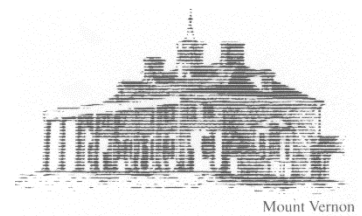




Dan Storck
Mount Vernon District Supervisor
Fairfax County Board of Supervisors
2511 Parkers Lane
Mount Vernon, VA 22306



Telephone: (703) 780-7518 E-mail: mtvernon@fairfaxcounty.gov

Joint Board Matter

Chairman Jeff McKay and Supervisor Dan Storck

March 9, 2021

Background:

River Farm, located on more than 27 acres on the Potomac River, is considered a local institution in the Mount Vernon District. It is full of history, heritage, and natural beauty. The property was acquired by George Washington in 1760. as the northernmost farm of the five farms his family owned, it has gone through many different owners and many different names throughout its history. As a result of the generosity of philanthropist and gardener Enid Annenberg Haupt, who was on the Board of Directors of the American Horticultural Society (AHS), AHS was able to purchase the 27 acres, agreeing to keep the property open to the public in 1973. The property was named River Farm, which is particularly appropriate given the connection to George Washington, one of our nation's first great gardeners and horticulturists. In 1973, AHS moved its headquarters from the City of Alexandria to River Farm. First Lady Pat Nixon joined Mrs. Haupt at the dedication of the property and together they planted a ceremonial dogwood tree in the garden. River Farm has long been a living representation of the principles and organizational vision of raising awareness about and fostering sustainable, earth-friendly gardening and horticultural practices.

Unfortunately, in September 2020, the County and the community were shocked and saddened by the news that the AHS Board of Directors intended to sell the River Farm property. That news has generated substantial discussion about the best options to ensure that River Farm remains an asset to the community and its historic significance is preserved and enhanced. Locally, the County is in the process of creating a Wellington at River Farm Historic Overlay District, on the River Farm property. At the state level, the recently concluded Virginia General Assembly passed legislation, SB 1457 (Surovell), which strengthens Fairfax County's land use authority to ensure historic areas are appropriately protected. The County supported this legislation during the session, as well as state budget amendments providing \$2 million to help NOVA Parks purchase River Farm – AHS has recently rejected that proposal, and as a result of that action, the County has had discussions with our state delegation about adding an emergency clause to SB 1457, allowing the bill to take effect immediately upon the Governor's signature if approved by the General Assembly at the April reconvened session, rather than on July 1, 2021.

This is a once in a lifetime opportunity to preserve a piece of our history. It is important that we utilize all of the tools we have available to continue to move this process forward.

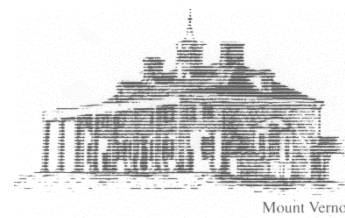
Motion:

Therefore, I move that the Board send a letter to the Governor, under the Chairman's signature, asking him to add an emergency clause to SB 1457.



Dan Storck

Mount Vernon District Supervisor
Fairfax County Board of Supervisors
2511 Parkers Lane
Mount Vernon, VA 22306



Mount Vernon

Telephone: (703) 780-7518 E-mail: mtvernon@fairfaxcounty.gov

Adoption of the Auditor of the Board's March 2021 Quarterly Report and Approval of the Audit Committee Work Plan for the Upcoming Quarter

March 9, 2021

Chairman McKay, the Board of Supervisors has received the Auditor of the Board's Quarterly Report for March 2021. The report included the following study areas, recommendations, and managements' concurrence.

March 2021 Quarterly Report:

- **Recovered Costs Study (DFS):**
 - *Auditor Recommends Staff:*
 - Review the County & City of Fairfax MOA to document and update the Aging Services billing amount,
 - Review the County & City of Falls Church MOA for updates to the Aging Services billing amount,
 - Assess the feasibility of billing and collecting for unbilled Shelter Services,
 - Develop and implement a billing methodology for Domestic Violence Shelter Services,
 - Develop and implement a billing methodology for Case Management Services, and
 - Develop and implement a billing methodology for Hypothermia Prevention Services.

- **Fire Marshal Fees Study:**
 - *Auditor Recommends Staff:*
 - Provide issued permit files to DTA & liaise w/ DPD to issue BPOL applications,
 - Incorporate automated exception reporting in PLUS for expired permits, and
 - Bring expired permits into compliance.

 - ❖ *Management agreed with the recommendations.*

Chairman McKay, I move that the Board of Supervisors adopt the Auditor of the Board's March 2021 Quarterly Report and approve the attached Audit Committee Work Plan for the upcoming quarter.



**OFFICE OF FINANCIAL AND PROGRAM AUDIT
MARCH 2021 QUARTERLY REPORT**

**BOARD OF SUPERVISORS
AUDITOR OF THE BOARD**

www.fairfaxcounty.gov/boardauditor

**Fairfax County
Office of Financial and Program Audit**



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**Fairfax County
Office of Financial and Program Audit**

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Fairfax County
Office of Financial and Program Audit



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County

Audit Committee Meeting Agenda

March 2, 2021 (3:00 PM)
Electronic Meeting

- I. Review and Approval of the Meeting Minutes from the prior (24th November 2020) Quarterly Audit Committee Meeting.
 - a. *Allowance for Vote by Audit Committee to Adopt*
- II. Review the **March 2021 Draft Quarterly Report:**
(Report Distributed for Walkthrough)
 - a. *Recovered Costs Study (DFS)*
 - b. *Fire Marshal Fees Study*
 - c. *Recovered Costs Study (Office of the Sheriff)*
 - d. *Recovered Costs Study (DMB)*
 - e. *Recovered Costs Study (FCHD)*
 - f. *Status Report of Prior Period Recommendations*
 - i. *Allowance for Vote by Audit Committee to Adopt*
- III. Consideration of the **June 2021** Quarterly Proposed Work Plan.
 - a. *Allowance for Vote by Audit Committee to Adopt*
- IV. Next Audit Committee Meeting:
 - a. Tuesday (15th June 2021) @ 3:00pm
 - b. Fairfax County Government Center, Conference Room 11

Fairfax County
Office of Financial and Program Audit



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County

Meeting Minutes for the November 24th, 2020 Audit Committee Meeting

Audit Committee Members:

Dan Storck, Audit Committee Chairman, Mount Vernon District Supervisor (*Present*)
Dalia Palchik, Audit Committee Vice-Chairman, Providence District Supervisor (*Present*)
Rodney Lusk, Audit Committee Member, Lee District Supervisor (*Present*)
Pat Herrity, Audit Committee Member, Springfield District Supervisor (*Present*)
Les Myers, Audit Committee Citizen Member (*Present*)
Paul Svab, Audit Committee Citizen Member (*Present*)

Attendees:

Jim Shelton, Auditor of the Board	Jay Doshi, DTA Director
Mathew Geiser, Fin. & Prog. Auditor	Juan Rengel, DTA Division Director
Joe Mondoro, CFO	Young Tarry, DTA Asst. Dir. Per. Prop.
Elizabeth Teare, County Attorney	Harjeet Pawar, DTA Bus. Comp. Mngr.
OTHER: DEPARTMENT HEADS / MANAGERS / STAFF - NOT LISTED	

Summary:

1. Committee's review and approval of minutes from the prior quarterly Audit Committee (AC) meeting held on **Tuesday (22nd September 2020)**.
2. Committee discussed the following topic presented in the **November 2020** Draft Report:
 - a. Unallocated/Unassigned Sales Tax Study
3. Committee discussed and approved the following AC Work Plan:
 - a. **March 2021** AC Work Plan:
 - i. Recovered Costs Study
 - ii. Fire Marshal Fees Study
 - iii. Status Report on Prior Period Recommendations
 1. This work plan was approved by the full Board of Supervisors (BOS) on **Tuesday (1st December 2020)**.

**Allowance for Vote by Audit Committee to Adopt
*Prior Audit Committee Meeting Minutes***

**Fairfax County
Office of Financial and Program Audit**

REPORT ABSTRACT

Working under the guidance and direction of the Audit Committee, the Auditor of the Board provides an independent means for assessing management's compliance with policies, programs and resources authorized by the Board of Supervisors. Further to this process, efforts are made to gain reasonable assurance that management complies with all appropriate statutes, ordinances and directives.

