

Audit Committee Meeting

Meeting Date & Time:

Thursday, January 27, 2022

5:00 pm – 6:30 pm

Meeting Location:

Virtual ([Click here to join the meeting](#))

AGENDA

1. Call to order
2. Approval of December 2, 2021 Meeting Minutes
3. External audit presentation and discussion (Cherry Bekaert and DMF)
4. Fire Department Overtime Follow-up
5. Audit Committee vacancy update
6. County Auditor's status report
7. Next meeting and topics
 - a. April 7, 2022
 - i. Annual Audit Work Plan draft review and comment
 - ii. County Auditor follow-ups and audits
8. Adjourn



Arlington County Board

Audit Committee

Meeting Minutes

December 2, 2021

I. Call to order

Co-Chair Takis Karantonis called to order the virtual regular meeting of the Audit Committee at 5:00 PM on December 2, 2021.

II. Roll call

Members of the Audit Committee in attendance were

- **Takis Karantonis** – Co-chair
- **Christian Dorsey** – Co-chair
- **Brian Sigriz** – Public Member, FAAC Representative
- **Bill Wiggins** – Public Member
- **John Vihstadt** – Public Member
- **Maria Meredith** – Director, Department of Management and Finance (DMF)
- **Mark Schwartz** – County Manager

County Staff in attendance were:

- **Chris Horton**—County Auditor
- **Lynne Porfiri** – Chief of Staff
- **Greg Emanuel** – Department of Environmental Services
- **Mike Collins** – Department of Environmental Services
- **Tyler Ann Smith** – Department of Environmental Services
- **Christopher Allison** – Department of Environmental Services
- **Moon Pacentrilli** – Department of Management and Finance
- **Kenneth Saccoccia** – Department of Management and Finance

III. Approval of minutes from last meeting

On a motion by John Vihstadt, Member, seconded by Brian Sigriz, Member, the Audit Committee approved the minutes of the September 2nd, 2021 meeting, as amended. The motion passed by acclamation.



IV. Audit Committee Vacancy

The committee discussed the current Public Member vacancy, with potential appointments to be considered at the January Organizational or Recessed County Board Meeting.

V. Business

Prior to regular business, Co-Chair Dorsey offered remarks in remembrance of founding Committee member Hal Steinberg.

1) Department of Environmental Services – Fleet Management Audit

a) Chris Horton gave a presentation of the Fleet Management Audit. He noted four key observations and eight recommendations as part of his findings. He noted that the scope of this audit did not extend to the APS or ART Transit fleets and was focused on the DES Equipment Bureau.

i) Observation 1 – Rental Book

(1) Mr. Horton found the rental book development process to be sound, noting collaboration between departments, maintenance costs for specific particular classes of vehicles limited to departments utilizing those classes, periodic review of the service life of fleet assets, and the use of a limited number of vehicle models to limit maintenance costs. Mr. Horton recommended a review of the feasibility of directly charging departments for costs incurred due to accidents, but noted that management did not agree with this recommendation.

ii) Observation 2 – Improvements to Fleet Utilization Policy

(1) Mr. Horton noted that during the course of this audit, the County issued the Amended and Restated Fleet Utilization Policy, and noted improvements or changes in the areas of take-home vehicle usage, development of a minimum use standard, and prioritization of the County Motor Pool for routine business. He recommended that the threshold for assessing low utilization should be assessed to determine effectiveness and revisit whether an increase in the threshold is warranted.

iii) Observation 3 – Maintenance Data and Timeliness

(1) Mr. Horton outlined possible improvements to maintenance timeliness, pertaining primarily to the administrative process of opening and closing work orders. He noted there are no established guidelines governing the time between the opening and closing of work orders, noting five days as a reasonable standard. He recommended the development of metrics for timely maintenance to include both “Work Finish” and “Closing” of work orders. He further recommended that management have access to current metrics to compare against these standards to enable periodic review and correction.

iv) Observation 4 – Safety Processes

(1) Mr. Horton noted a number of safety processes and personnel in place within DES. He noted a downward trend in workers compensation claims since 2017. He also noted a “Near-Miss” reporting system in place but noted that the system may not be well understood among Equipment Bureau staff. He further noted inconsistencies in the level of detail in safety inspection records, as well as limitations due to the use of paper records rather than electronic. He outlined four recommendations regarding training surrounding the “Near-Miss” reporting system, tracking of past safety inspection findings, training regarding the level of detail provided in safety inspection reports, and ensuring the completion of weekly supervisor inspections.

b) Mr. Horton opened the floor to questions.

- i) Mr. Vihstadt – recalled an instance of use of a county vehicle that was in good repair for its age. Regarding the ART Fleet – does the equipment bureau manage ART assets and are they included in the overall count of County Vehicles? Mr. Horton – No, ART vehicles are managed separately under contract and their count is not included in this report.
- ii) Mr. Vihstadt – are the vehicles discussed under this audit owned, or are any leased? Mr. Horton noted that at the time of the audit, all were owned, but in the succeeding time, ten vehicles have been acquired via a 24 month lease-purchase.



