

# *Fairfax County, Virginia*



## ***LINES OF BUSINESS***

*July 2016*

**OFFICE OF THE COUNTY EXECUTIVE**

*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. High level view of Lines of Business (LOBS)
3. How LOBs relate to the County Vision Elements
4. Metrics
5. Trends and Challenges
6. Looking Forward
7. 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

The Office of the County Executive (OCE) is comprised of four distinct components:

- Administration of County Policy
- Internal Audit
- Office of Community Revitalization
- Office of Public Private Partnerships

with a total of six LOBs.

Today's presentation focuses on the two LOBs associated with the Administration of County Policy:

- Administration of County Policy
- Administration of County Policy / Legislative Functions

and the two LOBs associated with Internal Audit:

- Internal Audit
- Internal Audit / Business Process Audits



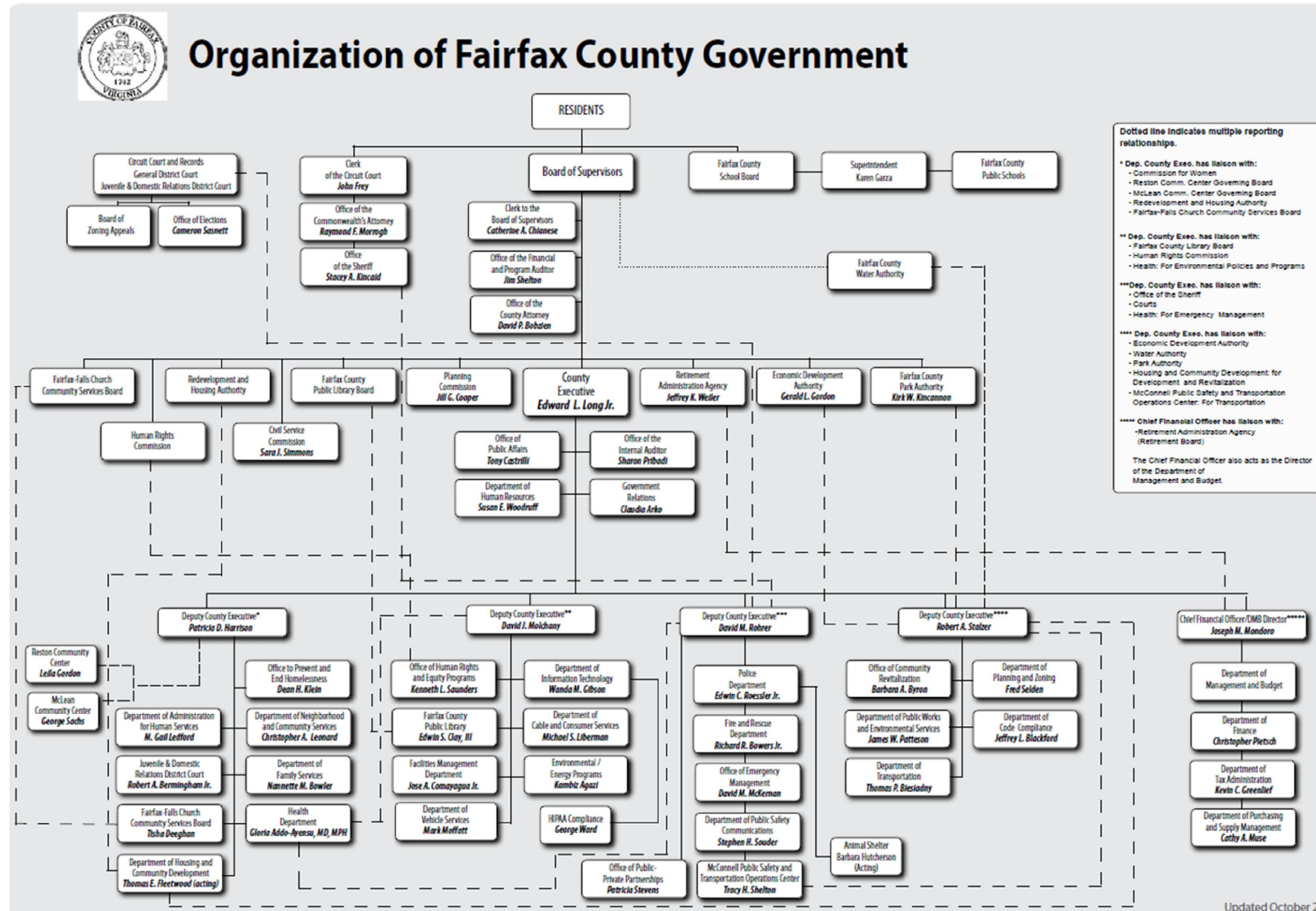
# DEPARTMENT OVERVIEW

## Administration of County Policy Personnel:

- The County Executive – a mandated position
- Four Deputy County Executives each oversee related County agencies
- Support Staff



# DEPARTMENT OVERVIEW



Updated October 2



## DEPARTMENT OVERVIEW

The Office of the County Executive (OCE) oversees all aspects of County government including:

- Combined County budget of \$8 billion in FY 2017 Advertised
- 5-year Capital Improvement Program of \$5 billion
- 12,402 positions in FY 2017 Advertised



# DEPARTMENT RESOURCES

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
<b>FUNDING</b>			
<b><u>Expenditures:</u></b>			
Compensation	\$5,227,829	\$5,244,488	\$5,879,178
Operating Expenses	652,265	624,407	669,116
<b>Total Expenditures</b>	<b>\$5,880,094</b>	<b>\$5,868,895</b>	<b>\$6,548,294</b>
<b>General Fund Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Cost/(Savings) to General Fund</b>	<b>\$5,880,094</b>	<b>\$5,868,895</b>	<b>\$6,548,294</b>
<b>POSITIONS</b>			
Authorized Positions/Full-Time Equivalents (FTEs)			
<b><u>Positions:</u></b>			
Regular	48 / 47.5	47 / 47	46 / 46
Exempt	7 / 7*	7 / 7*	7 / 7*
<b>Total Positions</b>	<b>55 / 54.5</b>	<b>54 / 54</b>	<b>53 / 53</b>

\* Exempt positions: County Executive, 4 Deputy County Executives, Assistant County Executive, Assistant to the County Executive



# LOBS AT A GLANCE







# LOBS SUMMARY TABLE

LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
<b>4</b>	<b>Administration of County Policy</b>	<b>\$2,431,990</b>	<b>17</b>
5	Administration of County Policy / Legislative Functions	607,963	3
<b>Total</b>		<b>\$3,039,953</b>	<b>20</b>

LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
6	Internal Audit	\$1,016,276	10
7	Internal Audit / Business Process Audits	357,070	4
<b>Total</b>		<b>\$1,373,346</b>	<b>14</b>



## **LINES OF BUSINESS SUMMARY – LOB #4 – ADMINISTRATION OF COUNTY POLICY**

- Executes policies adopted by the Board of Supervisors or mandated by the Commonwealth.
- Promotes a multi-year financial plan to better align longer-term needs with revenue projections and more effectively achieve the community's priorities.
- Manages the Capital Improvement Program to address County and School facility needs and ensure adequate bonding capacity to complete necessary expansion or renovation of existing facilities.
- Builds Organizational Capacity so that County institutions, services, and programs meet changing or expanding community needs and reflect changing community priorities.
- Leverages technology to improve efficiencies in the provision of County services and programs.