This agency plans, designs, and conducts studies, surveys, evaluations and investigations of County agencies as assigned by the Board of Supervisors or the Audit Committee (AC). For each study conducted, the agency focuses primarily on the County's Corporate Stewardship vision elements. The agency does this by developing, whenever possible, information during the studies performed which are used to maximize County revenues or reduce County expenditures.

To assist the Office of Financial and Program Audit (OFPA) with executing the responsibilities under our charge, members of the Fairfax County Board of Supervisors (BOS) submit study recommendations of which the findings and management responses are included in published studies. This process is utilized to provide the constituents, BOS and management reasonable assurance that fiscal and physical controls exist within the County.

Additionally, this agency conducts follow-up work on prior period studies. As part of the post study work conducted, we review the agreed upon managements' action plans. To facilitate the process, we collaborate with management prior to completion of studies. Through this collaboration, timelines for the implementation of corrective action and status updates are documented for presentation at the upcoming Audit Committee Meetings.

The results of studies may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. The execution of the OFPA's studies are facilitated through various processes such as; sample selections whereby documents are selected and support documentation is requested for compliance and other testing attributes. Our audit approach includes interviewing appropriate staff and substantive transaction testing. OFPA staff employs a holistic approach to assess agencies/departments whereby the review is performed utilizing a flow from origination to closeout for the areas under review.

There are several types of studies performed by OFPA, e.g.; operational, financial, compliance, internal controls, etc. To that end, it is important to note; OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

**Fairfax County
Office of Financial and Program Audit**

**RECOVERED COSTS STUDY – DFS
*Audit Committee Meeting Comments in the Addendum***

OVERVIEW AND UPDATES

The Department of Family Services (DFS) is responsible for managing four entities for which service expenditures by the County are partially recovered through direct billing and MOAs. These entities are City of Falls Church Public Assistance, City of Fairfax Public Assistance, FASTRAN, and the Golden Gazette. This study focused on assessing the degree to which the County is supported, for these services, by billable, federal, state, and local revenues.

Services provided by the County for the City of Falls Church include adult aging, childcare, disabilities, financial, medical, and housing assistance. The FY20 revenues for the City of Falls Church Public Assistance (*monies paid by the City of Falls Church to the County for these services*) were **\$1,148,993**. Expenditures for FY20 were **\$1,149,259**; the expenditures net of revenues were **(\$266)**, which was supported by the General Fund.

Services provided by the County to the City of Fairfax include adult aging, childcare, disabilities, financial, medical, and housing assistance. The FY20 revenues for the City of Fairfax Public Assistance (*monies paid by the City of Fairfax to the County for these services*) were **\$1,134,767**. Expenditures for FY20 were **\$1,179,094**; the expenditures net of revenues were **(\$44,327)**, which was supported by the General Fund.

FASTRAN provides transportation services for eligible seniors in the County, riders pay at the time of service. The FY20 FASTRAN revenues were **~\$52k**. FASTRAN transportation fees are **\$.50** for one-way or **\$1** for roundtrip.

The Golden Gazette, a DFS owned publication, is a free monthly community newsletter that covers a variety of topics and community news concerning older adults and caregivers in Fairfax County. Some expenditures are offset by fee-based advertising space for businesses, ranging between **\$115 - \$763** (*per newsletter*) based on ad size. The last fee increases of 15-20% were in July 2018. Full payment is required prior to posting ads in the Golden Gazette. The FY20 Golden Gazette revenues were **~\$50k**. Expenditures for FY20 were **~\$309k**; the expenditures net of revenues was **(~\$259k)**, which was supported by the General Fund.

The FY20 revenues, expenditures, and support by the General Fund are detailed below:

**Fairfax County
Office of Financial and Program Audit**

FY20 DFS Recovered Costs								
Recovered Cost	Category	Rev. City Billings to General Fund	Rev. City Billings to Grant	FY20 Total Rev. Actuals	General Fund Exp.	Grant Exp.	FY20 Total Exp. Actuals	General Fund Support
Falls Church Public Asst.: DFS	Aging Services Recoveries	\$14,119	\$36,306	\$50,425	\$37,615	\$14,995	\$52,610	(\$2,185)
	CSA Recoveries	\$591,263	\$0	\$591,263	\$591,263	\$0	\$591,263	\$0
	Non-CSA (Social Services) Recoveries	\$507,305	\$0	\$507,305	\$505,386	\$0	\$505,386	\$1,919
City of Fairfax Public Asst.: DFS	Aging Services Recoveries	\$12,839	\$31,638	\$44,477	\$63,194	\$25,192	\$88,385	(\$43,908)
	CSA Recoveries	\$126,389	\$0	\$126,389	\$126,389	\$0	\$126,389	\$0
	Non-CSA (Social Services) Recoveries	\$963,901	\$0	\$963,901	\$964,320	\$0	\$964,320	(\$419)
FASTRAN: DFS	Passenger Transportation Fares	\$51,511	\$0	\$51,511	Not Provided	\$0	Not Provided	Not Provided
DFS Golden Gazette	Advertisement Fees	\$49,784	\$0	\$49,784	\$309,391	\$0	\$309,391	(\$259,607)
Totals:		\$2,317,111	\$67,944	\$2,385,055	\$2,597,558	\$40,187	\$2,637,745	(\$304,201)

OBSERVATIONS AND ACTION PLANS

The following table details the observation and recommendation for this study along with management's action plan to address it.

**Fairfax County
Office of Financial and Program Audit**

CITY OF FAIRFAX AGING SERVICES BILLINGS

Risk Ranking

MEDIUM

The County provides aging services to the City of Fairfax through Appendix III, “Welfare, Health and Social Services” in the 2003 General Services Agreement. The Agreement does not specify the specific charge for Aging Services, but allows for various billing methodologies, including billing based on population percentage or billing based on fixed cost for a program “as agreed to by County Executive and City Manager”. Documentation of the fixed charge decision of the County Executive and City Manager is not on file in DFS and DPMM record repository. DFS did provide an annual letter sent to the City of Fairfax on 2nd March 2020. The annual letter states that the annual payment amount of ~\$44K, has remained unchanged since 1991. The table below details FY15-FY20 revenues, expenditures, and General Fund support:

Aging Services & AAA Grants - City of Fairfax Billing Population Percentage: 2.10%						
Category	FY15	FY16	FY17	FY18	FY19	FY20
Expenditures	\$96,237.65	\$97,463.66	\$111,659.48	\$114,324.65	\$98,849.93	\$88,385.44
Revenues	\$44,477.00	\$44,477.00	\$44,477.00	\$44,477.00	\$44,477.00	\$44,477.00
General Fund Support	\$51,760.65	\$52,986.66	\$67,182.48	\$69,847.65	\$54,372.93	\$43,908.44

Recommendation

We recommend DFS work with OCA & DMB to review the MOA between the County and City of Fairfax to document and update the aging service billing amount and/or methodology to better reflect the current costs.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Terri Byers (Finance Manager, DFS)	September 30, 2021	Theresa.Byers@fairfaxcounty.gov
Beth Teare (County Attorney, OCA)	Report Update June 15, 2021	Elizabeth.Teare@fairfaxcounty.gov
Albena Assenova (Revenue & Economic Analysis Coordinator, DMB)	Audit Committee Meeting	Albena.Assenova@fairfaxcounty.gov

MANAGEMENT RESPONSE:

DFS concurs. DFS will work collaboratively with DMB, OCA, DPMM and the City of Fairfax to evaluate and update Appendix III of the Fairfax City General Services Agreement to evaluate and update to an Aging Services Billing charge to a level more closely aligned with Aging Services capacity for the population of Fairfax City.

