

# *Fairfax County, Virginia*



## ***LINES OF BUSINESS***

*March 2016*

**OFFICE OF FINANCIAL AND PROGRAM AUDIT**

*County Lines of Business (LOBs)  
Presentation to the Board of Supervisors*



[www.fairfaxcounty.gov/budget/2016-lines-of-business.htm](http://www.fairfaxcounty.gov/budget/2016-lines-of-business.htm)



# OUTLINE OF TODAY'S PRESENTATION

1. Department Overview
2. How OFPA LOBs relate to the County Vision Elements
3. LOB's At A Glance
4. LOB's Summary Table
5. Department Resources
6. Metrics
7. By The Numbers
8. Board of Supervisors Districts
9. Trends and Challenges
10. Looking Forward
11. Discussion

*Note: See [www.fairfaxcounty.gov/budget/2016-lines-of-business.htm](http://www.fairfaxcounty.gov/budget/2016-lines-of-business.htm) to access all LOBs documents and presentations.*



## DEPARTMENT OVERVIEW

- Working under the guidance and direction of the Audit Committee, the Office of Financial and Program Audit (OFPA) provides an independent means for determining the manner in which policies, programs and resources authorized by the Board of Supervisors are deployed by management and whether they are consistent with the intent of the Board and in compliance with all appropriate statutes, ordinances and directives.
- The OFPA plans, designs, and conducts studies, surveys, evaluations and investigations of County agencies as assigned by the Board of Supervisors or the Audit Committee acting on behalf of the Board of Supervisors.
- For each study the OFPA conducts, the agency focuses primarily on the County's Corporate Stewardship vision element. The agency does this by developing, whenever possible, information during its studies that can be used to maximize County revenues or reduce County expenditures.



# DEPARTMENT OVERVIEW

- Additionally, the OFPA conducts follow-up work on studies previously performed. The objectives of the after-program are to:
  1. Identify study findings that require immediate management attention and any other findings for which follow up is considered necessary at this time. Management is then informed about the follow-up review on those findings.
  2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.