# LINES OF BUSINESS SUMMARY

Provides strategic direction, leadership, and oversight of numerous cross-agency initiatives to further innovative solutions and perform services more efficiently.

- Promotes a collaborative, team concept of County government – Team Fairfax – to better ensure that County employees are working toward the same goals.
- Coordinates the preparation of the annual Fairfax County Information Technology Plan that establishes a strategy to use technological advances to improve governmental efficiency and effectiveness, and enabling greater transparency, and community engagement.
- Taken the lead role in developing, revising, and implementing the Fairfax County Board of Supervisors' Strategic Plan to Facilitate the Economic Success of Fairfax County.
- Develops the strategic environmental policy for the County on major issues such as water resources, air quality, and ecological resources. Works as a liaison to businesses and residents on the implementation of environmental programs.



# MANAGES THE COUNTY WORKFORCE

- Encourages and expands Succession Planning among County agencies to better ensure seamless transitions as agency personnel leave County employment and existing employees are better suited to assume the vacated positions, maintaining institutional knowledge.
- Conducts exit interviews with all departing employees to receive better feedback.
- Encourages and expands Employee Development opportunities to maintain a highly qualified workforce.
- The County is in the second phase of the employee mentoring program.
- Protecting the three County retirement systems and ensuring that retirees are treated equitably.





# RESPONSIVENESS TO BOS AND RESIDENTS

- Produces the Board Package, Board Meeting calendar, and Public Hearing schedule which are all distributed to the Board, County staff, the media, and the general public.
- Coordinates agency responses to Board member inquiries.
- Develops and improves a countywide communications plan and outreach to residents, businesses, and community organizations.
- Ensures excellent customer service throughout all resident, business, user, and employee interaction with County government.





# LINES OF BUSINESS SUMMARY

- Building partnerships with the business community and non-profits.
- Participates in regional bodies to facilitate regional cooperation and protect the County's interests.
  - Metropolitan Washington Council of Governments
  - Northern Virginia Regional Commission
  - District of Columbia Water and Sewer Authority



# EMERGENCY AND DISASTER PLANNING

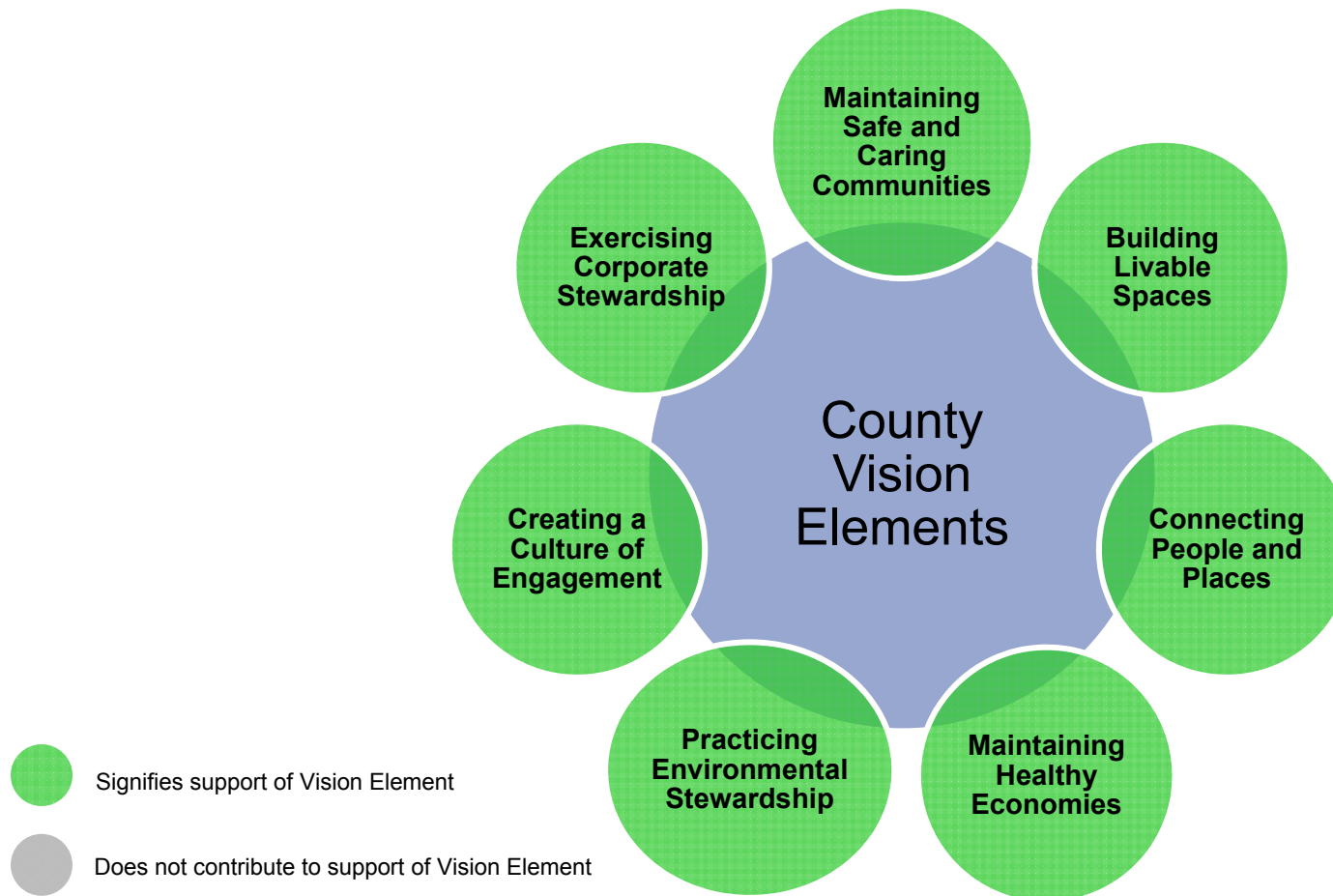
- Takes lead role in coordinating countywide emergency or disaster situations
- Takes lead role in coordinating the County's Continuity of Operations Planning (COOP) plans to ensure the County operations continue in the event of an emergency or disaster.
- Coordinates with Office of Emergency Management and Health Department to provide governance and leadership during an emergency or disaster.
- After-incident reviews to improve the County's emergency response.