- iii) Mr. Vihstadt – how was the determination made regarding lease vs. outright purchase? Ms. Smith – This was structured in order to take advantage of cost savings due to electric vehicle tax credits.
- iv) Mr. Vihstadt – why were tangentially related components of fleet maintenance – i.e. fuel cards, parts storage, vehicle storage, wash stations, etc. omitted from the scope of this audit? Mr. Horton – while they were initially included during the planning phase, issues relative to these components were found to be of a de minimis nature relative to other areas examined under this audit. In addition, the fuel cards were audited by the DMF internal audit function after the fleet management audit began. Mr. Vihstadt – asks for staff input, Mr. Allison responded that due to preliminary conversations with Mr. Horton, some improvements to these ancillary functions have been realized.
- v) Mr. Sigritz – regarding the recommendation to explore directly charging departments for accident-related maintenance costs, who would be responsible for insurance costs? Mr. Allison responded outlining the driver policy and point system and process by which third party claims are reported and managed.
- vi) Mr. Sigritz – regarding the recommendation concerning codification of maintenance timeliness standards, when tickets exceed a timely period, i.e. five days or more, what is the reporting process for management? Mr. Allison outlined an email process developed in conjunction with the ACPD fleet liaison used to establish and track custody maintenance records.
- vii) Mr. Dorsey – regarding disagreement with recommendation 1.1, does disagreement stem from potential inequity between departments bearing costs or disincentivizing the need to address or correct individual problem driver behavior? Mr. Horton – noted that while there is currently an incentive to conduct driver trainings or correct behavior, that incentive would be increased or reinforced if individual departments bore a higher degree of financial responsibility for their own drivers.
- viii) Mr. Dorsey, following up with Mr. Allison regarding at-fault claims and the point system - what specifically is the process? Mr. Allison outlined that in cases where the Accident Review Committee finds that a driver was at-fault, an escalating series of points and corresponding consequences are assessed, with varying degrees of consequence according to severity of an incident. Mr.

Dorsey noted that this process seems targeted to individual operators, and inquired about Department- or organization- level opportunities for education or training. Mr. Allison further noted that vehicles are assigned specific classes according to their use and risk, and that maintenance and insurance costs are assessed accordingly. As an example, public safety vehicle use carries a different level of risk and so they are classed accordingly, with additional levels of incident review. Mr. Horton supplemented by noting that this classification system helps to alleviate inequities in costs borne by departments, as higher-risk classes are born specifically by departments using them. Mr. Karantonis further noted additional training and licensing requirements required by operators of these higher-risk classed vehicles.

- ix) Mr. Vihstadt – related to the impact of COVID-19, what budgetary impacts have been observed? Has any measurable decrease in vehicle usage, fueling, or maintenance been observed? If there has been a measurable decrease in usage, could the lifespan of any fleet assets be extended? Ms. Smith replied that there have been impacts, and while situation is still evolving, there have been deferrals of replacements and assessments of whether vehicles can be turned in, but there have also been increases to maintenance costs due to inflation and deferrals that may offset cost savings.
- x) Mr. Vihstadt – has there been a reduction in the number of requests for take-home vehicles as a result of COVID-19? Mr. Allison and Ms. Smith noted that there has been a significant reduction in the number of take-home vehicles among non-public safety vehicles, from six to one. Public safety take-homes have remained constant. Mr. Allison returned to the prior question to note changes in consumption of gasoline and diesel and causes underlying those changes.
- xi) Mr. Vihstadt – Regarding tax credits for electric vehicles, how will this factor into the County’s transition to electric vehicles, and has the County looked into autonomous vehicle technology? Mr. Allison noted that autonomous vehicles have not been pursued outside of safety and collision avoidance systems, and that factors such as human behavior and charging infrastructure underlying the transition to an electric fleet are still evolving.
- xii) Mr. Karantonis -regarding the recommendation to assess low-utilization vehicle thresholds, are there thoughts regarding the discussed 4,000 miles per year threshold, in the context of COVID-19? Mr. Allison noted that an



understanding of fleet vehicle usage in the context of COVID-19 is still evolving and that 1,500 miles is still an appropriate threshold, but that discussions and assessments are being taken proactively.

2) *Police Overtime Follow-Up Report*

- a) Mr. Horton presented the Police Overtime Follow-Up report, noting significant effort towards implementing recommendations of the Police Overtime Audit. Seventeen recommendations have been implemented, while two have been partially implemented but remain in process.
 - i) Regarding additional reporting and automated interaction between the ACPD scheduling system and PRISM – ACPD has implemented to the best of their current ability but this recommendation will be kept open until full automation can be realized with PRISM replacement.
 - ii) Regarding development of a formal calculation model to communicate minimum staffing needs – a model has been developed, but recommendation will be kept open to allow for opportunity to apply it through the upcoming County budget process.
- b) Unrelated to the Police Overtime follow-up, Mr. Horton noted that several other audit follow-ups are either completed or in process and that a new reporting system will be implemented to disseminate information and recommendations related to them.
- c) Mr. Horton opened the floor to questions, none were presented.