**Fairfax County
Office of Financial and Program Audit**

CITY OF FALLS CHURCH AGING SERVICES BILLINGS

Risk Ranking

MEDIUM

The County provides aging services to the City of Falls Church through an MOA. The City of Falls Church remits an annual payment of ~\$50k to the County for these services. The defined services are outlined in the MOA between the County and City of Falls Church, last amended in 2015. The payment amount by the City of Falls Church has not changed since 1991. The table below details FY15-FY20 revenues, expenditures, and General Fund support:

Aging Services & AAA Grants - City of Falls Church Billing Population Percentage: 1.25%						
Category	FY15	FY16	FY17	FY18	FY19	FY20
Expenditures	\$57,284.32	\$58,014.09	\$66,463.98	\$68,050.39	\$58,839.24	\$52,610.38
Revenues	\$50,425.00	\$50,425.00	\$50,425.00	\$50,425.00	\$50,425.00	\$50,425.00
General Fund Support	\$6,859.32	\$7,589.09	\$16,038.98	\$17,625.39	\$8,414.24	\$2,185.38

Recommendation

We recommend DFS review the MOA between the County and City of Falls Church for potential updates to the aging service billing amount and/or methodology to better reflect the current costs.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Terri Byers (Finance Manager, DFS)	September 30, 2021	Theresa.Byers@fairfaxcounty.gov
Beth Teare (County Attorney, OCA)	Report Update June 15, 2021 Audit Committee Meeting	Elizabeth.Teare@fairfaxcounty.gov
Albena Assenova (Revenue & Economic Analysis Coordinator, DMB)		Albena.Assenova@fairfaxcounty.gov

MANAGEMENT RESPONSE:

DFS concurs. DFS will work collaboratively with OCA, DMB, DPMM and Falls Church City to evaluate and update the Falls Church MOA Aging Services Billing charge to a level more closely aligned with Aging Services capacity for the population of Falls Church.

**Fairfax County
Office of Financial and Program Audit**

SHELTER SERVICES PROVIDED TO CITIES OF FALLS CHURCH & FAIRFAX

Risk Ranking

MEDIUM

There are **seven** permanent homeless shelters located throughout Fairfax County to serve residents in need. These services are provided by the County for the City of Falls Church (*through a 2011 MOA amended in 2015*) and the City of Fairfax (*through a General Services Agreement*). A percentage share of **6 of 7** shelters are bill to the City of Falls Church, and **4 of 7** of the same shelters are billed to the City of Fairfax by the County. Billings for the three shelters are not generated and payments are not collected these shelters:

- **City of Falls Church (Shelter Rental Units):** Next Steps Family Program
- **City of Fairfax (3 Shelters):** Next Steps Family Program, Eleanor U. Kennedy Shelter, Mondloch House

The current billing methodologies for these services are based on a population percentage of each city to the County. The FY20 population percentages are **1.25% (City of Falls Church)** and **2.10% (City of Fairfax)**.

Recommendation

We recommend the Office to Prevent and End Homelessness (HCD-OPEH) assess the feasibility of bringing these shelters into the billing and collection profile similarly to the process employed to bill and collect for the other shelters.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Thomas Barnett (Deputy Director, HCD-OPEH)	September 30, 2021 Report Update June 15, 2021 Audit Committee Meeting	Thomas.Barnett@fairfaxcounty.gov

MANAGEMENT RESPONSE:

HCD concurs. HCD will work collaboratively with the cities of Fairfax and Falls Church staff to evaluate the existing agreements and assess the feasibility of bringing additional shelters into the billing and collection profile, similar to the process employed to bill and collect for the other shelters.

**Fairfax County
Office of Financial and Program Audit**

DOMESTIC VIOLENCE SHELTERS SERVICES PROVIDED TO CITIES OF FALLS CHURCH & FAIRFAX

Risk Ranking

MEDIUM

The County provides domestic violence emergency shelter services to the residents of the City of Falls Church (*through a 2011 MOA amended in 2015*) and City of Fairfax (*through a 2003 General Services Agreement*). The 2003 Fairfax City General Services Agreement does not reference domestic violence services, but that Agreement does include broad language about social service programs. The quantifications of expenditures and potential revenues could not be performed at the time of this study, there is no information available to compile these data. Services are wholly paid through the General Fund. HCD-OPEH will perform further analytics post-study and develop an appropriate City billing methodology for these services.

Recommendation

We recommend HCD-OPEH develop and implement an appropriate billing methodology, we discussed: The FY20 population percentages were **1.25% (City of Falls Church)** and **2.10% (City of Fairfax)**.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Thomas Barnett (Deputy Director, HCD-OPEH)	September 30, 2021 Report Update June 15, 2021 Audit Committee Meeting	Thomas.Barnett@fairfaxcounty.gov

MANAGEMENT RESPONSE:

HCD concurs. HCD will work collaboratively with the cities of Fairfax and Falls Church staff, to evaluate the existing agreements then develop and implement an appropriate billing methodology for the domestic violence shelters provided to the cities.

**Fairfax County
Office of Financial and Program Audit**

OPEH CASE MANAGEMENT SERVICES PROVIDED TO CITIES OF FALLS CHURCH & FAIRFAX

Risk Ranking

MEDIUM

The County contracts with **four** non-profit organizations to provide case management services at the **seven** permanent shelters to unsheltered individuals throughout the four geographic Human Services Regions, and to formerly homeless households that were recently rehoused. The Falls Church MOA and the Fairfax City General Services Agreement include language regarding Emergency Shelters with no specific reference to case management. In the past, the County has billed the cities for only core shelter operations. The quantifications of expenditures and potential revenues could not be performed at the time of this study, there is no information available to compile these data. Case Management service contracts are established by the four Human Services Regions and which are currently wholly paid for through the General Fund. HCD-OPEH will perform further analytics post-study and develop a billing methodology for these services. The County has **four** geographic human services regions for which these case management services are provided. We discussed with staff this billing methodology to bill and collect for these services: *The Total Population Per City /Total Human Services Region Population x Case Management Service Costs Per Human Services Region.*

Recommendation

We recommend HCD-OPEH consider developing and implementing the billing methodology we discussed: *The Total Population Per City/Total Human Service Region Population x Case Management Service Costs Per Human Service Region.* We also recommend liaise with HCD-OPEH with OCA and DMB to review the MOA between the County and City of Falls Church the General Services Agreement between the County and the City of Fairfax for potential updates to include the case management component of these contracts.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Thomas Barnett (Deputy Director, HCD-OPEH)	September 30, 2021	Thomas.Barnett@fairfaxcounty.gov
Beth Teare (County Attorney, OCA)	Report Update June 15, 2021 Audit Committee Meeting	Elizabeth.Teare@fairfaxcounty.gov
Albena Assenova (Revenue & Economic Analysis Coordinator, DMB)		Albena.Assenova@fairfaxcounty.gov

**Fairfax County
Office of Financial and Program Audit**

MANAGEMENT RESPONSE:

HCD concurs. HCD will work collaboratively with OCA and DMB, as well as the cities of Fairfax and Falls Church staff, to develop and implement a billing methodology like the one recommended to include the housing assistance services that are paid for under “Case Management” contracts.

**Fairfax County
Office of Financial and Program Audit**

HYPOTHERMIA PREVENTION SERVICES PROVIDED TO CITIES OF FALLS CHURCH & FAIRFAX

Risk Ranking

MEDIUM

The County provides hypothermia prevention services to the residents of throughout the County. While the MOA and General Services Agreement include language regarding the delivery of these services in the City of Falls Church MOA. No language regarding hypothermia prevention service are included in the City of Fairfax agreement. These are not billed or collected for these Cities. The quantifications of expenditures and potential revenues could not be performed at the time of this study, there is no information available to compile these data. Services are wholly paid for through the General Fund. HCD-OPEH will perform further analytics post-study and develop a billing methodology for these services. The County has **four** geographic human service regions for which these hypothermia prevention services are provided. We discussed with staff this billing methodology to bill and collect for these services: *The Total Population Per City/ Total Human Service Region Population x Hypothermia Prevention Service Costs Per Human Service Region.*

Recommendation

We recommend HCD-OPEH consider developing and implementing the billing methodology we discussed: *The Total Population Per City/ Total Human Service Region Population x Hypothermia Prevention Service Costs Per Human Service Region.* We also recommend liaise with HCD-OPEH with OCA and DMB to review the MOA between the County and City of Falls Church the General Services Agreement between the County and the City of Fairfax for potential updates to include the hypothermia prevention services component of these contracts.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Thomas Barnett (Deputy Director, HCD-OPEH)	September 30, 2021	Thomas.Barnett@fairfaxcounty.gov
Beth Teare (County Attorney, OCA)	Report Update June 15, 2021	Elizabeth.Teare@fairfaxcounty.gov
Albena Assenova (Revenue & Economic Analysis Coordinator, DMB)	Audit Committee Meeting	Albena.Assenova@fairfaxcounty.gov

MANAGEMENT RESPONSE:

HCD concurs. HCD will work collaboratively with OCA and DMB, as well as the cities of Fairfax and Falls Church staff, to develop and implement a billing methodology like the one recommended to include the housing assistance services that are paid for under "Hypothermia Prevention Program" contracts.