# 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. The Administration of County Policy LOB supports:







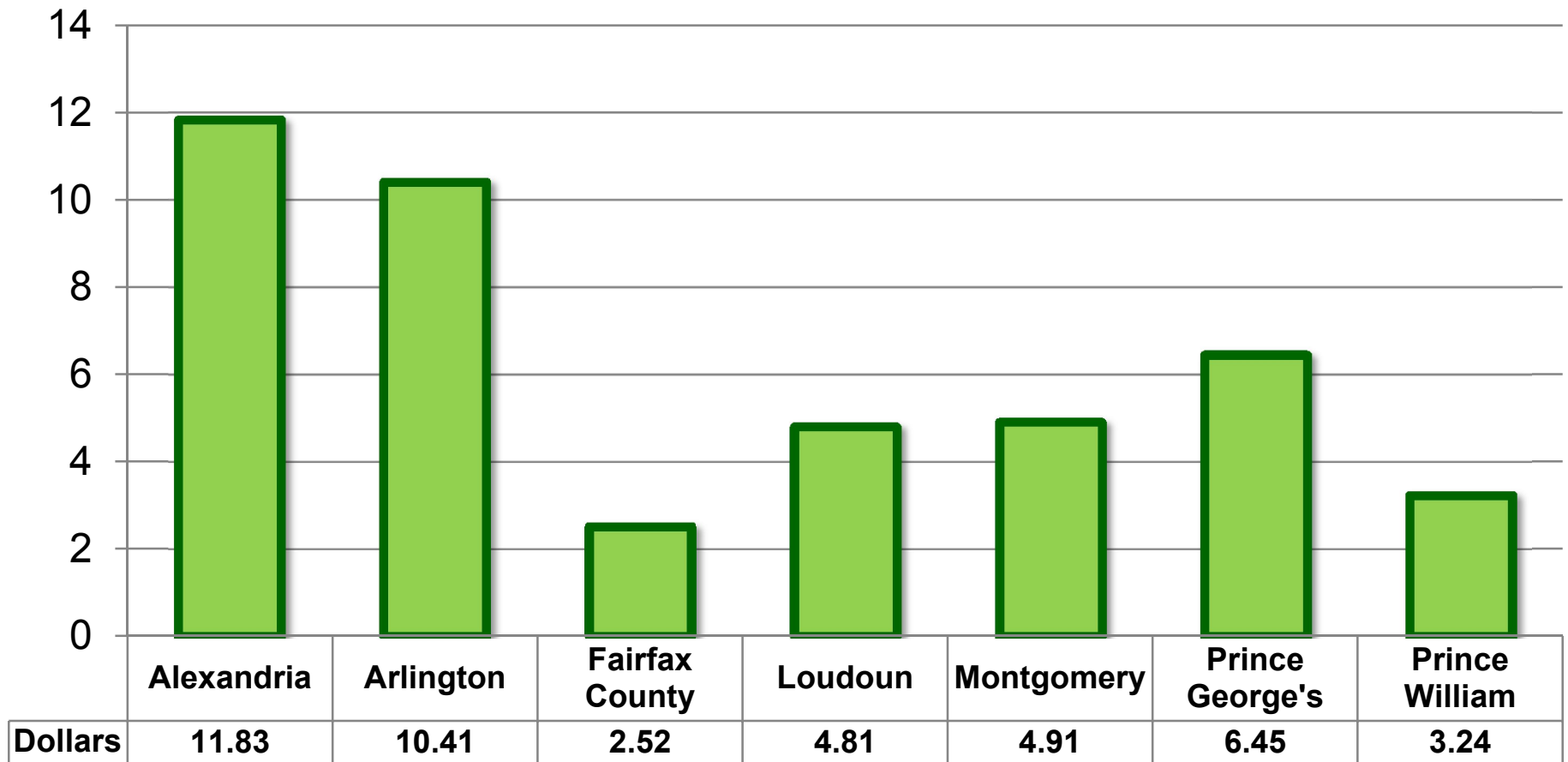
# METRICS

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Performance Targets Managed	1,394	1,445	1,400	1,400	1,400
Total Budget Overseen (in billions)	\$6.54	\$6.75	\$6.97	\$7.13	\$7.99
Total Positions Oversee (FTE)	12,114	12,165	12,223	12,204	12,402
Number of BOS Hearings and Committees	94	85	84	100	90
Percent of Board Items responded to within 14 days	95	95	95	95	95
Total Number of Board Items responded to within 14 days	354	312	350	338	338
Total Number of Board Meeting Package Items sent out completely, accurately, on time	503	479	563	500	500



# PER CAPITA ADMINISTRATIVE FUNCTION FUNDING

## Fiscal Year 2015 Funding Level Per 2014 U.S. Census Population Data





# TRENDS AND CHALLENGES

## **County policies continue to span more than one County agency.**

- The successful provision of programs and services requires cross-cutting across the various County agencies and additional coordination to avoid stove-piping.
- For example, the Board's recent Diversion First policy encompasses the Police Department, the Fire Department, the Office of the Sheriff, the Department of Information Technology, the Courts, and the Community Services Board.



# TRENDS AND CHALLENGES

**The increasing and diversifying Fairfax County population results in the constant changing of the provision of county services.**

- The County population is forecast to continue to increase through FY 2017 and beyond, reaching 1.36 million residents and 510,000 households by 2040, an addition of almost 250,000 people and 109,000 households.
- The County is continuing to grow more ethnically diverse with an increasing number of cultures and languages and there is an increasing need for outreach to the various communities.
- The average age of County residents is increasing resulting in a shift to more services that serve the needs of older residents who choose to age in place.
- One size does not fit all; residents' needs must be met with an understanding that there is no uniform manner of providing County services.



# TRENDS AND CHALLENGES

## **Continued budgetary challenges will impact the provision of County services and programs.**

- The County will continue to formulate and implement innovative solutions and increase efficiencies in order to best serve County residents.
- The County has limited Financial Tools to meet the increasing service demands.
- The County has Aging Infrastructure – both facilities, and technological systems – which need to be addressed to continue effectively serving County residents.



# TRENDS AND CHALLENGES

## **Managing the County Government Workforce**

- There are an increasing number of County employees eligible for retirement.
- Succession planning will become increasingly important to retain the institutional knowledge as newer workers replace long-time employees.
- It is important to have a formal process in DROP to capture institutional knowledge in preparation for retirees' departures.