3) *DMF Internal Audit Annual Review*

- a) Ms. Meredith introduced the County's internal auditors, Mr. Saccoccia and Ms. Moon.
- b) Mr. Saccoccia presented the annual Internal Audit Review.
 - i) 46 audits have been issued since FY2015, with 175 accompanying findings, covering the areas of contract management, purchase card compliance, funds handling, asset management, payroll/timekeeping, inventory, and special focus areas. Of the 175 findings as of December 2021, 141 are subject to follow-up. Emphasis placed on 27 high-risk recommendations.



- ii) Mr. Saccoccia outlined the status and results of FY20/21 audits, specifically highlighting the summary of findings for the CIGNA Contract Compliance Audit and the DPR 55 & Over Program Audit. He further outlined other internal audit activities including departmental process oversight, investigations and P-Card review.
- iii) Mr. Saccoccia outlined the FY2022 Audit Plan, in two parts.
 - (1) First half to include the CPHD Elevator Inspection Contract Compliance Audit, the HRD Dependent Eligibility Audit, County-Wide Interdepartmental Purchases, and DHS Purchase Card Expenses. Monitoring of P-Card Activity is ongoing. Follow up will include priority findings related to ART Bus Operations Contract Compliance.
 - (2) Second half to include County-wide invoice review and processing, County-wide evaluation and compliance with overtime policies, examination of revenue-generating processes and funds handling within ACFD, and ongoing Purchase Card Compliance. Follow-up on previous findings is also ongoing.
- iv) Mr. Saccoccia reviewed submissions to the financial fraud, waste and abuse hotline, noting a general continuation of prior-year trends.
- v) Mr. Dorsey opened the floor to questions.
 - (1) Mr. Vihstadt – regarding the 55 & Over Program audit, and recurring findings – is this indicative of a leadership issue within the program? Ms. Meredith responded that there were issues identified under prior leadership which have been remedied under current leadership, and noted that issues were not systemic or of a high-risk nature, and were primarily related to documentation procedures rather than cost recovery.
 - (2) Mr. Vihstadt – with regards to CIGNA Contract Compliance Audit, are policies and procedures used to ensure compliance used as benchmarks in procurement decisions? Mr. Saccoccia clarified that the burden of compliance is on the County, rather than on the vendor, and the concern is with department performance monitoring.



(3) Mr. Vihstadt – what protective steps have we implemented to address deficiencies? Mr. Saccoccia noted that HRD is developing a monitoring process to check and verify data.

4) *County Auditor's Status Report*

- a) Mr. Horton briefly presented his Audit Status Report, specifically highlighting follow up to occur on the Department of Technology Services Contract Management Audit, and noted that in this particular audit there were two recommendations with disagreement that will be followed up on.
- b) Mr. Horton opened the floor to questions.
 - i) Mr. Karantonis noted that there are twelve recommendations yet to be implemented, in the Fire Department Overtime. Mr. Horton noted that follow up on these recommendations is in process.

5) *Proposed 2022 Audit Committee Meetings*

A motion was made by Mr. Vihstadt, Member, seconded by Mr. Karantonis, Co-Chair, to adopt the Calendar Year 2022 Audit Committee Meeting Schedule as set out below. The motion passed by acclamation.

The adopted schedule is as follows:

- a. January 6, 2022
- b. April 7, 2022
- c. June 2, 2022
- d. September 1, 2022
- e. December 1, 2022

VI. Adjournment

Co-Chair Dorsey adjourned the meeting at 6:31 P.M.

Minutes submitted by: Mason Kushnir, Deputy County Clerk

Presentation to Audit Committee

Arlington County, Virginia

January 27, 2022

Your guide forward



Audit Overview

- ▶ Financial Audit
 - Test significant balances and transactions
 - Test underlying assumptions of significant estimates
 - Understand the internal control environment
- ▶ Compliance Audit
 - Test compliance with Virginia laws and regulations
 - Test compliance with federal grants
 - Understand and test the internal control environment
- ▶ Annual Financial Report includes unaudited sections
 - Introductory, Required Supplementary Information, Statistical
 - “In relation to” opinion on Other Supplementary Information

Audit Results

- ▶ Financial Audit
 - Unmodified (clean) opinion

- ▶ Compliance Audit
 - Unmodified (clean) opinions
 - No material weaknesses

Required Audit Communications

- ▶ Accounting Standards and Policies
 - No changes in accounting policies
 - *GASB84 – Fiduciary Activities*
- ▶ Conduct of the Audit
 - No difficulties in conducting the audit
 - No disagreements with management
 - Two proposed audit adjustments for classification and timing differences
 - No consultation with other accountants
- ▶ Other Representations
 - Independence and letters to / from management



Questions & Comments

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Report of Independent Accountant on Applying Agreed-Upon Procedures

To the County of Arlington, Virginia and
The Auditor of Public Accounts of the Commonwealth of Virginia

We have performed the procedures enumerated below solely to assist the County of Arlington, Virginia (the "County") in determining whether the accompanying Comparative Report Transmittal Forms (the "Forms") comply with the requirements of the Uniform Financial Reporting Manual (the "Manual"), as of and for the year ended June 30, 2021. The County's management is responsible for compliance with the requirements.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of demonstrating compliance with the Manual. The Auditor of Public Accounts of the Commonwealth of Virginia (the "APA") has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows with respect to the Forms and the Manual:

- 1) We read the requirements for the completion of the Forms as set forth in the Manual and identified differences between the County's accounting policies and the requirements of the Manual.