**Fairfax County
Office of Financial and Program Audit**

**FIRE MARSHAL FEES STUDY
Audit Committee Meeting Comments in the Addendum**

OVERVIEW AND UPDATES

The Office of the Fire Marshal (OFM) is a division within the Fairfax County Fire and Rescue Department (FCFRD). OFM issues operational/trade permits and performs plan reviews and inspections for several entities. These services are performed for businesses, industries, residents, and visitors of Fairfax County and the towns of Clifton, Herndon, and Vienna. OFM tracks services provided and payments in the Fairfax Inspections Database Online (FIDO) system. For this study, we reviewed OFM's, operational and trade permits issuance processes, invoicing, daily cash sheet reconciliations, and aged receivables. While permits are not issued until payment is received, inspections performed are invoiced for payment. Penalties and interest are charged for past due operational and trade inspection invoices. In FY19, OFM collected ~**\$4.8M** in revenues for services provided.

Operational permits are required for regulated materials, operational processes, and occupancy limits. These permits are renewed annually. The operational permit fee ranges between **\$78 to \$720** as defined in **Chapter 62 of the County Code**. A FIDO report of these permits was provided to our office for further analysis. As of FY20, there were **6,843** operational permits issued. With the assistance of OFM, we reviewed this list to identify businesses operating with expired permits. The results of our analysis are detailed further in the observations section of this report.

Trade permits are issued for commercial endeavors. These permits are single use, without renewal. These permits remain open in FIDO until an OFM inspector has reviewed/signed-off on the work. The review and sign-off by the OFM inspector triggers the system closure of these permits. The trade permit fee ranges between **\$108 to \$156 as defined in Chapter 61 of the County Code**.

The OFM Revenue and Records Branch is responsible for managing OFM receivables. Receivables aged past 180 days are transferred to the DTA contractor Nationwide Credit Corporation (NCC) for collection. The OFM receivables currently w/NCC are **\$50k** for **397** items.

The summary table below details count and balances for these receivables w/NCC:

Summary of OFM Receivables w/NCC		
Aging Category	Count	Balance
Aged ≤ 3 Years	390	\$49,989.82
Aged 4 - 5 Years	6	\$216.00
Aged > 5 Years	1	\$36.00
Totals:	397	\$50,241.82

These receivables remain with NCC up to three years. If deemed uncollectable by NCC, the balances are transferred back to OFM for write-off. We PFAW on these receivables as NCC is currently pursuing collections.

**Fairfax County
Office of Financial and Program Audit**

OBSERVATIONS AND ACTION PLANS

The following table details the observation and recommendation for this study along with management's action plan to address it.

**Fairfax County
Office of Financial and Program Audit**

BUSINESSES POTENTIALLY OPERATING WITHOUT BPOL RECORDS

Risk Ranking

MEDIUM

We liaised with DTA to identify operating statuses and Business, Professional, and Occupational License (BPOL) records of **277** businesses for which permits were issued by OFM. Performing a review for the full population of **6,843** permits was not feasible. Records extracted from FIDO cannot be sourced in a way to analyze data. The analytics for this section of the study required manual data entry. Based on a preliminary review by DTA, **40 out of 277 (or 14%)** of the businesses did not have a BPOL record. Further research will be performed by DTA to identify potential financial exposure (*BPOL taxes owed*) for these businesses. The results of this review are below:

Summary of Permits to BPOL Records Review		
Sample Size: 277		
Operational Permits		
BPOL Status	Count	Potential Exposure
No BPOL Record	23	TBD - DTA Performing Further Research
Existing BPOL Record	178	Not Applicable
Deactivated BPOL Record	19	Not Applicable
Trade Permits		
BPOL Status	Count	Potential Exposure
No BPOL Record	17	TBD - DTA Performing Further Research
Existing BPOL Record	40	Not Applicable

While the full population of permits was not reviewed for BPOL records, we extrapolated the count of businesses potentially operating without BPOL licenses, based on the exposure above. This resulted in a potential of **~958** no record statuses in the BPOL system. DTA also informed us **Code of Virginia § 58.1-3703.1 A 4 b.** allows the County to collect taxes owed for the current and up to preceding six license years due to fraud or failure to apply for a license.

Recommendation

Based on interviews, Land Development Services (LDS) and Department of Planning and Development (DPD) currently forward issued permit files to DTA. DTA utilizes these reports to identify any businesses not in compliance with BPOL.

We recommend OFM provide issued permit files to DTA (*based on a frequency deemed appropriate by management*) utilizing existing staff levels. We also recommend OFM and DTA liaise with DPD to issue BPOL applications to non-residential use businesses when permits are issued. These operational enhancements will assist DTA in identifying/reducing the number of businesses not in compliance with BPOL and potential revenue leakage.

Action Plan

Point of Contact	Target Implementation Date	Email Address

**Fairfax County
Office of Financial and Program Audit**

<p>John Walser (Battalion Chief, FCFRD)</p> <p>Harjeet Pawar (Business Comp. Mngr, DTA)</p>	<p>March 31, 2021: PDF File Sent to DTA</p> <p>Enhancements based on PLUS Project Implementation: PLUS File Sent to DTA</p>	<p>John.Walser@fairfaxcounty.gov</p> <p>Harjeet.Pawar@fairfaxcounty.gov</p>
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MANAGEMENT RESPONSE:

Office of the Fire Marshal will coordinate with DTA on a report sharing process for all new Fire Prevention Code Permits issued for the previous month. This report will be sent in PDF format, the current FIDO System does not export into Microsoft Excel very well. Upon implementation of PLUS, OFM will replace the PDF format file with system generated PLUS files. OFM will liaise with DPD to assist in issuing BPOL applications to non-residential use businesses when permits are issued.

**Fairfax County
Office of Financial and Program Audit**

EXPIRED PERMIT EXCEPTION REPORTING

Risk Ranking

MEDIUM

OFM issues pre-expiration and post-expiration permit notices via mail to businesses. This process is performed manually using current FIDO records which are sourced for reviews of expiration dates and other monitoring initiatives. Our review revealed **29** businesses operating with expired operational permits. This review was performed as of 28th January 2021. The list of expired permits is not static as expiration dates vary based on issuance date. The use of automated exception reporting for expired permits could assist staff in timely assessments, compliance, and identifying unpaid balances.

Recommendation

We are aware OFM is in the process of implementing the new PLUS system to replace FIDO. We recommend OFM incorporate reporting functionality that would allow for the sourcing of expired permits and other oversight initiatives. The exception reporting could assist staff in streamlining the process of identifying businesses not in compliance, collecting outstanding balances, reduction in staff time review and updating PLUS records.

Action Plan

Point of Contact	Target Implementation Date	Email Address
John Walser (Battalion Chief, FCFRD)	Current Enhancements based on PLUS Project Implementation	John.Walser@fairfaxcounty.gov

MANAGEMENT RESPONSE:

We currently perform exception reporting on expired permits using the legacy system (FIDO) which does not include amount balances. With the implementation for the new system (Plus) OFM will work with DIT to enhance the exception reporting functionality to include amounts and other data that maybe useful to the oversight process.