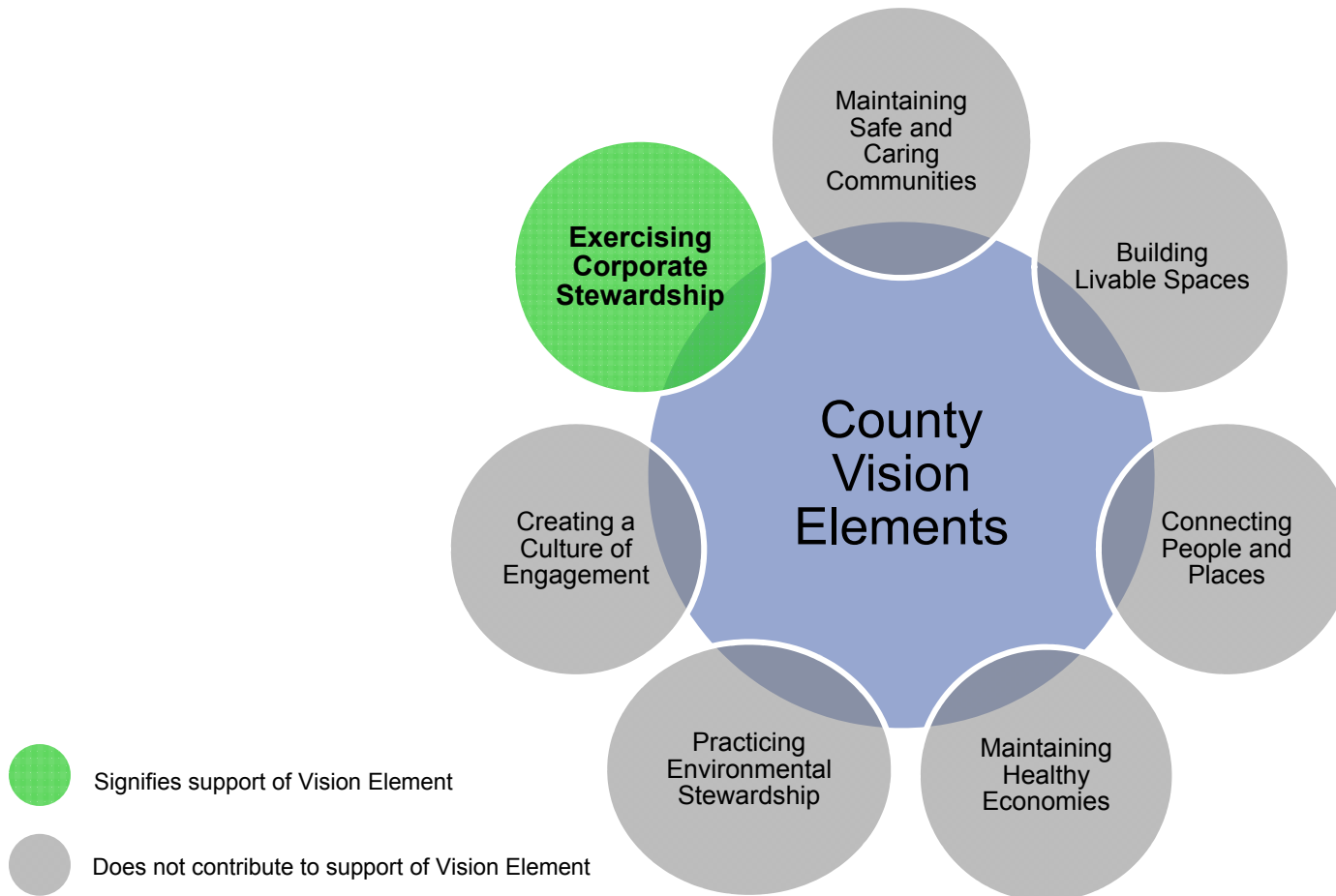
## DEPARTMENT OVERVIEW

- In Progress: Auditee has specific plans to begin, or has begun, to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and/or indicates that the agency/department will not do so.
- To facilitate the process, the OFPA collaborates with management prior to completion of the study to develop a timeline for the implementation of corrective action related to the study recommendations. As part of the AFTER work conducted, the OFPA reviews the agreed upon management's action plan.



# COUNTY VISION ELEMENTS

- The purpose of the LOBs process and the validation process performed by staff and management is to array the relevance of all LOBs according to the County's Vision Elements. OFPA LOBs support:





# LOBS AT A GLANCE

**# 85**  
**Independent Reviews  
of County Operations  
As Directed By the  
Board of Supervisors  
through its Audit  
Committee**



# LOBS SUMMARY TABLE

LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
85	Independent Reviews of County Operations As Directed By the Board of Supervisors through its Audit Committee	\$367,963	3
<b>Total</b>		<b>\$367,963</b>	<b>3</b>





# DEPARTMENT RESOURCES

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
<b>FUNDING</b>			
<b>Expenditures:</b>			
Compensation	\$225,560	\$215,769	\$335,797
Operating Expenses	12,707	15,095	32,166
<b>Total Expenditures</b>	<b>\$238,267</b>	<b>\$230,864</b>	<b>\$367,963</b>
<b>General Fund Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Cost/(Savings) to General Fund</b>	<b>\$238,267</b>	<b>\$230,864</b>	<b>\$367,963</b>
<b>POSITIONS</b>			
Authorized Positions/Full-Time Equivalents (FTEs)			
<b>Positions:</b>			
Regular	3 / 3	3 / 3	3 / 3
<b>Total Positions</b>	<b>3 / 3</b>	<b>3 / 3</b>	<b>3 / 3</b>