Result: We found the Forms comply with the requirements of the Manual.

- 2) We compared the information contained on Form 050 to the County's Annual Comprehensive Financial Report and reviewed reconciling items for compliance with the requirements of the Manual.

Result: We found no exceptions as a result of this comparison.

- 3) We read review comments made by the APA during the desk review of the County's Forms submitted in the prior year to determine if the current Forms incorporated these comments.

Result: We found there were no prior year comments.

- 4) We read the Verify Report and Edits Report to determine whether the APA's automated Forms identified any exceptions.

Result: We found neither report noted any system errors.

- 5) We compared the current and prior year Forms to determine whether there were any differences or changes.

Result: The difference and changes in the current and prior years Forms are shown on the Analysis Report within the current Forms.

- 6) We read the Joint Activity Forms (Forms 110 and 310) prepared by other local governments, authorities, or auditors to determine whether they have been accurately and completely incorporated within the Comparative Report Transmittal Forms.

Result: Based on the procedures performed, the Joint Activity Forms have been accurately and completely incorporated within the Comparative Report Transmittal Forms.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the Forms with the Manual. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the County and the APA and is not intended to be, and should not be, used by anyone other than those specified parties.

Cherry Berkant LLP

Tysons Corner, Virginia
December 15, 2021

**Report of Independent Auditor on Compliance with
Commonwealth of Virginia’s Laws, Regulations, Contracts, and Grants**

To the Honorable Members of the County Board
Arlington County, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”) issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arlington County, Virginia (the “County”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 24, 2021.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free of material misstatement, we performed tests of the County’s compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, the objective of our audit of the basic financial statements was not to provide an opinion on overall compliance with such provisions and accordingly, we do not express such an opinion.

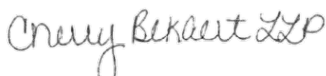
The following is a summary of the Commonwealth of Virginia’s laws, regulations, contracts, and grants for which we performed tests of compliance:

<u>Code of Virginia</u>		<u>State Agency Requirements</u>
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Comprehensive Services Act Funds
Conflicts of Interest	Property Taxes	Social Services
Debt Provisions		Highway Maintenance Funds
Economic Development Opportunity Fund		Fire Program Aid to Localities
Intergovernmental Revenues and Agreements		

The results of our tests disclosed no instances of noncompliance with those requirements required to be reported in accordance with the Specifications.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grant agreements and the results of that testing, and not to provide an opinion on the County’s compliance. Accordingly, this communication is not suitable for any other purpose.



Tysons Corner, Virginia
November 24, 2021

FOLLOW-UP REPORT: FIRE DEPARTMENT OVERTIME (REPORT 2020-01)

Background

The County Auditor conducts follow-ups for each audit recommendation in an effort to assess whether recommendations that the audited department agreed to make have been implemented. During follow-up reviews, the County Auditor works with department leadership to determine the implementation status. The County Auditor makes this determination based on initial information shared by the audited department, supporting documents and data provided by the department, and subsequent interviews and observations. The County Auditor cannot compel implementation of recommendations but can provide guidance regarding what constitutes implementation.

[Government Auditing Standards](#) do not cover follow-up reviews. However, the County Auditor endeavors to apply the principles of the Standards to follow-up activities. The County Auditor's follow-up work is informed especially by the principles articulated in the following key standards: evidence; documentation of auditor's work; communication with an audited entity; reporting of audit work to those charged with management and governance; and auditor professional judgment. The County Auditor employs a risk-based approach to follow-up work. The County Auditor requires verification of the implementation status for all recommendations that are initially reported by management to be *implemented*. The County Auditor does not perform verification work to confirm the status of recommendations originally reported to be *partially implemented* or *not implemented*. However, in some cases recommendations originally reported by management to be implemented may be changed to a lower implementation status based on the County Auditor's review. All determinations shown in the "Status" column were made by the County Auditor.

Summary

This report presents the results of the County Auditor's Fire Department Overtime audit follow-up, completed in January 2022. The report contained 23 recommendations.

Implemented	17/23	
Partially Implemented	3/23	Recommendations 1.5, 2.4, 3.1
Not Implemented	3/23	Recommendations 1.9, 1.10, 1.12

Of the 23 recommendations, the follow-up review found 17 to be fully *implemented*, which is an increase of 15 over the previous follow-up report in April 2021. For implemented recommendations no more follow-up work will be performed.

Three of the six recommendations not yet complete are *partially implemented*. One of the *partially implemented* recommendations (3.1) may be implemented, but full documentation was not available due to a widespread Kronos outage that made Telestaff data very difficult to access. Two of the three recommendations that are *not implemented* relate to rates and fees for special events. Due to the ongoing COVID-19 pandemic special events have been largely non-existent; over the past two years the only reimbursable special event has been the 2021 presidential inauguration. Consequently, these recommendations have received a lower priority.