## LOOKING FORWARD

- Fairfax County will continue to grow in the coming years and decades – in population, housing units, office space, and jobs.
- The successful integration of these additions will require a coordinated effort.

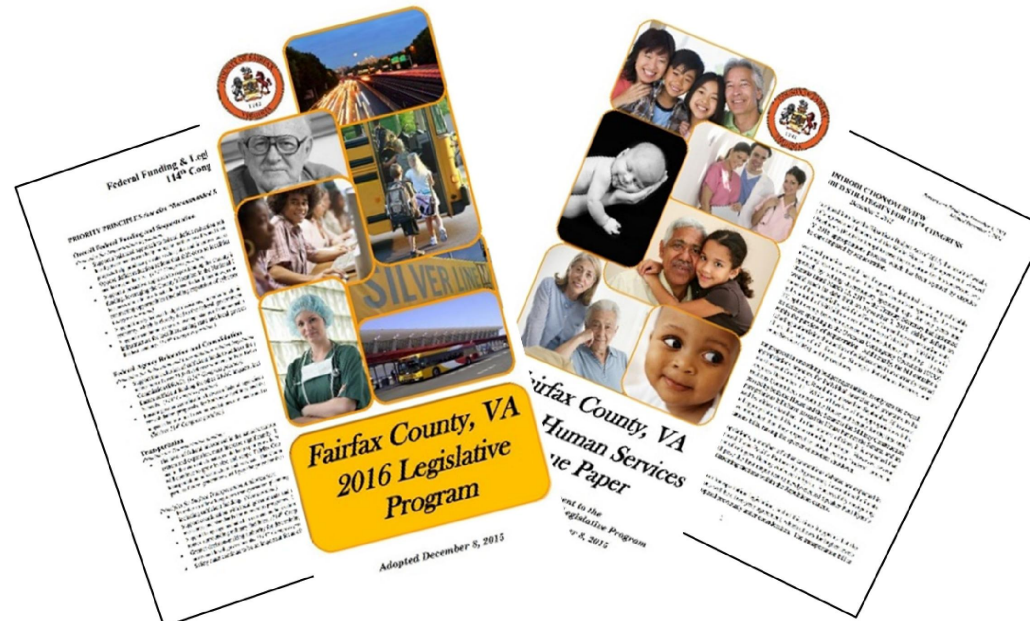


# LOBS SUMMARY TABLE

LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
4	Administration of County Policy	\$2,431,990	17
5	<b>Administration of County Policy / Legislative Functions</b>	607,963	3
Total		<b>\$3,039,953</b>	<b>20</b>



- The Legislative Functions LOB oversees all state and federal legislative activity for the County at the direction of the Board of Supervisors.
- This LOB works closely with the Board to develop the Board's annual state and federal legislative program, which includes:
  - Creating and implementing strategies to acquire and retain legislative authority necessary for the County to meet the needs of residents, and
  - Developing legislation to address specific problems.





## LINES OF BUSINESS SUMMARY (CONTD.)

- With the Board's annual legislative package as the foundation of all efforts, this LOB:
  - Coordinates and manages state and federal advocacy on behalf of the County,
  - Manages the Countywide review and analysis of proposed legislation (over 55 staff representing more than 28 agencies);
  - Collaborates with other jurisdictions and organizations to leverage necessary advocacy resources;
  - Represents the County's interests at study work group and commission meetings throughout the year; and,
  - Monitors and reports on potential impacts of relevant federal legislation, and disseminates federal grant opportunities to staff.
- This LOB also staffs the Board's Legislative Committee and serves as the principal County liaison with federal and state officials.



# DILLON RULE

- Because Virginia is a strict adherent to the Dillon Rule, Fairfax County (and all other Virginia local governments) only has those powers granted expressly by the General Assembly (GA).
- The state can also rescind powers previously conferred.
- As a result, this LOB advocates for and represents Fairfax County throughout the year in Richmond, to seek new authority (enabling legislation), preserve existing authority, seek or preserve funding, and avoid unfunded mandates.



*Photo Courtesy of the Commonwealth of Virginia*  
**County of Fairfax, VA – 2016 Lines of Business Presentation**



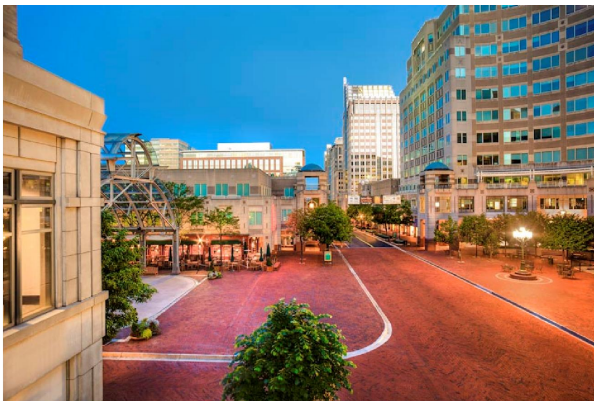
## K-12 Funding



## Transportation Funding



## Local Authority



## State Budget

# Revenue



*Clockwise from top right: Photo courtesy of Visit Fairfax,  
Public Domain, Visit Fairfax, and Public Domain.*