# METRICS

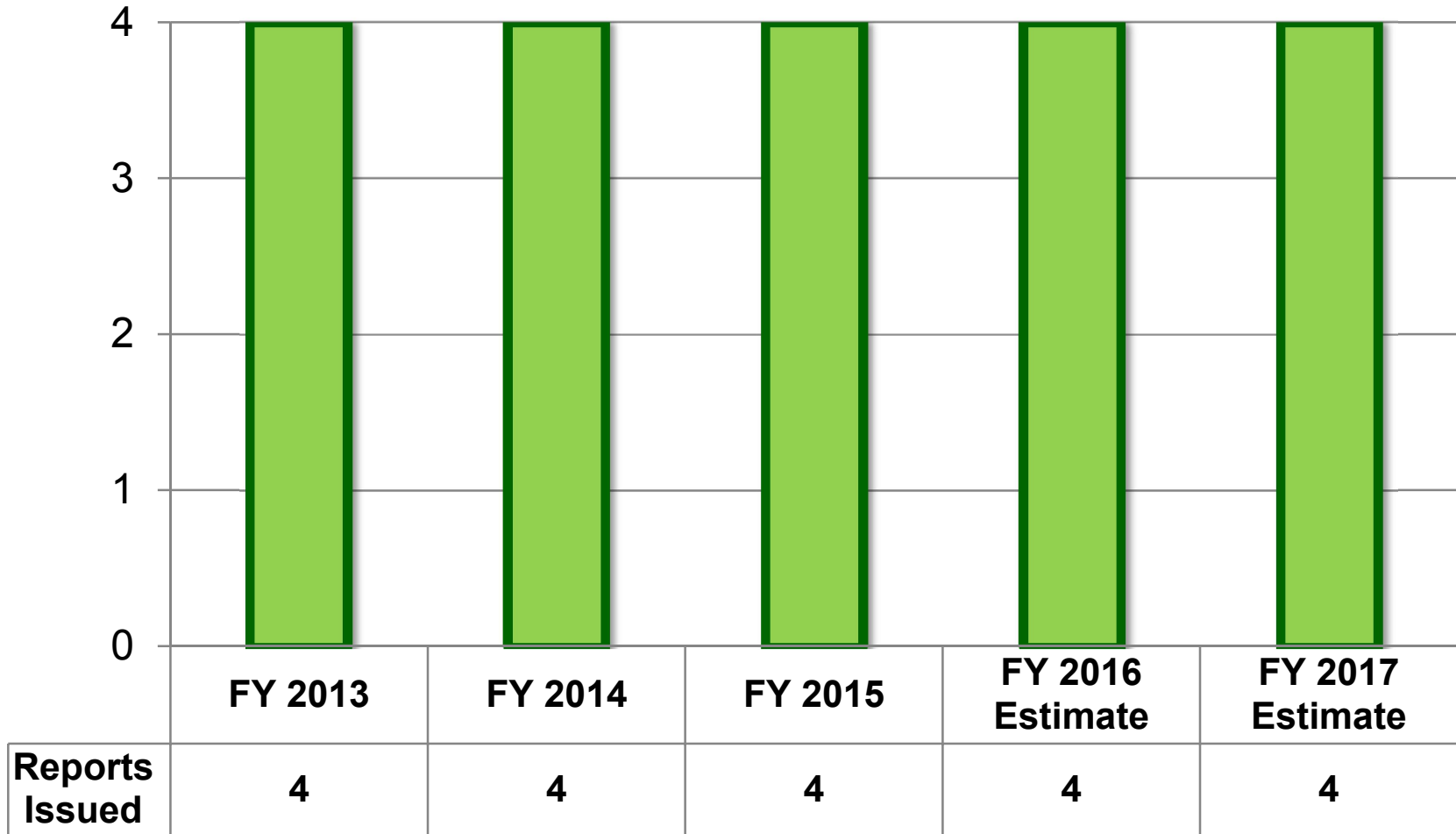
- During FY 2015, the OFPA completed **25** studies which contained **28** recommendations. All recommendations were accepted by the Audit Committee, Board of Supervisors and management.
- Studies concluded by the OFPA during FY 2015 resulted in the identification of **\$5.6** million in additional fiscal resources/cost mitigation.
- As part of the OFPA’s performance measurement goals, the OFPA strives to save money amounting to at least **200** percent of its own budget.
  - Savings achieved by the studies vary depending on the type of reviews and the conditions found.