Closing Note:

The County Auditor appreciates the time and cooperation the Fire Chief and other members of the ACFD staff provided during the follow-up review. The Fire Chief ensured that the follow-up documentation was delivered despite the significant impact on staff time due the aforementioned Kronos/Telestaff outage. This follow-up report is being provided to members of the Arlington County Fire Department, members of County management, the County Board, and the Audit Committee. The report will be issued publicly on the County Auditor's webpage on January 20, 2022.



Chris Horton, Ph.D., CIA, CGAP, CRMA, CCSA
Arlington County Auditor

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
<p><i>Recommendation 1.1:</i> ACFD should ensure appropriate access and segregation of duties exists in the payroll process. Preventive controls and detective controls should be implemented in the process.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>The Fire Department (ACFD) revised a compensation policy that segregates duties within ACFD's payroll process. Command Aides review and fix (officially set) the work and pay codes on each shift roster. The Battalion Chiefs verify and authorize any changes after the roster is fixed. The Timekeeper (Management Specialist) finalizes the roster for the pay period. The HR Liaison (HR OD Specialist) reviews exception reports and notifies Deputy Chief of Personnel Services of errors or issues. All payroll changes after finalization requires battalion or deputy chief authorization. The additional Management Specialist hired in Q1/FY22 is serving as an additional Timekeeper due to the increased workload with implementing the reduction of workweek initiative (Kelly Days)</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 3.7, 5.7 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 1.2:</i> TeleStaff should be reconciled to PRISM on a periodic basis.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>The Public Safety TeleStaff Administrator worked with the Human Resources Department to identify a report by</p>	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
Significant discrepancies should be evaluated and resolved in a timely manner.			<p>employee through PRISM. This report will allow for TeleStaff and PRISM records to be manually reconciled by the Timekeeper and HR Liaison. Presently, there presently no automated process available. The Timekeeper evaluates this report during the processing of each pay cycle. The Timekeeper manually reconciles TeleStaff and PRISM with the HR Liaison (HR/OD Specialist) providing oversight. Any anomalies are reported and reviewed by the HR Timekeeper and the Deputy Chief of Personnel Services. ACFD will continue to explore ways to automate the reconciliation process within the public safety departments.</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 3.7, 5.7, 5.8 	
<p><i>Recommendation 1.3:</i> ACFD should perform periodic reviews of system access to ensure access is appropriate based on employee's current responsibilities. Access levels reviews should be formally conducted and documented</p>	October 2021	Implemented	<p>System and staffing access are authorized by the Deputy Chief of Personnel Services. ACFD Staffing Dashboard has daily TeleStaff system status reports. Deputy Chief of Personnel Services performs seasonal access</p>	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
<p>by a deputy chief or the assistant fire chief periodically to ensure risks are managed appropriately.</p>			<p>audits as stated in fire department compensation policy. TeleStaff system access audit was completed in October.</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 5.9.3 • ACFD Staffing Dashboard (Fire Chiefs Office) 	
<p><i>Recommendation 1.4:</i> ACFD should ensure individuals responsible for monitoring access have the appropriate training and knowledge to understand the risks and controls associated with segregation of duties in the payroll process.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>A first session risk and control session with all uniformed officers covering time and code entry into TeleStaff was conducted during officer development training on 9/14-16/2021. The new Timekeeper (Management Specialist) completed training regarding controls and segregation of duties during Q3 2021. Deputy Chief of Personnel Services checks compliance with mandatory and annual refresher training for individuals who have access and responsibilities in the payroll process.</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 5.9.4 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 1.5:</i> ACFD should explore automating some staffing processes in TeleStaff, such as leave approvals and awarding overtime.</p>	<p>March 2022</p>	<p>Partially Implemented</p>	<p>Automating leave approvals and out-bounding call back to award overtime is a goal for 2022 after the implementation of the Kelly Day schedule. PSIT has installed the needed automation components within the</p>	

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
			public safety TeleStaff instances. The Sheriff's Office is testing outbounding. ACFD TeleStaff team is monitoring and will begin parallel testing during Q1 2022.	
<p><i>Recommendation 1.6:</i> ACFD should determine what management's needs are and create automatic reports that can be run at established frequencies to allow for more effective oversight of overtime. Additionally, ACFD should work with PSIT to create or evaluate additional reporting capabilities that can utilize or merge data from both TeleStaff and PRISM.</p>	April 2021	Implemented	PSIT has mirrored ACFD's TeleStaff database on a secure SQL server. ACFD has numerous reports available for monitoring staffing parameters on ACFD Staffing Dashboard. Automated daily reports and triggered alerts are established. PRISM data is unavailable on the PSIT Data Warehouse.	County Auditor confirmed implementation. No additional follow-up is required.
<p><i>Recommendation 1.7:</i> ACFD should integrate more TeleStaff codes into PRISM so allow for better reporting on overtime costs.</p>	January 2020	Implemented	Codes have been implemented and are working well.	County Auditor confirmed implementation. No additional follow-up is required.
<p><i>Recommendation 1.8:</i> ACFD should consider working with other TeleStaff users in the area, including the Arlington County Police Department and neighboring jurisdictions, to see how they utilize TeleStaff. This may result in the identification of best practices, additional functionality, and or efficiencies.</p>	June 2020	Implemented	A PSIT workgroup coordinates how ACFD, ACPD and Sheriff utilize TeleStaff. A sub-group including HR Payroll has been meeting for weeks to modify TeleStaff and test PRISM for Kelly Day implementation. The Northern Virginia Fire Chief Committee has created an Administrative Chiefs Committee to coordinate management, fiscal, policy, and	County Auditor confirmed implementation. No additional follow-up is required.