## LOB OVERVIEW

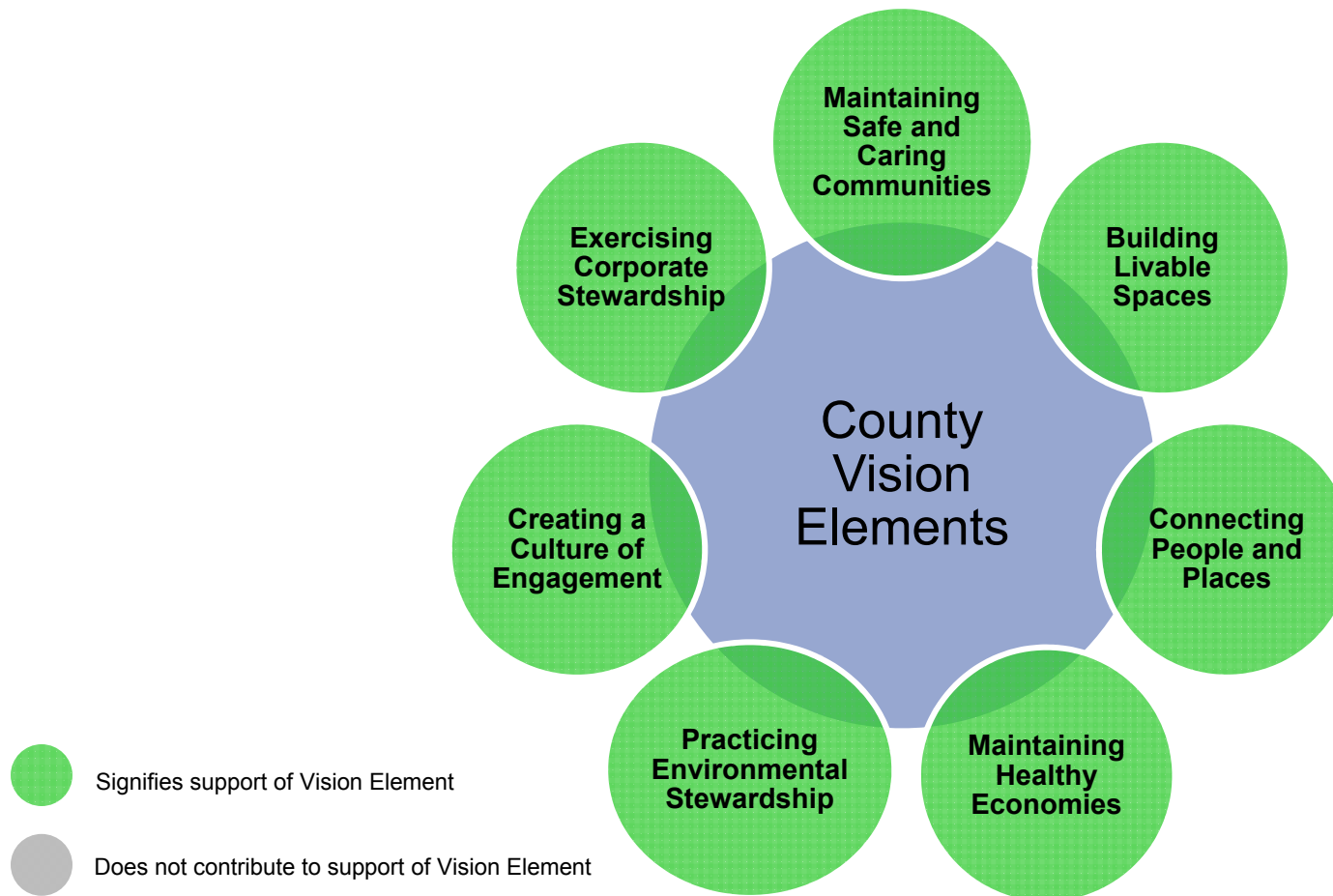
- This LOB provides **legislative expertise custom-made** for Fairfax County.
- Legislative Functions staff frequently tap their institutional memory and longstanding relationships with County staff, legislators, and stakeholders to answer research questions, develop strategies for legislative initiatives, and advocate on the County's behalf.
- This LOB includes:
  - three full-time positions (Legislative Director, Deputy Legislative Director, and Legislative Associate),
  - one part-time position (Legislative Assistant), and
  - two County staff "borrowed" from the Office of the County Attorney and Department of Transportation during regular GA sessions.
- Additionally, this LOB directs the lobbying activities of private firms retained by the County during the annual Virginia GA, Congressional sessions, and throughout the year.





# COUNTY VISION ELEMENTS

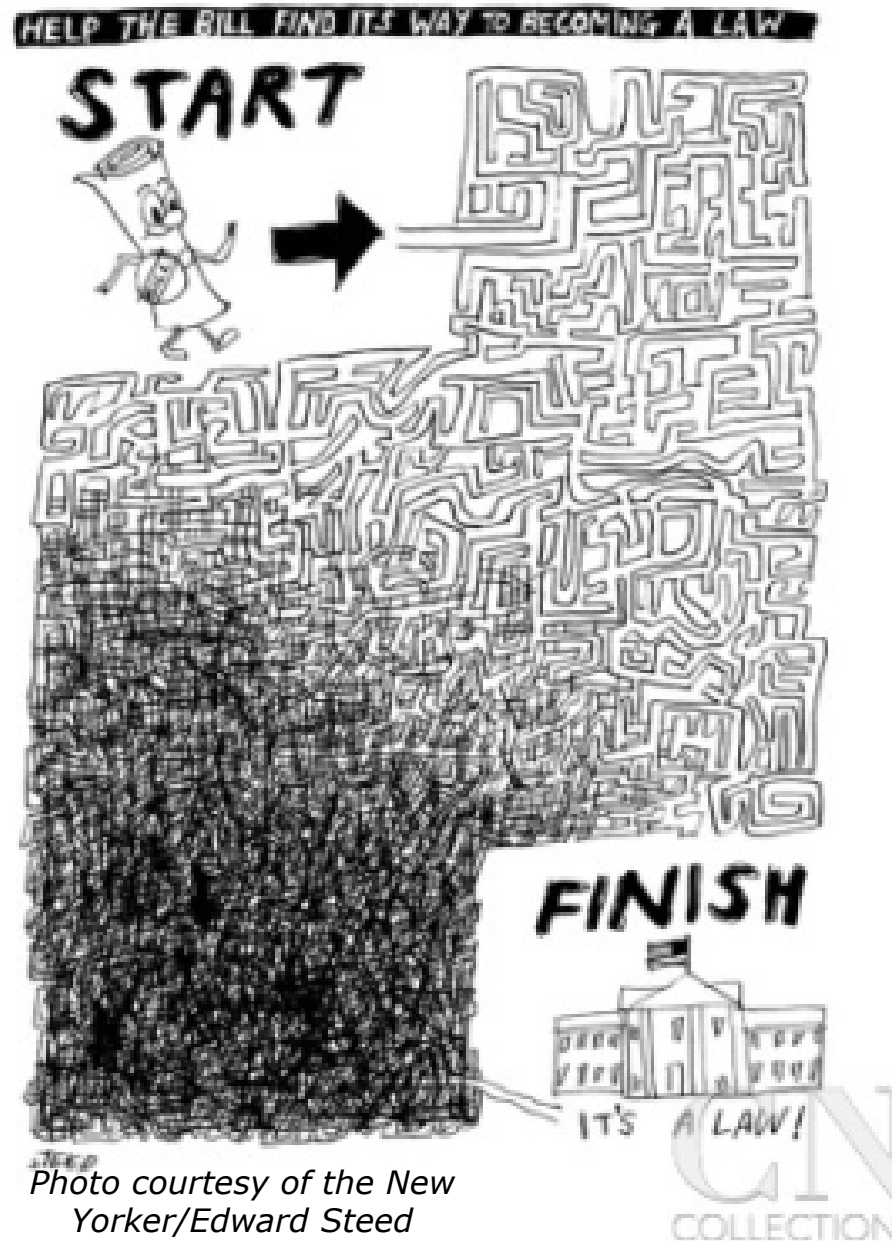
- The purpose of the LOBs process and the validation process performed by staff and management is to array the relevance of all LOBs according to the County's Vision Elements. The Legislative Functions LOB supports:





# METRICS

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual or Estimate	FY 2016 Estimate	FY 2017 Estimate
Days the General Assembly (GA) is In Session*	45	60	45	60	45
Positions Taken by Board of Supervisors on Bills	148	197	152	217	150
Bills Referred to County Staff for Review	1,529	1,613	1,853	1,907	1,690
GA Committee Meetings Attended by Legislative Staff (Estimated)	315	395	349	395	322
Grant Opportunities Disseminated to County Staff (Estimated)	117	135	100	117	117



*Photo courtesy of the New Yorker/Edward Steed*





# TRENDS AND CHALLENGES

- As mentioned earlier, Fairfax County only has those **powers granted expressly by the General Assembly (GA)**, because Virginia is a strict adherent to the Dillon Rule.
- The **Commonwealth significantly underfunds core services**, leaving localities to fill funding gaps with local revenues to maintain essential services (K-12 education, transportation, and more). The Commonwealth has also been reluctant to diversify local revenue sources.
- **Federal sequestration cuts and changes in federal spending** have negatively impacted the Fairfax County economy, and such challenges are likely to continue in the coming years.





# LOOKING FORWARD

- These challenges will persist for the foreseeable future, and the County will need to effectively advocate for its fair share of state funding for services like K-12 education, public safety, transportation, and human services.
- Preserving local authority, particularly in the areas of land use and taxation, will continue to require significant effort. Because the local economy has not yet fully rebounded, state attempts to restrict the County's taxing authority are particularly concerning. Also troubling are serious challenges to the County's land use authority, like the recent proffer bills, which potentially limit the County's ability to respond to community concerns during the development process and which require substantial efforts by legislative staff throughout the GA session.
- As governments adapt to emerging economies, the County will need to continue to balance the interests of non-traditional businesses (like Uber, AirBnB, and others) with community interests.
- Representation of the County's interests at the federal level will continue to be essential, especially as the County navigates the impacts of federal sequestration. There are several pending opportunities for Fairfax County to leverage its strategic location in Northern Virginia by housing federal agencies currently in development or considering relocations, including the consolidation of the FBI Headquarters. The establishment of such workplaces increases the economic vitality of the County by encouraging business development in the surrounding area, supporting small businesses, and growing the tax base, among other benefits.



## DEPARTMENT OVERVIEW – INTERNAL AUDIT

- IIA
- Reports directly to County Executive
- Audits comply with Government Auditing Standards set by GAO
- Types of services provided
  - Audits (Operational, IT, Business Process)
  - Non-Audit Services
    - Fraud and Ethics Investigations
    - Management Advisory Services
    - Financial Reviews
    - Construction Contract Reviews
    - Training



# LOBS SUMMARY TABLE

LOB #	LOB Title	FY 2016 Adopted	
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6	Internal Audit	\$1,016,276	10
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<b>Total</b>		<b>\$1,373,346</b>	<b>14</b>



# LOBS SUMMARY TABLE

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #6: Internal Audit			
LOB #7: Internal Audit / Business Process Audits			
<b>FUNDING</b>			
<b>Expenditures:</b>			
Compensation	\$1,110,774	\$1,075,703	\$1,325,138
Operating Expenses	60,695	65,278	48,208
<b>Total Expenditures</b>	<b>\$1,171,469</b>	<b>\$1,140,981</b>	<b>\$1,373,346</b>
<b>General Fund Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Cost/(Savings) to General Fund</b>	<b>\$1,171,469</b>	<b>\$1,140,981</b>	<b>\$1,373,346</b>
<b>POSITIONS</b>			
Authorized Positions/Full-Time Equivalents (FTEs)			
<b>Positions:</b>			
Regular	14 / 14.0	14 / 14.0	14 / 14.0
<b>Total Positions</b>	<b>14 / 14.0</b>	<b>14 / 14.0</b>	<b>14 / 14.0</b>



# LINES OF BUSINESS SUMMARY

- **LOB # 6 - INTERNAL AUDIT**

- Includes all internal audit services except the Business Process Audits
- Description of Services and Benefits provided:
  - Audits
  - Management Advisory Services
  - Fraud and Ethics Investigations
  - Financial Reviews
  - Construction Contract Reviews
  - Training



