



Fairfax County Internal Audit Office

**Department of Cable and Consumer Services
Business Process Audit
Final Report**

March 2020

"promoting efficient & effective local government"

Executive Summary

We performed a business process audit covering procurement, reconciliation, and personnel/payroll administration within the Department of Cable and Consumer Services (DCCS). The audit included review of procurement cards, FOCUS marketplace cards, purchase orders, non-purchase orders, open-ended purchase order payments, monthly reconciliations, limited review of accounts receivable and revenue collections, and verifying compliance with Personnel/Payroll Administration Policies and Procedures (PPAPP). The areas covered in PPAPP included time/attendance system and controls, attendance/absence reporting, employee clearance record processing, credit check requirements for positions of trust, and procedures for completing criminal background investigations for employment in sensitive positions.

We found that the department had effective procedures and internal controls in place for the handling of purchasing functions, and transactions had adequate evidence of compliance with county policy. Reconciliations were independently performed and were completed in a timely manner. However, we noted the following exception where compliance and controls needed to be strengthened:

- Two employees listed on the department's Positions of Trust list did not have a credit check performed. In addition, the remaining three employees on the list have not had an updated credit check performed since 2012. The Department of Cable and Consumer Services has initiated the steps outlined in Fairfax County Personnel/Payroll Administration Procedural Memorandum No. 56, Credit Check Requirements for Positions of Trust.

Scope and Objectives

This audit was performed as part of our fiscal year 2020 Annual Audit Plan and was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit objectives were to review the Department of Cable and Consumer Services' compliance with county policies and procedures for purchasing processes, personnel/payroll administration, and financial reconciliation. We performed audit tests to determine internal controls were working as intended and transactions were reasonable and did not appear to be fraudulent.

The audit population included procurement card, FOCUS marketplace, purchase order, and non-purchase order transactions that occurred during the period of September 1, 2018, through August 31, 2019. For that period, the department's purchases were \$76,341 for procurement cards, \$22,768 for FOCUS marketplace, \$1,354,652 for purchase orders, \$91,533 for non-purchase order payments.

Methodology

Audit methodology included a review of the department's business process procedures with analysis of related internal controls. Our audit approach included an examination of expenditures, records and statements; interviews of appropriate employees; and a review of internal manuals and procedures. We evaluated the processes for compliance with county policies and procedures. Information was extracted from the FOCUS and PaymentNet systems for sampling and verification to source documentation during the audit.

Findings, Recommendations, and Management Response

1. Credit Checks

Two employees listed on the department's Positions of Trust list did not have a credit check performed. In addition, the remaining three employees on the list have not had an updated credit check performed since 2012.

PPAPP Memorandum No. 56, states "Employees who occupy positions of trust are subject to a credit check." The policy further states "Credit checks will be conducted after a conditional offer of employment has been extended and accepted (new hire or promotion/transfer/demotion), and every four years thereafter."

Recommendation: DCCS should obtain credit checks for all individuals on the Positions of Trust list, and in addition credit checks should be completed every four years thereafter.

Management Response: The Department of Cable and Consumer Services has initiated the steps outlined in Fairfax County Personnel/Payroll Administration Procedural Memorandum No. 56, Credit Check Requirements for Positions of Trust. Management anticipates completing this action by May 30, 2020.