



## ARLINGTON VIRGINIA

*Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important.*

### Meeting Minutes for 28<sup>th</sup> March 2024 Audit Committee Meeting

#### **Audit Committee Members:**

Takis Karantonis, Audit Committee Co-Chair (Present)  
Maureen Coffey, Audit Committee Co-Chair (Present)  
Mark Schwartz, County Manager (Present)  
Maria Meredith, Management & Finance Director (Present)  
John Tuohy, Community Member (Absent)  
Luanne Lohr, Community Member (Present via Video Conference)  
John Vihstadt, Community Member (Present)  
William (Bill) Wiggins, Community Member (Absent)

#### **Administrative Attendees:**

Mason Kushnir, County Board Deputy Clerk (Present)  
David Powlitz, Chief, Arlington County Fire Department (Present)  
Megan Carney, Fire Department Budget Specialist (Present)

At 4:36 PM, Co-Chair Karantonis called to order the March 28<sup>th</sup> Audit Committee Meeting

#### **Approval of Minutes from Prior Meeting:**

September 28<sup>th</sup>, 2023 – Amended to correct the spelling of Moon Pacentrilli's name, to insert the words "in advance" ahead of "EMS Billing Audit", to insert the word "Proposed" ahead of "Audit Execution Package," to insert a clarifying statement regarding ACFD Hardship waiver availability, criteria, and procedures, and to correct a reference to a cancelled Audit Committee Meeting Date by which minutes will be submitted.

Moved by Mr. Schwartz, seconded by Mr. Vihstadt, approved unanimously, as amended, by voice vote with Ms. Coffey abstaining.

February 8<sup>th</sup>, 2024 – Amended to strike the word "Findings" from the phrase "External Audit Findings," and to correct an incorrect date, and to correct punctuation.

Moved by Mr. Vihstadt, seconded by Mr. Schwartz, approved unanimously, as amended, by voice vote.

#### **Audit Committee Other Business:**

The Committee discussed the status of a Fiscal Affairs Advisory Committee Representative on the Audit Committee.

Mr. Vihstadt initiated follow-up discussion regarding February 8<sup>th</sup> discussion of the development of a PAFR for public use – There was commitment to development of a PAFR for Fiscal Year 2025

Mr. Vihstadt initiated follow-up discussion regarding the Whistleblower Policy referenced by members of the Public at the February 8<sup>th</sup> Audit Committee meeting – discussion of this policy was deferred to the June 27<sup>th</sup>, 2024 Audit Committee Meeting.

**Summary:**

The Audit Committee met for purposes of discussing the initial results of the Emergency Medical Services Audit, for discussion of the recruitment and hiring process for a new County Board Auditor, and for discussion of the Arlington Independent Media Audit.

**Discussion Items:**

Fire Chief Povlitz and Ms. Carney provided a departmental overview of the background and initial results of the Emergency Medical Services audit. They provided background behind Emergency Medical Services and the billing process, from time of dispatch to record transfer, storage, reconciliation, and collections. They provided background on the audit process, including a timeline of the audit and context behind a number of preliminary findings and recommendations.

**Question & Answer Session:**

**Audit Committee Member Vihstadt** – to clarify, are unpaid bills sent to the Treasurer for collection? **Chief Povlitz, Ms. Carney** – Yes, after EMS initial attempt at collecting payment, and in consideration of any applicable hardship waivers.

**Audit Committee Member Vihstadt** – Regarding the current procurement of new EMS billing vendor, confirming understanding that this contract review occurs on a 5 year cycle? **Ms. Carney** – Yes.

**Audit Committee Co-Chair Karantonis** – Can this audit be re-submitted in the work plan for the next Auditor and completed, and is there value in doing so? **Chief Povlitz** – We are confident in our systems, but are prepared to work with new auditor and have data ready to share.

**Audit Committee Member Lohr** – Shared concern about the nature of Auditor's process and nature of engagement with Staff.

**Audit Committee Member Vihstadt** – Regarding the Auditor's exit memo of January 31<sup>st</sup>, 2024 – concerning coordination between executive departments and constitutional offices, and reporting from Treasurer – has this not been happening every year? **Ms. Carney** – Yes, it has been sent, on a weekly to biweekly basis, reporting on what has been paid – a new report has been generated to note accounts that have not been paid.

**Audit Committee Member Vihstadt** – With respect to this new report – can you characterize any actionable steps, etc. with respect to coordination with the Treasurer? **Ms. Carney** – No actionable steps to be taken, as collections are handled either through a third-party vendor or through the Treasurer's office – ACFD does not engage in collections activity.