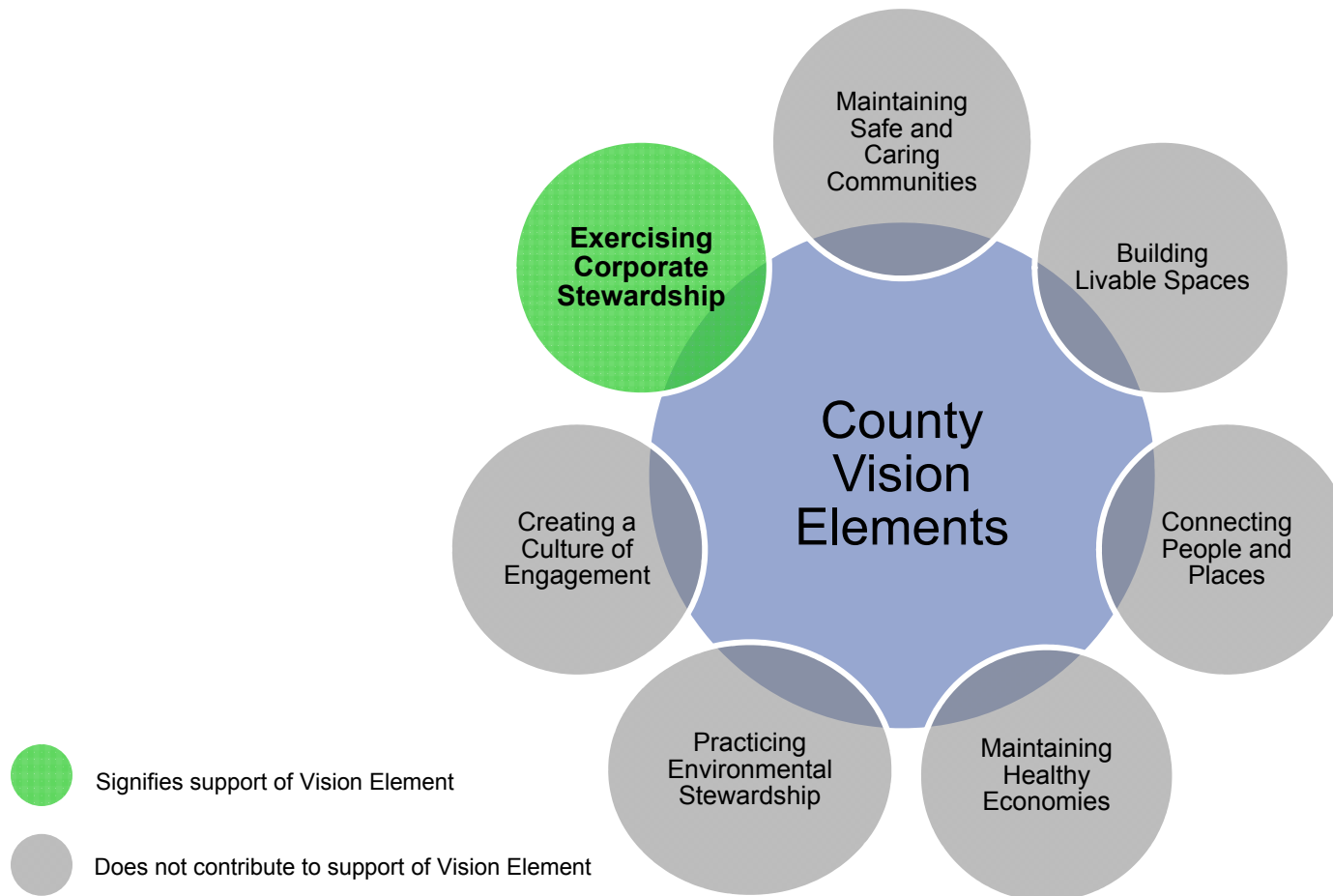
# LINES OF BUSINESS SUMMARY

- **LOB #7 - INTERNAL AUDIT/BUSINESS PROCESS AUDITS**
  - Standard Compliance Audits for routine purchasing, financial and human resources transactions
  - Performed on all agencies/departments on a 3 year cycle
  - 3 Business Process Auditors solely dedicated to these audits
  - Benefits
    - More consistent review of internal controls
    - Stronger controls over procurement card spending
    - Expanded physical presence of auditors
    - Better understanding of County's control environment
    - Better utilization of auditors



# 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. Internal Audit's LOBs support:







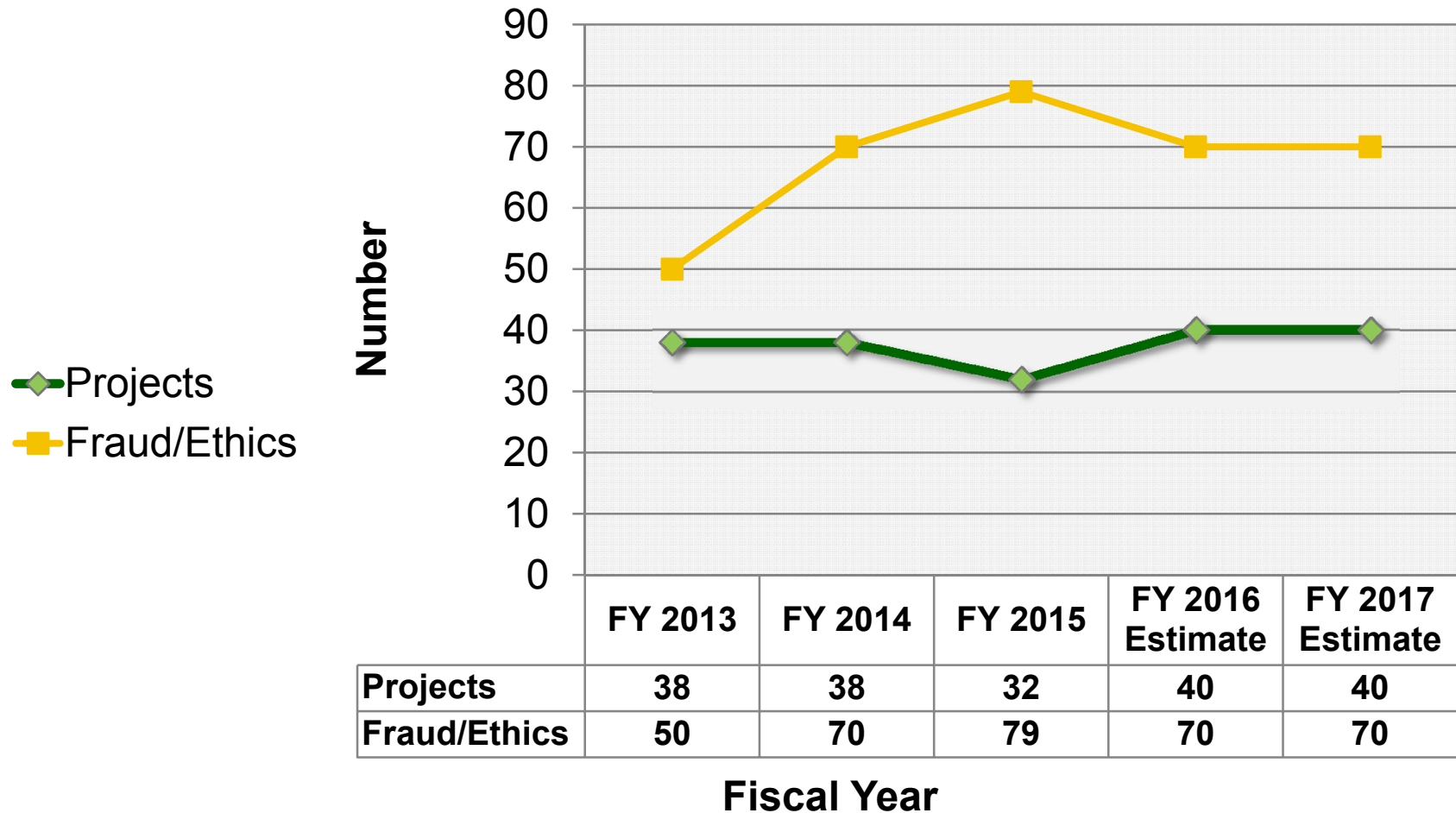
# METRICS

- Audit and Management Advisory Projects Completed Per Year (for both LOBS)
- Fraud and Ethics Allegations Received
- Comparison of Audit Budgets in Various Local Jurisdictions