Key Performance Measures				
Indicator	Prior Years Actuals			Current Estimate
	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate
<b>Office of Financial and Program Audit</b>				
Percent of recommendations accepted by the Audit Committee	100%	100%	100%	90%



# METRICS

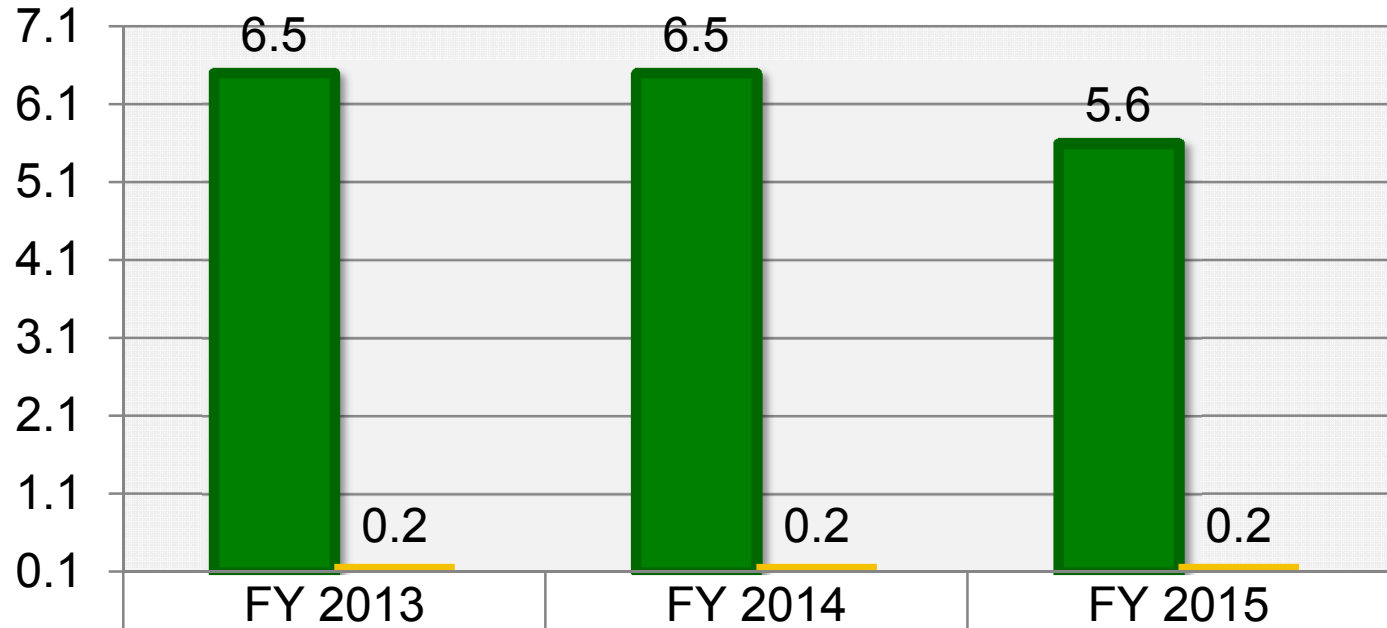
## Metric Indicator for Quarterly Report Issuance





# BY THE NUMBERS

**LOBs Metric: Fiscal Savings/Cost Mitigation**



<span style="color: green;">■</span> Savings in Millions	6.5	6.5	5.6
<span style="color: orange;">■</span> Expenditures in Thousands	0.2	0.2	0.2

**Fiscal Year**



## BY THE NUMBERS (CONT'D)

Metric Indicator	FY2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Quarterly Reports Issued to the Board	4	4	4	4	4
Cost Mitigation Identified as a Percent of Agency Expenditures	2,976%	2,728%	2,438%	200%	200%

- As part of the OFPA's performance measurement goals, the OFPA strives to save money amounting to at least **200 percent** of its own budget.
- The amount saved as a result of the OFPA's reviews since November 2011 is approximately **\$22.4** million.
- In FY 2015, the cost of operating the Office was just under **\$231,000**, while savings/cost mitigation of **\$5.6** million was achieved during that timeframe.
  - This resulted in nearly **\$25** in savings/cost mitigation for every **\$1** spent.