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
			procurement services. This sub-committee is sharing time and attendance tracking ideas.	
<p><i>Recommendation 1.9:</i> ACFD should develop an automated workflow for invoice creation, approval, and payment receipt. Controls need to be documented to ensure sufficient segregation of duties for billing and payment processing functions to ensure billing practices can be consistently applied. For example, ACFD should ensure checks never go directly to the individuals responsible for creating the invoices.</p> <p>Additionally, ACFD may want to seek out training within the County's ERP to determine how to evaluate whether payments have been received and recorded properly. This may require a change in system access, if necessary.</p>	January 2020	Not Implemented	The system that was to be used has been discontinued by Microsoft. A new solution has not been implemented at this time. In addition, staffing cuts have not allowed for segregation of duties for invoice creation and payment receiving. ACFD and ACPD utilize a manual system for invoicing overtime worked during special events. Both departments will evaluate a joint invoicing process. Long term, the PRISM upgrade may provide this functionality.	
<p><i>Recommendation 1.10:</i> ACFD should evaluate their options and develop a fee schedule that will be utilized for special events, including: opportunities to seek additional cost recovery for various vehicles types and equipment utilized, and charging for administrative fees to cover</p>	2022	Not Implemented	Planning had started for this recommendation considering costs of consumables, vehicle usage, and planning fees. Due to an extended state of emergency (pandemic), this has been put on hold.	

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
costs associated with scheduling and planning events.				
<p><i>Recommendation 1.11:</i> ACFD should formalize a policy for when it is appropriate to request reimbursement for their services. Additionally, ACFD should ensure there is always an agreement in place that clearly defines roles, responsibilities, agreed-upon staffing, and payment terms for regional support provided. If payment will not be received, an exception process that requires chief or assistant chief's approval should be developed.</p>	January 2020	Implemented	<p>ACFD relies upon the Metropolitan Washington Council of Governments Fire Mutual Aid Operations Plan (MWCOCG MAOP) for regional reimbursements. In addition, the Virginia Department of Emergency Management Assistance Compact (EMAC) has provisions for state-to-state resource reimbursements. With these regional automatic and mutual aid agreements in place, it is not common practice in emergency services to request reimbursement. ACFD has a MOU with Virginia Department of Emergency Management (VDEM) to recover costs after state-wide deployment of the ACFD Water Rescue Team.</p> <ul style="list-style-type: none"> • VDEM and ACFD Water Rescue Team MOU 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p> <p>Note: In this case ACFD did not create a policy that it will not seek reimbursement on mutual aid request. However, the Fire Chief confirmed that his policy is not to seek reimbursement for such requests, and that all potential reimbursement requests for mutual aid would have to go through him. Given this circumstance, and the fact that ACFD has demonstrated implementation of the recommendation to codify reimbursement practices in areas where reimbursement <i>would</i> be sought, the County Auditor concluded that the risk underlying this recommendation has been</p>

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
				adequately mitigated as long as the current fire chief is in place.
<p><i>Recommendation 1.12:</i> ACFD should consider setting a standard rate to bill for services to reduce to administrative burden of manually calculating each invoice. As part of this process, ACFD should also: document and communicate their rate setting process for hourly rates and fee schedule for equipment charged; regularly evaluate rates based on current salaries of personnel to ensure they are appropriately recovering costs associated with overtime; and document the frequency and methodology at which it will evaluate the effectiveness of cost-recovery for each type of event.</p>	2022	Not Implemented	See 1.10	
<p><i>Recommendation 2.1:</i> Overtime expenditures should be broken down into more categories, such as special events or operations overtime, so that utilization can be evaluated throughout the year.</p>	January 2020	Implemented	See 1.7	County Auditor confirmed implementation. No additional follow-up is required.