# BY THE NUMBERS

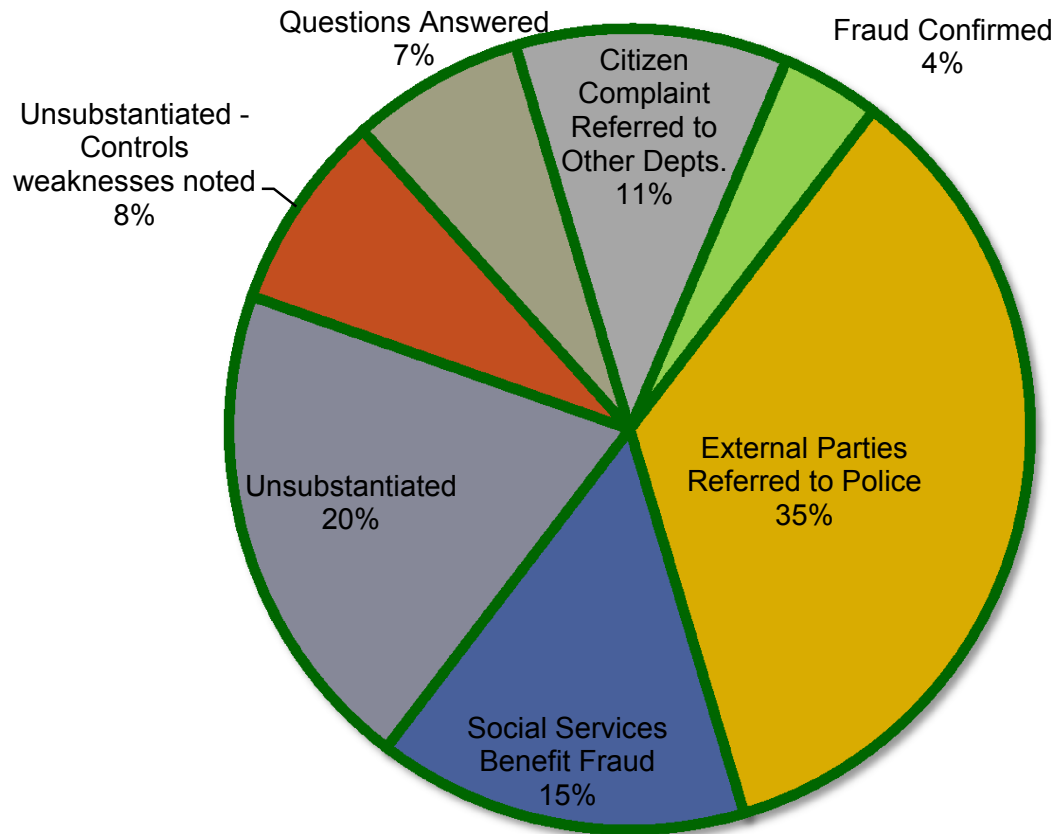
## # of Audit Projects & Fraud/Ethics Allegations





# BY THE NUMBERS

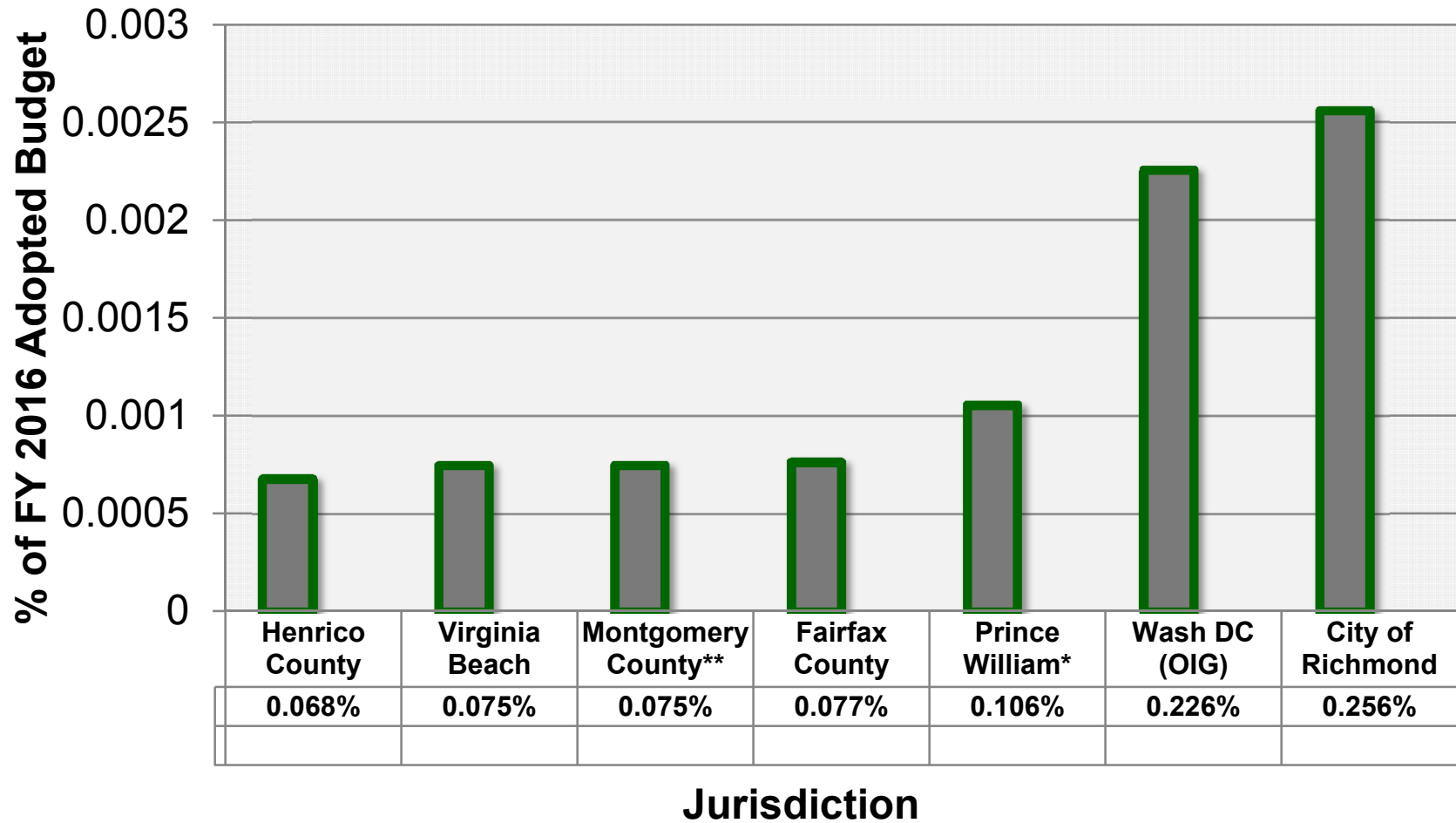
## Breakdown of Fraud/Ethics Allegations





# BY THE NUMBERS

## % of Audit Budget to Total Budget





# TRENDS AND CHALLENGES

- Regulatory Compliance
- Information Technology Risks
- Staff Training/Recruitment/Retention
- Levels of Audit Coverage



# LOOKING FORWARD

- Improved Risk Assessment Process
- Inspect, Inspire, Assure



# DISCUSSION