# BY THE NUMBERS (CONT'D)

## OFFICE OF FINANCIAL AND PROGRAM AUDIT SAVINGS AND FINANCIAL RESOURCES IDENTIFIED Fiscal Years 2011 through 2015

Report Date	Study Topic	Cost Savings/Additional Financial Resources Identified
May 2015	Library Department Gift Fund	\$2,386
May 2015 <i>(Follow-Up)</i>	Housing Cash Proffers (Remaining Balance)	\$568,942
November 2014	General Fund Cost Allocations	\$1,500,000
May 2013 <i>(July 2015 Follow-Up)</i>	County Rate of Return on Investments	\$1,359,816
November 2012	Park Authority Budget Review	\$3,463,002
October 2012 <i>(January 2013 Follow-Up)</i>	General Fund Cost Allocations	\$5,000,000
February 2012 <i>(Follow-Up)</i>	Future Construction Escrows	\$4,494,539
March 2011	Cable Communications Fund Review	\$1,358,981
May 2013 <i>(Follow-Up)</i>	Cable Revenue Verifications	\$458,888
November 2011	Technology Infrastructure Fund	\$1,000,000
March 2011	Solid Waste Funds Reserves Review	\$1,700,000
November 2011	Telecommunications Budget Review	\$1,500,000
<b>TOTAL</b>		<b>\$22,406,554</b>



## BY THE NUMBERS (CONT'D)

### ***Comparative Analysis***

Staff researched other jurisdictions in the Maryland and Virginia areas to identify those who had audit functions outside of the traditional Internal Audit Office. The OFPA identified the following jurisdictions for which information was available. Please note that this list is not all inclusive but merely a sample:

- Arlington County
- City of Richmond
- **Fairfax County**
- Montgomery County
- Prince George's County

While most of the jurisdictions have a traditional Internal Audit Department which have annual or multiyear work plans, the above mentioned offices audit functions (outside of the traditional Internal Audit Office) operate under the direction of the Board of Supervisors, Council or perform self-identified and approved areas of studies/investigations.



## BY THE NUMBERS (CONT'D)

The following chart provides some comparative data on the five jurisdictions with an office similar in scope to Fairfax County's OFPA. Of note, Fairfax County's OFPA had the lowest Budgeted Dollars/Population metric among these jurisdictions.

Counties	Similar Department	Populations / Constituency	FY 2016 Approved Budget	Budgeted Dollars / Population	Staff Complement	Years in Existence
Montgomery County	Inspector General Office of	1,030,447	\$ 1,043,164.00	\$ 1.01	5	19
City of Richmond	Inspector General	217,853	\$ 204,806.00	\$ 0.94	3	Unknown
Arlington County	County Board Auditor	226,908	\$ 200,000.00	\$ 0.88	1	1
Prince George's County	Office of Ethics & Accountability	904,430	\$ 572,000.00	\$ 0.63	4	3
Fairfax County	Financial & Program Auditor	1,137,530	\$ 367,983.00	\$ 0.32	3	19





## BY THE NUMBERS (CONT'D)

Additionally, some other studies performed by the OFPA, of which monetary impact has not extrapolated but are of importance to the stewardship of the County include, but are not limited to:

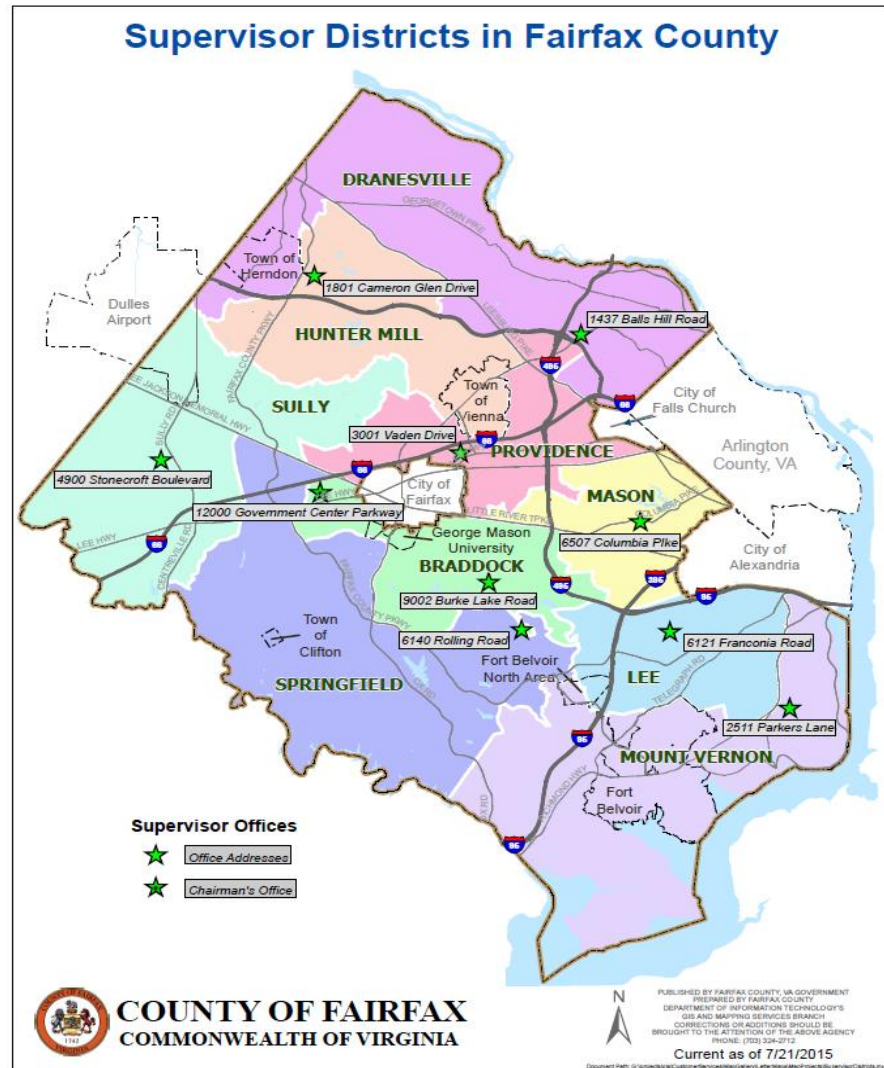
- Virginia Freedom of Information Act (FOIA) Request Management,
- Fairfax County Relocation Package Agreement,
- Safety and Claims/Risk Management,
- Implementation of Fairfax County Unified System (FOCUS) Modules, and
- Eligibility of Beneficiaries on Fairfax County Sponsored Health Plans.

The OFPA staff will continue to work with the full Board of Supervisors and management to identify areas of concerns and address process gaps for timely remedy.



# BOARD OF SUPERVISORS DISTRICTS

- » The OFPA works collaboratively with the Supervisors, Citizen Members of the Audit Committee, Management, and Fairfax County constituents to identify areas whereby improvements can be made. This includes but is not limited to; increasing revenue, reducing costs, and/or improving processes.
- » This map represents the districts which coverage generally is under the purview by the OFPA.





## TRENDS AND CHALLENGES

The OFPA will endeavor to continue to gain reasonable assurance that policies, programs and resources authorized by the Board of Supervisors are being deployed by management in a manner consistent with the intent of the Board and in compliance with all appropriate statutes, ordinances and directives.

## LOOKING FORWARD

Looking forward to the upcoming years, the OFPA will continue to identify ways to increase revenue and reduce cost for the County and it's constituents, while always keeping in view the importance of transparency and partnership with all of Fairfax County stakeholders.



# DISCUSSION