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
<p><i>Recommendation 2.2:</i> ACFD should evaluate the possibility of creating a budget entry to make necessary adjustments to overtime and personnel expenditures based on trends of the last three to five years to create more reasonable budget.</p>	<p>May 2022</p>	<p>Implemented</p>	<p>Throughout the budget processes for FY 2021, FY 2022, and continuing in FY2023, discussions have been made regarding this recommendation. Some adjustments have been made to shift some overtime budget to overtime callback budget.</p>	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 2.3:</i> ACFD should perform additional analysis to better understand the cause of injuries and their costs to the department, including overtime costs. This should help determine any correlation between the overtime worked by individuals and injuries.</p>	<p>June 2021</p>	<p>Implemented</p>	<p>During Q2 FY21, the Health, Wellness, and Safety Office was expanded from one to five officers to assist with workload. One officer manages injuries, light duty, and workers compensation claims. Light duty levels are correlated with overtime expenditures on the ACFD Staffing Dashboard. Injuries and vehicle accidents are investigated in cooperation with Risk Management.</p> <ul style="list-style-type: none"> • ACFD Staffing Dashboard (Fire Chiefs Office) 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 2.4:</i> ACFD should evaluate how staffing may need to be changed in civilian roles to meet best practice standards for administrative roles that assist with budget, finance, and payroll functions.</p>	<p>October 2021</p>	<p>Partially Implemented</p>	<p>ACFD has reviewed and evaluated staffing of civilian roles and will be making some adjustments through attrition. With several civilian retirements during Q2 FY22, the department will reclassify positions as the department employs more technology, applies automation, and optimizes</p>	

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
			administrative processes. ACFD is working with HR for job analysis and reclassifications. These roles will be filled from Q3 FY22 through Q4 FY22.	
<p><i>Recommendation 2.5:</i> ACFD should consider procuring a needs assessment and a staffing study that can assist them in developing a strategy to address staffing challenges that would reduce the need for overtime as ACFD moves to the Kelly Day. These studies may indicate that ACFD may need to be innovative, such as combining bordering fire stations with neighboring jurisdictions, or establishing a requirement for removing vehicles from service when minimum staffing cannot be obtained.</p>	September 2021	Implemented	<p>ACFD has considered a staffing study and has decided to rely on the internal accreditation team for deployment analysis. ACFD is completing the community risk assessment phase of a multi-year accreditation initiative. The next phase in the accreditation model is developing a standard of cover delivering station, unit, and staffing recommendations. This report should be completed during Q3 of Fiscal Year 2021. ACFD updated policy F.8 Emergency Service Staffing to address converting units when certain minimum staffing qualifications are not available. These staffing efficiencies reduce the need to pay additional overtime for paramedics when FF/EMTs are available on the shift roster. Reduction of workweek initiative with incorporating Kelly Days is almost complete with a target of 1/16/2022.</p>	County Auditor confirmed implementation. No additional follow-up is required.

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
			<ul style="list-style-type: none"> F.08 Emergency Services Staffing Policy: Section 5.2 	
<p><i>Recommendation 3.1:</i> ACFD should create a formal monitoring mechanism to ensure compliance with the policy that limits shifts to 60 hours and requires a six-hour rest period before an individual can begin another shift.</p>	<p>October 2021</p>	<p>Partially Implemented</p>	<p>TeleStaff alerts occur when employees work greater than 60 consecutive hours. Deviation on a conditional basis requires senior leadership approval.</p> <ul style="list-style-type: none"> F.08 Emergency Services Staffing Policy: Section 5.5.3. 	<p>This recommendation may be implemented but full documentation was not available in January 2022 due to Telestaff outage.</p>
<p><i>Recommendation 3.2:</i> In association with analysis performed under Recommendation 2.3, ACFD should evaluate whether its policy of allowing up to 60 hours of work, and then six hours of rest, is adequate to ensure the safety of its employees.</p>	<p>May 2021</p>	<p>Implemented</p>	<p>A review with regional partners shows policies consistent with 36-48 hours consecutively worked with a 12-hour break. A review of professional organizations (IAFC, IAFF, NVERS, etc.) finds that several departments have 48-60-hour policies and some that go to 72 hours. After careful evaluation, the ACFD policy is safe at 60 consecutive hours with six hours of rest. There are additional controls for scheduled or callback overtime (special events, ECC, etc.).</p> <ul style="list-style-type: none"> F.08 Emergency Services Staffing Policy: Section 5.5.3. 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
<p><i>Recommendation 3.3:</i> ACFD should evaluate ways to tighten their sick and leave policies to ensure better control over misuse of sick leave.</p>	<p>May 2021</p>	<p>Implemented</p>	<p>The department updated the Leave Policy to comply with sick leave usage as stated in ACG Administrative Regulation 2.7. The Deputy Chief of Emergency Services performs quarterly reviews with the battalion management team to audit leave usage and approvals. Automated and consolidated reporting tools are available as referenced in Recommendation 1.6.</p> <ul style="list-style-type: none"> • A.32 Leave Policy: Sections 2.1, 2.2, 3.1. • ACFD Staffing Dashboard (Fire Chiefs Office) 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 3.4:</i> ACFD should create a clear definition of "short notice" in SOP A.32.</p>	<p>May 2021</p>	<p>Implemented</p>	<p>ACFD defined the term short notice.</p> <ul style="list-style-type: none"> • A.32 Leave Policy: Section 2.2.6. 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 3.5:</i> ACFD should create a departmental policy or procedures regarding processes to monitor overtime, possibly in association with Recommendation 3.6.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>Deputy Chief of Emergency Services is responsible for the effective and efficient staffing of personnel providing EMS, fire, and rescue services. The Battalion Management Team has delegated authority to schedule activities, approve leave, assign personnel to minimize overtime, reduce mandatory holdovers, and provide equitable distribution of callback overtime. PSIT has connected</p>	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
			<p>TeleStaff cloud services to provide near real-time overtime status and an updatable series of reports to track and manage overtime.</p> <ul style="list-style-type: none"> • F.08 Emergency Services Staffing Policy - Section 4.4. • ACFD Staffing Dashboard (Fire Chiefs Office) 	
<p><i>Recommendation 3.6:</i> ACFD should document a detailed SOP that defines how Telestaff is used to manage overtime. Associated with creating this policy, the following updates should be enacted: 1) modifying the policy that still requires the use of forms for entering leave and overtime; 2) creating a policy that defines when changes can and cannot be made in TeleStaff to overtime and leave entries (e.g. no changes after the schedule is finalized); 3) creating a policy that documents the controls in place to ensure daily OT approvals are entered and approved properly; and 4) procedures to review TeleStaff entries on a daily, weekly, and per pay period basis.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>The Fire Department implemented two comprehensive policies to address time, attendance, and compensation processing. These policies interface Emergency Services and Personnel Services through staffing and placement of personnel in shift overtime positions to verifying, importing, and correcting payroll entries.</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Section 5. See recommendations 1, 2, and 4. • F.08 Emergency Services Staffing Policy: Section 5.5.2. See recommendation 3. 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