**Fairfax County
Office of Financial and Program Audit**

ACTIVE BUSINESSES W/EXPIRED OPERATIONAL PERMITS

Risk Ranking

LOW

We reviewed a 3rd December 2020 FIDO report of **6,843** businesses for which operational permits were issued. We identified **145** expired operational permits. OFM's re-ran that file towards the end of the study to provide current statuses. The results were: **29 out of 145 (or 20%)** businesses operating with expired permits. OFM also provided us with an aged receivables report (ran 1-28-21). The total outstanding balance for these receivables is **~\$4.8k**. This balance is de minimis in comparison to annual receivables. The permit expiration days range from **28-89**. At the time of our report-out, these receivables were aged up to **120** days. Outstanding balances exist for several reasons such as payment not received, and business temporarily closed. The table below lists the **29** businesses w/expired operational permits:

Fire Marshal Open Businesses w/Expired Operational Permits					
Data Source: FIDO Ran: 1/28/21					
License No.	Processed Date	Issue Date	Expiration Date	Days Expired	Fee Due
1460	10/11/2006	10/12/2006	10/31/2020	89	\$150
41223	10/25/2019	10/29/2019	10/31/2020	89	\$150
1304	9/27/2006	9/28/2006	10/31/2020	89	\$0
17068	11/3/2010	11/4/2010	11/30/2020	59	\$150
41367	11/27/2019	12/2/2019	11/30/2020	59	\$150
15319	11/3/2009	11/3/2009	11/30/2020	59	\$300
41364	11/26/2019	12/31/2019	11/30/2020	59	\$150
17070	11/4/2010	11/5/2010	11/30/2020	59	\$0
2231	12/4/2006	12/5/2006	12/31/2020	28	\$150
2346	12/13/2006	12/14/2006	12/31/2020	28	\$450
2443	12/18/2006	12/19/2006	12/31/2020	28	\$150
2545	12/27/2006	12/28/2006	12/31/2020	28	\$150
2728	1/8/2007	1/9/2007	12/31/2020	28	\$150
8716	12/27/2007	12/28/2007	12/31/2020	28	\$150
13573	12/1/2008	12/2/2008	12/31/2020	28	\$150
13577	12/1/2008	12/2/2008	12/31/2020	28	\$150
17339	12/29/2010	1/3/2011	12/31/2020	28	\$150
24793	12/20/2013	12/23/2013	12/31/2020	28	\$150
33863	11/30/2015	12/1/2015	12/31/2020	28	\$150
33945	12/14/2015	12/15/2015	12/31/2020	28	\$300
37691	12/13/2017	12/14/2017	12/31/2020	28	\$150
37727	12/21/2017	12/26/2017	12/31/2020	28	\$150
37728	12/21/2017	12/28/2017	12/31/2020	28	\$150
39532	12/10/2018	12/11/2018	12/31/2020	28	\$150
39582	12/21/2018	12/27/2018	12/31/2020	28	\$150
39590	12/27/2018	12/28/2018	12/31/2020	28	\$150
41419	12/11/2019	12/11/2019	12/31/2020	28	\$150
41452	12/18/2019	12/18/2019	12/31/2020	28	\$300
41481	12/27/2019	12/27/2019	12/31/2020	28	\$150
Total Outstanding Balance:					\$4,800

**Fairfax County
Office of Financial and Program Audit**

Recommendation

As there is no financial consequence for businesses operating without permits, we recommend OFM review expired permits identified in our sample to bring these businesses into compliance.

Action Plan

Point of Contact	Target Implementation Date	Email Address
John Walser (Battalion Chief, FCFRD)	Current Enhancements based on PLUS Project Implementation	John.Walser@fairfaxcounty.gov

MANAGEMENT RESPONSE:

We currently perform exception reporting on expired permits using the legacy system (FIDO) which does not include amount balances. With the implementation for the new system (Plus) OFM will work with DIT to enhance the exception reporting functionality to include amounts and other data that maybe useful to the oversight process. This enhanced functionality will be used to assist in bringing the above-mentioned expired permits into compliance or closed.

**Fairfax County
Office of Financial and Program Audit**

**RECOVERED COSTS STUDY – OFFICE OF THE SHERIFF
Audit Committee Meeting Comments in the Addendum**

OVERVIEW AND UPDATES

The results of this study may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled **timeframe, and overall organization's data-mining results**. **Office of Financial and Program Audit (OFPA's) studies** are facilitated through several processes such as: sample selections, compliance support documentation and various testing approaches. There are several types of studies performed by OFPA, e.g.: performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

The Office of the Sheriff is responsible for managing two entities for which service expenditures by the County are partially recovered through direct billing and Memorandum of Agreement (MOA). These entities are Adult Detention Center Room & Board and Adult Detention Center State Reimbursements. In this study, we assessed the degree to which the County is supported by billable, federal, state, and local revenues for these services.

The total Inmate Room, Board and State Reimbursement FY20 Revenues were **~\$1.97M**. These revenues are based on inmate population. Variable expenditures (e.g., food costs, pharmacy costs, hospital costs, and inmate supplies costs) were **~\$4.66M**; expenditures net of revenues were (**~\$2.69M**), which was supported by the General Fund. These variable expenditures exclude fixed costs such as personnel wages and fringe benefits. The table below details the FY20 revenues vs variable costs:

FY20 Office of the Sheriff Recovered Costs (w/Variable Expenditures)			
Recovered Cost	FY20 Revenue Actuals	FY20 Variable Exp. Actuals	General Fund Support
Adult Detention Center Inmate Room & Board: Sheriff	\$275,998	\$38,596	\$237,402
Adult Detention Center State Reimbursement: Sheriff	\$1,690,014	\$4,623,119	(\$2,933,105)
Totals:	\$1,966,012	\$4,661,716	(\$2,695,704)

Comparatively, the FY20 full expenditures of **~\$92.05M** net of the **~\$1.97M** in revenues were (**\$90.08M**), which was supported by the General Fund. Full expenditures include personnel wages, fringe benefits, and the above variable costs. The table below details the FY20 revenues vs full expenditures:

FY20 Office of the Sheriff Recovered Costs (w/Full Expenditures)			
Recovered Cost	FY20 Revenue Actuals	FY20 Full Exp. Actuals	General Fund Support
Adult Detention Center Inmate Room & Board: Sheriff	\$275,998	\$762,115	(\$486,117)
Adult Detention Center State Reimbursement: Sheriff	\$1,690,014	\$91,287,537	(\$89,597,523)
Totals:	\$1,966,012	\$92,049,652	(\$90,083,640)

**Fairfax County
Office of Financial and Program Audit**

During our field work we also reviewed the State Criminal Alien Assistance Program (SCAAP) Federal Grant funding, for which applications are submitted annually. SCAAP Federal Grant awards are provided to State and Locality jails for housing non-resident immigrants. Annual awards vary based on applications submitted for prior year's inmate count. We reviewed SCAAP amounts awarded to the County for FY15-FY19 which ranged between ~\$744k - ~\$2.34M. During our review, the Congressional funding for this program was still pending approval for FY20. The FY20 filing for County's award has been stalled due to delays in the Congressional approval process. As of the time of this report, the filing process had commenced. This application is for expenditures related to **06/30/2019** or **19** months from the date of this report. There is no agreement or timetable for receiving the SCAAP awards.

OBSERVATIONS AND BACKGROUND FROM MANAGEMENT

The following tables detail the observations for this study along with background from management on inmate room and board aged receivables and collection efforts of outstanding balances.

**Fairfax County
Office of Financial and Program Audit**

MANAGEMENT OF INMATE ROOM AND BOARD RECEIVABLES: SLEUTH

FOR INFORMATIONAL PURPOSES ONLY: SLEUTH

We reviewed the inmate room and board receivables for the Office the Sheriff in this study. These receivables are maintained in two different systems (Sleuth: the legacy system) and (Jail Tracker). In August 2020 there was a Sleuth system cutover to Jail Tracker. The balances from Sleuth were not migrated into Jail Tracker. There are currently ~**\$3.2M (42,800 items)** which remain in Sleuth without collection efforts. These receivables are excessively aged, actual dates of these receivables would require manual research. The Office of the Sheriff’s receivables are managed outside of the Department of Finance (DOF), Department of Tax Administration (DTA), and Nationwide Credit Corporation (NCC). While no active collections are performed on these receivables, inmate outstanding balances are offset by any funds on hand for returning inmates. Based on interviews with Office of the Sheriff, the inmate return rate is ~**15%** for the County. Based on information published by the Virginia Department of Corrections (*January 2019*), the recidivism rate is ~**23%**. A conservative calculation (using **23.4%**) would result in ~**\$749K** being received and ~**\$2.5M** remaining uncollected.

BACKGROUND PROVIDED BY MANAGEMENT

Below is summary information on the Sleuth receivables of which **\$3.2M** was gathered over 12 years.

Individual Value	Number of Accounts	Total value of Accounts
Above \$100	5,418	\$2,736,240.70
Between \$50.01 - \$99.99	2,293	\$ 165,299.86
Between \$20.01 - \$50.00	4,318	\$ 138,725.64
Between \$00.00 - \$20.00	30,773	\$ 173,337.57

There are no addresses for the current listing of accounts.

