitoring of project budgets
Performance Measurement	➢ Management of program ➢ Coordination of ICMA benchmark data	➢ Management of data ➢ Submission of ICMA data

Function	Centralized	Decentralized
Legislative and fiscal analysis	➤ Analysis of impacts of proposed legislation ➤ Develop and distribute Economic Indicators and Economic Index ➤ Respond to surveys with fiscal and budget information ➤ Respond to Board, County Executive, and citizen inquiries ➤ Coordinate formal Q&A packages for Board of Supervisor ➤ Community presentations on the proposed budget ➤ Review Board items for fiscal impact including RHA, grants and construction items	➤ Analysis of impacts of proposed legislation

During the FY 2010 budget development process and the review of agency lines of business reduction options, centralized administrative service agencies have identified reduction options totaling 15 percent of their total budget. In addition, as the process unfolds and decisions are made about service delivery reductions additional impacts on the central administrative agencies will be reviewed.