County Auditor Project Status Report – as of January 21, 2022

Ongoing Projects

This status report shows the current state of FY 2022 Audit Work Plan projects currently underway.

FY 2022 Audits	Current Audit Phase		Projected Date for Final Report	Initial Objective on the Annual Audit Work Plan	Report Type
Non-Profit Funding	<i>Planning</i>		March 2022 (April 2022 Audit Committee)	The objective is to conduct a limited scope engagement to answer the following question: What practices are available for policymakers to make decisions on non-profit funding allocations? This engagement would involve gathering information through methods primarily including benchmarking and academic studies.	Letter Report
	<i>Fieldwork</i>				
	<i>Report Writing</i>	✓			
	<i>Management Review</i>				
COVID-19 Cost Reimbursement	<i>Planning</i>	✓	April 2022 (June 2022 Audit Committee)	The objective is to determine whether the County has an effective process for ensuring key requirements of receiving CARES Act reimbursements are met. The audit focuses on monies provided to non-profits through Department of Human Services and to Arlington small businesses through Arlington Economic Development. This audit is expected to be presented through two separate reports, one for each department.	Letter Report
	<i>Fieldwork</i>				
	<i>Report Writing</i>				
	<i>Management Review</i>				

County Auditor Project Status Report – as of January 21, 2022

Risk Management	<i>Planning</i>	✓	June 2022	The initial objective is to assess the strength and timeliness of County-wide risk management and mitigation efforts. This audit does not focus on the Risk Management function in Department of Human Resources, since that function's role is primarily related to Worker's Compensation and commercial insurance used by the County. Some discussion with the Risk Manager would be expected, though, in the course of the audit.	Full Audit Report
	<i>Fieldwork</i>				
	<i>Report Writing</i>				
	<i>Management Review</i>				

Upcoming Audit Projects

The following projects are on the FY 2022 Work Plan but have not yet been initiated.

Audit Area	Department	Initial Objective	Reporting Outcome	Kick off Date
Housing Grants Program	Department of Human Services	The initial objective is be to assess the effectiveness of the Housing Grants program in reviewing applications timely and determining eligibility accurately.	Full Audit Report	January 2022
Specialized Transit for Arlington Residents (STAR)	Department of Environmental Services	The initial objectives would be to describe STAR's regulatory requirements, to assess the overall quality of customer service, and to evaluate STAR's financial sustainability.	Full Audit Report	May 2022

County Auditor Project Status Report – as of January 21, 2022

Follow-up Projects

In addition, the County Auditor will conduct follow-up work on up to five audits in FY 2022.

Audit Title and Audit Issuance Date	Most recent follow-up	Number of Recommendations and Current Implementation Status	Kick off Date for Next Follow-up
Police Overtime (May 2019)	September 2021	The audit contained 19 recommendations. <ul style="list-style-type: none"> • 17 fully implemented • 2 partially implemented 	March 2022
Fire Department Overtime (July 2019)	April 2021	The audit contained 23 recommendations. <ul style="list-style-type: none"> • 17 fully implemented • 3 partially implemented • 3 not implemented 	July 2022
Emergency Communication Center Overtime (March 2018)	August 2021	The audit contained 13 recommendations. <ul style="list-style-type: none"> • 3 fully implemented • 3 partially implemented • 6 not implemented • 1 management disagreement 	January 2022
Department of Technology Services – Contract Management (May 2021)	None	The audit contained 9 recommendations. <ul style="list-style-type: none"> • 1 management disagreement <p>Note: While the County Auditor ordinarily does not follow up on recommendations that are disagreed with, the nature of the disagreements for the two recommendations above were that the recommended actions would be performed by DMF Purchasing. Therefore, I will follow-up with DMF Purchasing on the status of these.</p>	January 2022
Fleet Management (November 2021)	None	The audit contained 8 recommendations. <ul style="list-style-type: none"> • 1 management disagreement 	June 2022