In FY 2016, the agency was approached about putting the receivables into FOCUS or alternative collection efforts. We attempted to bill inmates with a balance over \$20 for a period of six months. We received less than 15% of what we billed out at a cost in manpower and postage of approximately 9 times the revenue. At that point, the Inmate Finance section was instructed, by order of the Sheriff, that we will no longer invoice inmates who left with a balance due.

We are currently working with our Sleuth contacts to see if the negative balance report can be expanded to include addresses, release dates (so we can update the report), and last deposits made (so we can determine if the inmate was indigent for their whole stay). We have not heard back on if they can do it, when they can do it, and how much the revised report will cost. We hope to have an answer by February 24th.

OFPA Passes Further Audit Work (PFAW) on collection of these receivables.

Fairfax County
Office of Financial and Program Audit

MANAGEMENT OF INMATE ROOM AND BOARD RECEIVABLES: JAIL TRACKER

FOR INFORMATIONAL PURPOSES ONLY: JAIL TRACKER

In August 2020, The Office of the Sheriff implemented Jail Tracker to replace Sleuth. Sleuth, which houses ~\$3.2M, does not have aging functionality for inmate room and board receivables. Additionally, collection efforts are not performed, this balance remains static in Sleuth. During implementation of Jail Tracker, staff did request the inclusion of receivable aging functionality. Staff provided us with a current aging report from the new system with a total balance of ~\$108k. While aging functionality exists, as of today no decision has been made to incorporate collection efforts. Office of the Sheriff intimated cost benefit considerations regarding the cost of staff to collect versus the revenue from collections. As noted above these receivables can reach more than ~\$3M.

BACKGROUND PROVIDED BY MANAGEMENT

Due to the current situation with the global pandemic, we have all been presented with widespread challenges during this past year. Transformation and new ways of doing business are only a few of the impacts. For example, we have been aggressively working with the judicial system to lower the ADC jail population to minimize risk to inmates. The Courts have abandoned charging court costs and are not attempting to collect on any past due fees.

There are cost versus benefit concerns regarding the management and collection of these receivables. The Agency has already attempted to collect negative balances in 2016 which proved to be unsuccessful and was cancelled. There is a cost to collect these receivables which may exceed any monies collected if you consider the age of the data, the accuracy, the high percentage of indigent population, and the small amounts of most accounts (30,773 accounts have balances less than \$20).

Reentry is a priority of the Sheriff's Office which includes reducing recidivism and creating a successful path for inmates to transition into the community. While reducing recidivism is a main goal of the agency, inmates that do return will maintain their past due balances and passive attempts are made by the agency to collect on them. Each year, the agency will generate approximately 18,000 + new accounts with approximately 58.6% of them indigent. This becomes a logistical cost issue especially when over 72% of the accounts are under \$20. There is also a logistical decision to be made on whether we sell off part of our receivables each year, use the FOCUS system to book receivables, or keep on as we are doing now.

With the new software in inmate finance (Jail Tracker), the agency now has reliable information and the tools to coordinate and work with the County to create an Accounts Receivable program. A decision to move forward with the current proposal using prior jail software, would rely on inaccurate data and would be in conflict of our goal with inmate reentry.

OFFPA Passes Further Audit Work (PFAW) on collection of these receivables.

**Fairfax County
Office of Financial and Program Audit**

RECOVERED COSTS STUDY – DMB

OVERVIEW AND UPDATES

The Department of Management and Budget (DMB) is responsible for managing one entity for which service expenditures by the County are recovered through a General Services Agreement (executed 2003). The entity is City of Fairfax Shared Government Expenses. In this study, we assessed the degree to which the County is supported by billable and local revenues for these services.

Services provided by the County to the City of Fairfax include; judicial, adult detention center, fire and rescue, healthcare, social services, sanitary sewer, and waste disposal. The FY20 City of Fairfax Shared Government Revenues (monies paid by the City of Fairfax to the County for these services) were ~**\$3.65M**. Debt service payments of ~**\$9.9k** are included in these revenues for construction and operation of facilities used to provide services in this agreement. DMB bills the City of Fairfax quarterly. The quarterly billings are estimates based on prior year revenues and expenditures. These estimates also account for any overpayments made by the City of Fairfax in the prior year. If underpayments occur, DMB bills the City for amounts owed. FY20 expenditure estimates billed to the City of Fairfax were ~**\$3.88M** and expenditure actuals were ~**\$3.65M**, which resulted in an overpayment of ~**\$234k**. This overpayment will be applied to FY21 estimates billed to the City of Fairfax. The FY20 revenues, expenditures, and overpayment are detailed below:

FY20 DMB Recovered Costs						
Recovered Cost	FY20 Rev. Actuals Received	FY20 Debt Service Actuals	FY19 Overpayment	FY20 Total Rev. w/Overpayment	FY20 Exp. Actuals	Residual Overpayment
City of Fairfax Shared Gov. Exp: DMB	\$3,177,206	\$9,903	\$694,631	\$3,881,740	\$3,647,477	\$234,263
Totals:	\$3,177,206	\$9,903	\$694,631	\$3,881,740	\$3,647,477	\$234,263

All receivables for the City of Fairfax are current, we verified these receivables in the FOCUS Data Warehouse. The County is recovering the full costs (and at times overpayments) to provide these services to the City of Fairfax.

OFPA Passes Further Audit Work (PFAW) on these service expenditures.

**Fairfax County
Office of Financial and Program Audit**

RECOVERED COSTS STUDY - FCHD

OVERVIEW AND UPDATES

The Fairfax County Health Department (FCHD) is responsible for managing the provision of public health services to two external entities for which service expenditures by the County are partially recovered through direct billing and Memorandum of Agreements (MOA). School Health services are provided to the Fairfax County Public Schools, while other mandated and non-mandated public health services are provided to the City of Falls Church. In this study, we assessed the degree to which the County is supported by billable, state, and local revenues for these services.

The County provides healthcare services to Fairfax County Public Schools (FCPS) through a MOA (executed January 2017). FCPS receives funding from the State of which 50% is transferred to the County to offset the financial support provided. FY20 Fairfax County School Health Services revenues (monies paid by FCPS to the County for these services) were ~\$4M, which is documented in the MOA. Expenditures for FY20 were ~\$11.7M; expenditures net of revenues were (~\$7.7M), which was supported by the General Fund.

The County provides public health services for the citizens of the City of Falls Church through a MOA which is executed annually. The FY20 Falls Church Health Services revenues (monies paid by the City of Falls Church to the County for its share of health services) were ~\$388k, which is documented in the MOA. The payment methodology includes mandated and non-mandated public health services. Falls Church pays for 50% of the costs for mandated services (staff required by State). For non-mandated services (e.g., additional school health staff and West Nile Virus testing requested by the City of Falls Church), Falls Church is required to pay 100% of the costs. Payments to the County by the City of Falls Church are based on prior year's healthcare service costs. Expenditures for FY20 were ~\$643k; expenditures net of revenues was (~\$256k), which was supported by the General Fund.

The FY20 FCHD revenues, expenditures, and support by the General Fund are detailed below:

FY20 FCHD Recovered Costs			
Recovered Cost	FY20 Revenue Actuals	FY20 Expenditures Actuals	General Fund Support
Fairfax County Schools Health Services: FCHD	\$3,995,766	\$11,724,716	(\$7,728,950)
Falls Church Health Services: FCHD	\$387,660	\$643,240	(\$255,580)
Totals:	\$4,383,426	\$12,367,956	(\$7,984,530)

All FCHD receivables from FCPS and the City of Falls Church for healthcare services provided by the County are current, no reportable items were noted during the study fieldwork.

OFPA Passes Further Audit Work (PFAW) on these services provided by the County.