**Audit Committee Member Vihstadt** – With respect to impacts of pandemic – are there any trends to note? Improvements in cost recovery? **Ms. Carney** – Ambulance billing is up, but so are rates of incidents requiring transport. Anecdotally, the process has improved under the new vendor, and fewer accounts are sent to the Treasurer. **Mr. Karantonis** – Offered clarifying statements regarding reporting, specifically the development of an aging report. **Mr. Vihstadt** – to clarify, are you able to say whether the percentage of overall collections are up? **Ms. Carney** – Not at this time. Revenue is up, but cannot say whether there is an upward trend in the percentage of cost recovery, although producing this information could be explored.

**Audit Committee Member Vihstadt** – Can you characterize any recovery trends? Trends in the use of hardship waivers? **Ms. Carney** – we can find out. **Mr. Vihstadt** – what triggers the use of such waivers? Assets, income, etc.? **Ms. Meredith** – written policy governs their use.

**Audit Committee Member Vihstadt** – What is the timeline for sending an account to the Treasurer? **Ms. Carney** - 90 days from time of last receipt of payment. **Ms. Coffey** – from whom does the treasurer attempt to collect payment? **Ms. Carney** – primarily from individuals, but if insurance is provided, that avenue can be pursued.

**Audit Committee Member Vihstadt** – General questions regarding the statute of limitations on collecting medical debt, and on determining whether appropriate collections efforts have taken place. **Ms. Meredith** – noting that these questions may be best answered by the Treasurer, and that pandemic-era circumstances may have impacted collections efforts. Further discussion followed among members of the Committee regarding the relationship between Digitech and the Treasurer with respect to collections and reporting.

**Audit Committee Member Vihstadt** – Do we know the percentage of debt that has been written off in a given time period? **Ms. Carney** – we can look into this further.

**Audit Committee Member Vihstadt** – To Mr. Schwartz – how often are ambulance billing rates reviewed? **Mr. Schwartz, Chief Povlitz** – Regularly, and rates were recently adjusted within the last three years to establish parity with surrounding jurisdictions.

**Audit Committee Member Lohr** – What is the Treasurer's process for determining and prioritizing collections? Does an industry standard exist? **Mr. Karantonis** – noted this as an item for discussion with the Treasurer.

**Discussion Items:**

Audit Committee Co-Chair Karantonis shared an update concerning the County Auditor job posting and timeline for recruitment and hiring.

**Question & Answer Session:**

**Audit Committee Member Vihstadt** – Context behind the addition of bullets added concerning supervision and management of Audit staff? **Ms. Lohr** – to highlight reference elsewhere in the posting that reference supervisory responsibilities.

**Audit Committee Member Vihstadt** – Noted a lack of reference to “reporting to the County Board,” or to discussing possibility of enabling community engagement functions? **Ms. Lohr** – agreed with the concern regarding community engagement functions and nonstandard working hour requirements. **Ms. Meredith** – notes that the position outlines that work may be required on evenings and weekends.

**Audit Committee Member Vihstadt** – Any information on the Hiring recruitment process? **Mr. Vihstadt, Ms. Meredith** – HR has experience with prior similar hires, and will engage with a variety of leads during recruitment.

**Audit Committee Member Vihstadt** – Worth requiring certain certifications or credentials? **Ms. Meredith** – Requiring specific certifications or requirements may impose an artificial barrier to recruiting qualified candidates – as an example, someone who previously carried certifications but has retired.

**Discussion Items:**

Audit Committee Co-Chair Karantonis shared information concerning the Arlington Independent Media Audit determining disbursement and use of PEG funds, and the status of payments to AIM in the interim.

**Question & Answer Session:**

**Audit Committee Member Vihstadt** – Who is performing the audit, and what is the timeline? **Ms. Meredith** – RSM, and timeline is very dependent on receipt of documentation. Ideally, conclusion within the next several weeks.

**Next Audit Committee Meeting:**

The next meeting of the Audit Committee is scheduled for **June 27<sup>th</sup>, 2024 @ 4:30 pm.**

*Adjournment*

Without objection, at 5:57 pm, Co-Chair Karantonis adjourned the March 28<sup>th</sup>, 2024 Audit Committee Meeting.

Minutes submitted by: Mason Kushnir, Deputy County Clerk

~END~

DRAFT