**Fairfax County
Office of Financial and Program Audit**

APPENDICIES

APPENDIX A

Fire Marshal Operational Permit Data (As of 12/3/2020) Summary Table

124 out of 6,843 Expired Permits Reviewed for Resolution

20 out of 144 Expired Permits Businesses Not Active/Closed

Count	Permit Category	Application Date Range		Permit Issued Date Range		Permit Expired Date Range		Avg. Days Permit Exp.	Account Status
13	Fire Marshal Expired Operational Permits (Pre-November 2020)	4/30/2007	9/7/2018	5/1/2007	9/10/2018	5/31/2020	9/30/2020	97	Open
13	Fire Marshal Expired Operational Permits (Pre-November 2020)	10/2/2006	9/19/2007	10/3/2006	9/20/2007	9/30/2020	10/31/2020	38	Open
13	Fire Marshal Expired Operational Permits (Pre-November 2020)	9/27/2007	10/14/2015	9/28/2007	10/15/2015	10/31/2020	10/31/2020	33	Open
13	Fire Marshal Expired Operational Permits (Pre-November 2020)	10/28/2015	10/16/2019	10/29/2015	10/17/2019	10/31/2020	10/31/2020	33	Open
12	Fire Marshal Expired Operational Permits (Pre-November 2020)	9/27/2006	10/25/2019	9/28/2006	10/29/2019	10/31/2020	10/31/2020	33	Open
13	Fire Marshal Expired Operational Permits (Post-November 2020)	10/14/2006	12/4/2006	10/17/2006	12/5/2006	11/30/2020	11/30/2020	3	Open
13	Fire Marshal Expired Operational Permits (Post-November 2020)	12/15/2006	11/21/2011	12/18/2006	11/22/2011	11/30/2020	11/30/2020	3	Open
13	Fire Marshal Expired Operational Permits (Post-November 2020)	10/31/2012	11/13/2017	11/1/2012	11/14/2017	11/30/2020	11/30/2020	3	Open
13	Fire Marshal Expired Operational Permits (Post-November 2020)	11/2/2012	11/27/2019	11/5/2012	12/2/2019	11/30/2020	11/30/2020	3	Open
8	Fire Marshal Expired Operational Permits (Post-November 2020)	11/3/2009	11/26/2019	11/3/2009	12/31/2019	11/30/2020	11/30/2020	3	Open
6	Fire Marshal Expired Operational Permits (Not Active)	Not Provided	Not Provided	Not Provided	Not Provided	3/15/2017	11/18/2020	506	Not Active
13	Fire Marshal Expired Operational Permits (Closed)	12/26/2006	10/28/2019	12/26/2006	10/29/2019	10/8/2009	10/31/2020	1,349	Closed
1	Fire Marshal Expired Operational Permits (Closed)	11/1/2018	11/1/2018	11/2/2018	11/2/2018	11/30/2020	11/30/2020	3	Closed
6,699	Fire Marshal Operational Permits (Not Expired)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Open
6,843	Total Fire Marshal Operational Permits								

**Fairfax County
Office of Financial and Program Audit**

**PRESENTATION OF SELECT PRIOR STUDY FINDINGS
Vacant/Open Space Acreage Monitoring and Analysis (FMD)
Report Quarter: 2020-September**

Background:

We worked with several agencies; FMD, DPD and DHCD to perform this review. Information regarding these parcels required assessments performed by each agency. We communicated with each agency individually and in a collaborative forum. Currently within FMD, used and unused parcels/acreage are tracked for the County. This process could be enhanced with the implementation of a centralized repository whereby agencies using the repository could assist managing real-time updates.

Target Implementation Date: 6-30-21

Corrective Action Taken:

The spreadsheets have been posted on the FMD website and made available to select DPD and HCD staff for updating, per the Recommendation in the OFPA report for September 2020. HCD and DPD staff will be updating the information for the 26 parcels over the next few months.

Points of Contact: Jose Comayagua / Michael Lambert

Recommendation Status: **In-Progress**

Parking Citation Duplicate Payment Controls (DTA)

Report Quarter: 2020-June

Background:

We recommend DTA work with the appropriate parties (e.g. DTA billing SMEs, IT project management staff, etc.) to create system check requirements with the new vendor. These system checks would markedly reduce the number of overpayments & time/costs related to processing overpayment refunds.

Target Implementation Date: 10-1-21

Corrective Action Taken:

Under the new United Public Safety Inc system, Online and IVR systems do not allow for overpayments. DTA is working to integrate the iNovah cashiering system with UPSafety's system which will prohibit In-person overpayments at the Cashiering Counter.

Point of Contact: Jay Doshi

Recommendation Status: **In-Progress**

FCEDA Internal Bond Tracking

Report Quarter: 2019-October

Background:

We recommend FCEDA review/update their internal bond tracker procedure to ensure the bonds are properly segregated by type. This enhancement will assist staff in gaining reasonable assurance that the FCEDA records are accurate and reduce rework, should this tracker need to be referenced or shared with other parties.

Target Implementation Date: 10-8-20

Corrective Action Taken:

The internal bond tracker has been updated to properly segregate the bonds by type. Action on this item is now complete.

Point of Contact: Donna Hurwitt

Recommendation Status: **Completed**

**Fairfax County
Office of Financial and Program Audit**

**SUMMARY TABLE OF PRIOR PERIOD FINDINGS FROM JULY 2015 TO DATE
Audit Committee Meeting Comments in the Addendum**

ALL RECOMMENDATIONS PRIOR TO JULY 2015 HAVE BEEN CLEARED AND ARE NOT INCLUDED IN THIS REPORT-OUT

Audit findings are reported below in the following categories:

- **Closed** – Findings which were confirmed to be resolved during the quarter ending March 2, 2021.
- **Pending** – Findings for which corrective measures were in process but not yet resolved as of March 2, 2021.
- **Findings Not Yet Due for Follow Up** – Due to complexity, annual transactions cycle, and other factors, while these findings remain open, they are not yet due for follow up.

<i>Engagements</i>	<i>Number of Closed Findings</i>	<i>Number of Pending Findings</i>	<i>Number of Findings Not Yet Due</i>	<i>All Findings for Engagement Closed</i>
DHCD				
Recommendations	0	2	0	No
FMD				
Recommendations	0	1	0	No
OFFICE OF THE SHERIFF				
Recommendations	0	1	0	No
DTA				
Recommendations	1	4	1	No
FCEDA				
Recommendations	2	0	0	Yes
LDS				
Recommendations	0	3	0	No
DOF				
Recommendations	0	1	5	No
DIT				
Recommendations	0	2	0	No
DMB				
Recommendations	0	1	2	No
FCHD				
Recommendations	0	3	0	No
DVS				
Recommendations	0	1	0	No
DPWES				
Recommendations	1	4	2	No
FCDOT				
Recommendations	0	5	0	No
FCPD				
Recommendations	0	2	3	No
Totals:	4	30	13	

* Details on all prior period recommendations are maintained in a repository by OFPA.

**Fairfax County
Office of Financial and Program Audit**

ADDENDUM SHEET

OFPA (March 2021 /Agency Report and/or Debriefing)

3/2/2021

The table below lists discussions from the Audit Committee.

<i>Location in Report</i>	<i>Comments</i>
Page 10	Assess feasibility of obtaining full recovery of Aging Services to the City of Fairfax.
Page 11	Assess feasibility of obtaining full recovery of Aging Services to the City of Falls Church.
Page 12-16	Provide detail on services provided to the City of Falls Church and Fairfax for shelter services, domestic violence, case management and hypothermia.
Page 19	Assess opportunities to collect inspection fee payments through an ecommerce platform.
Page 26 & 27	Benchmark payment relief for Inmate Room and Board charges to other Virginia jurisdictions.
Page 32	Provide update on open prior period recommendations between 2015 and 2020. This information will be reported out in a table which includes agencies, target dates, and summarized management responses.
Request: Supervisor Storck	Assess if there is a mechanism to track newly onboarded services to ensure these services are incorporated into the MOA and/or billing processes.
Request: Supervisor Lusk	Include Transportation Proffers in the next quarter's Proposed Audit Committee Workplan.

~End~

**Allowance for Vote by Audit Committee to Adopt
*March 2021 Draft Quarterly Report***

Fairfax County
Office of Financial and Program Audit



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

June 2021 Proposed Work Plan Board of Supervisors – Audit Committee

*The results of this study may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled **timeframe, and overall organization's data-mining results.** Office of Financial and Program Audit (OFPA's) studies are facilitated through several processes such as: sample selections, compliance support documentation and various testing approaches. There are several types of studies performed by OFPA, e.g.: performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.*

Future Construction, Bond & Conservation Escrows:

This study will cover a review of future construction, bond & conservation escrows. **Construction Escrow** services are used when a lender is financing a **construction** project and deposits **escrow** funds with a title company. **Conservation escrows** are deposits posted by developers to ensure erosion and sediment controls are installed and maintained throughout the duration of a construction project. **Escrowed** to maturity refers to the placement of funds from a new **bond** issue into an **escrow** account to pay off an older **bond's** periodic coupon payments and, ultimately, the principal on its maturity date. The balance of all County escrows as of 22nd February 2021 was **~\$73.7M**. As of the June 2017 OFPA report, aged balances were; Future Constructions (**~\$6.4M** or **55%** of the total balance), Bonds and Conservations (**~\$6.4M**) no percent of aged balances is available, bonds do not have a similar timeframe.

This study will include, *(but not limited to)* a review of:

- Posting Accuracy and Tracking of Future Escrows,
- Aged, Use, and Potential Use of Unused Balances of Future Escrows, and
- Drawdowns and Closeouts of Escrows.

LDS, FCPA, and DPWES Cash Proffers:

This study will cover a review of Land Development Services (LDS), Fairfax County Park Authority (FCPA), and Department of Public Works and Environmental Services (DPWES) cash proffers. Cash Proffers are part of the rezoning process in Fairfax County. As part of this process, private developers, and individual property owners voluntarily “proffer” funds with conditions which sometimes limits how the funds will be used. The balance of all County proffers as of 22nd February 2021 was **~\$50M**. As of the June 2017 OFPA report, the aged balance for LDS and FCPA was **~\$5.5M**, no proffers were reported for DPWES at that time.

This study will include, *(but not limited to)* a review of:

- Posting Accuracy and Tracking of Cash Proffers,
- Aged, Use, and Potential Use of Unused Balances of Cash Proffers, and
- Drawdowns and Closeouts of Cash Proffers.

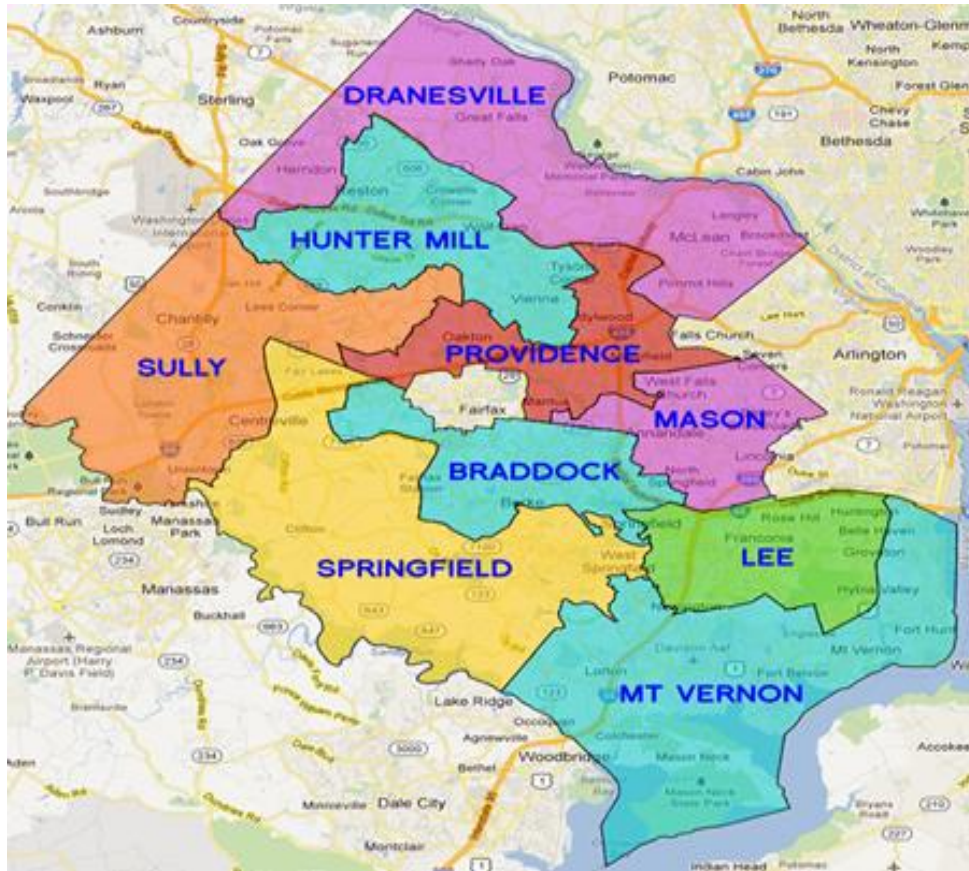
**Allowance for Vote by Audit Committee to Adopt
*June 2021 Proposed Work Plan***

**Fairfax County
Office of Financial and Program Audit**

LIST OF ACRONYMS

AC	Audit Committee
BOS	Board of Supervisors
BPOL	Business, Professional and Occupational License
DFS	Department of Family Services
DMB	Department of Management and Budget
DOF	Department of Finance
DPD	Department of Planning and Development
DPMM	Department of Procurement and Material Management
DTA	Department of Tax Administration
FCFRD	Fairfax County Fire and Rescue Department
FCHD	Fairfax County Health Department
FCPS	Fairfax County Public Schools
FIDO	Fairfax Inspections Database Online
FY	Fiscal Year
LDS	Land Development Services
MOA	Memorandum of Agreement
NCC	Nationwide Credit Corporation
OCA	Office of the County Attorney
OFM	Office of the Fire Marshal
OFPA	Office of Financial and Program Audit
OPEH	Office to Prevent and End Homelessness
PFAW	Pass Futher Audit Work
SCAAP	State Criminal Alien Assistance Program

Fairfax County
Office of Financial and Program Audit



FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD
www.fairfaxcounty.gov/boardauditor
Office of the Financial and Program Audit
12000 Government Center Parkway, Suite 233
Fairfax, Virginia 22035



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

Joint Board Matter
Hunter Mill District Supervisor Walter Alcorn
Mount Vernon District Supervisor Dan Storck
Lee District Supervisor Rodney Lusk
March 9, 2021

**Endorsement of the Department of Transportation's (FCDOT) Application
for Funding through the FY 2021 Infrastructure for Rebuilding America
(INFRA) Grant Program**

Background:

The Department of Transportation (FCDOT) is seeking the Fairfax County Board of Supervisors' support for an application for funding through the United States Department of Transportation's (USDOT) Infrastructure for Rebuilding America (INFRA) discretionary grant program for the Richmond Highway Widening (Sherwood Hall Lane to Mount Vernon Highway) project.

The Richmond Highway Widening project will address numerous transportation challenges such as chronic congestion, costly delays, and safety issues for motorists, pedestrians, and cyclists. These challenges will be addressed through the implementation of critical multimodal improvements, such as widening this section of highway from four to six lanes, intersection improvements, secure crossings, an off-road bicycle path, and continuous sidewalks. It will provide a median reservation for Bus Rapid Transit (BRT).

The total estimated project cost for the Richmond Highway widening is \$415 million. The project currently has approximately \$348 million programmed through local, regional, state, and federal funding sources. FCDOT will request up to \$67 million in INFRA grant funding to complete funding for the project.

The INFRA grant submission is due March 19, 2021. The Notice of Funding Opportunity was just released on February 17, 2021.

Motion:

Therefore, Mr. Chairman, I move that the Board approve the attached resolution for the Department of Transportation's application for federal funding from the FY 2021 INFRA Grant Program.

Walter L. Alcorn, Supervisor
Hunter Mill District
Fairfax County Board of Supervisors
1801 Cameron Glen Drive, Reston, VA 20190
703-478-0283, FAX: 703-471-6847
HUNTERMILL@fairfaxcounty.gov



Fairfax County Board of Supervisors Resolution

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held electronically (due to the State of Emergency caused by the COVID-19 pandemic), on Tuesday, March 9, 2021, at which meeting a quorum was present and voting, the following resolution was adopted.

PROJECT ENDORSEMENT RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Fairfax County, Virginia, hereby endorses and approves submission to the United States Department of Transportation a request for up to \$67 million in funding through the Infrastructure for Rebuilding America (INFRA) FY 2021 Discretionary Grant Program for Richmond Highway Widening Project (Sherwood Hall Lane to Mount Vernon Highway).

Adopted this 9th day of March 2021, Fairfax, Virginia

ATTEST _____
Jill G. Cooper
Clerk for the Board of Supervisors