Audit Committee Meeting

Meeting Date & Time:

Wednesday, December 19, 2018

4:30 pm – 6:30 pm

Meeting Location:

Courthouse Plaza

2100 Clarendon Blvd., Suite 311

Arlington VA, 22201

AGENDA

1. Call to order
2. Approval of the September 27, 2018 and November 20, 2018 (joint meeting with APS) Meeting Minutes
3. County Auditor business
   a. Audit Status report
   b. Upcoming FY 2019 audits and Board's direction to focus on areas of fiscal impact
      i. Role of Audit Committee
      ii. Possible role of Fiscal Affairs Advisory Committee
4. External audit briefing and discussion
5. Discussion of next meeting dates
6. Concluding comments from John and Erik
7. Adjourn

Arlington County Board
Audit Committee
Meeting Minutes
September 27, 2018

I. Call to order

Co-chair John Vihstadt called to order the regular meeting of the Audit Committee at 4:32 PM on September 27, 2018 in Room 311 of the Arlington County Courthouse Plaza building.

II. Roll call

All Audit Committee members were present for the meeting:

- **John Vihstadt –** Co-chair
- **Erik Gutshall –** Co-chair
- **Mark Schwartz –** County Manager
- **Stephen Agostini –** Director, Department of Management and Finance (DMF)
- **Tenley Peterson –** Public member, Fiscal Affairs Advisory Committee representative
- **Hal Steinberg –** Public Member
- **Nancy Tate –** Public Member

Also in attendance were
- **Chris Horton—**County Auditor
- **Maria Meredith—**Deputy Director, DMF
- **Kevin Doyle—**DMF Internal Auditor
- **Sergio Enriquez –** Arlington resident

III. Approval of minutes from last meeting

a) **March 22, 2018 minutes:** Approved 7-0
b) **May 18, 2018:** Approved 7-0
c) **Discussion:** Hal Steinberg brought forward the question of whether the Audit Committee can see the County Auditor's draft audit report early enough to provide comments. Hal discussed some of the advantages he saw in providing feedback to the County Auditor while the audit report was still draft form. Chris reminded that the Audit Committee that this issue had been discussed during the

Board charge revision discussions in 2017, and the Board charge revisions regarding when the Audit Committee could see the report were made to strengthen the County Auditor's independence.

    i) Erik Gutshall asked Hal will look at the Board Charge related to the Audit Committee to see how it could be adjusted as minimally as possible to account for the change Hal is seeking.

    ii) Steve noted that it would be helpful to reference the type of membership in the Arlington Audit Committee (combination public, management, Board members). It would be helpful to find relevant comparisons.

    iii) Hal will provide thoughts for next Audit Committee meeting.

IV. Business

  1) County Auditor Audit Status report

    a) Audit Update on the audits

      i) Fleet Management – Chris provided update on the objectives of the Fleet Management audit.

      ii) Police and Fire Overtime – Chris provided an update on the status and confirmed that the reports will come out in time for the budget process.

      iii) Economic Development Incentive Funds:

        (1) FAAC has focused on the value of the EDIFs. Will this be part of the scope? (Tenley)

          (a) Focus is on the data collection and tracking, not the overall value.

        (2) It will be important to clarify the scope in the audit, and indicate that an overall value assessment may be coming in a future audit (Nancy)

      iv) Sheriff's Overtime

        (1) Will County Manager have an opportunity to comment on recommendations related to budget? (Mark)

          (a) We will work through this. This is the first audit of a constitutional office.

      v) Procurement

        (1) There are three stages in the procurement process. Will we not focus on contract management? (Hal)

          (a) Chris provided an update on which stage we will focus on – contract development and execution.

        (2) DMF also does contract compliance audits.

      vi) BIDs

        (1) Chris provided an update and clarification of timing and scope

  2) DMF Internal Audit briefing and discussion

    a) Began with a discussion of the limits of the whistleblower discussion to protect anonymity.

    b) Financial Fraud, Waste, and Abuse Hotline (high-level information sharing)

i) Both employees and public contact the same hotline.
ii) There has been an uptick in reports that have nothing to do with County operations. We redirect people as needed, such as to the non-emergency police line.
iii) Ethical Advocate is an intake center. They do not screen or vet callers' information. They generate an email that goes to the Arlington County review committee. The review committee determines what to do next: either a referral to a department, or a link to somewhere else to report the issue.
iv) Anonymity is maintained by providing a password to the person reporting an issue. The password is used for the reporting individual to access the case, for example to provide additional information. No email or phone information is collected.
v) 86% of employees are reporting anonymously. According to Ethical Advocate in a typical jurisdiction 98% of employees report anonymously.
vi) Questions:
   (1) If you find an internal control weakness does that inform the audit plan (John)
      (a) Yes
   (2) Do you report back to the individual through the hotline? (Nancy)
      (a) Yes. May report in progress or substantiated, for example
      (b) In some cases can't report anything, such as a personnel issue.
   (3) For substantiated or internal control weaknesses, are there any particular buckets that these fall into? (e.g., departments) (John)
      (a) No particular overarching themes (Kevin)
   (4) Did any substantiated complaints result in lasting reforms?
      (a) Yes: In one case, a policy revision was needed.
   (5) Any quantitative value ROI? (Tenley)
      (a) We haven't seen this (Steve)
      (b) We have some specific qualitative improvements (Steve)
      (c) The hotline is a "good hygiene" for organization [preventative control]. (Steve)
vii) Resources behind Hotline: What is the rough FTE resource that we are putting to this?
   (1) Kevin and Maria spend a percentage of their time.
   (2) There is a Review Committee that is an initial review of the hotline complaints. Make recommendation for whistleblower protection as appropriate.
   (3) Oversight Committee: provides oversight of the Review Committee's work.
viii) Steve talked about the importance of having processes in place to protect the whistleblower protection aspect. Steve referenced his federal experience.

   (1) It is important to focus on whistleblower retaliation protection, rather than whistleblowers' existence. (Hal)

  ix) The County discusses the Financial, Fraud, Waste, Abuse Hotline in the orientation for new employees. Information is also included in the employee ethics training.

  x) Do we need any adjustments or revisions to the whistleblower policy? (John)

   (1) No, serving well (Maria)

c) Summary of FY 2018 audits

 i) Resources: 1.5 FTE plus consultants

 ii) Do we have a protocol or best practice for how long we can keep the internal auditor consultant? (Tenley)

  (1) No (Maria, Chris)

  (2) Can change if needed, in my experience (Steve)

 iii) When audits are selected, we don't have a good sense of what we are going to find. So we may have results that show no adverse observations. Trying to review program that allow us to be good stewards of funds. (Steve)

 iv) Some audit areas may not receive as much attention from Internal Audit in the future based on previous findings or coverage by federal auditors. This could be revisited if circumstances change.

 v) Internal audit will start a data analytics review of P-cards. New half-time person will work on this. RSM has some tools to help with analytics.

  (1) Is there a specific algorithm? (John)

  (2) Steve reviewed specific risk criteria that would help to generate audits areas for P-card reviews.

 vi) What does High, Medium, Low mean in the audits (Nancy)

  (1) Maria reviewed the definitions

 vii) Maria and Kevin reviewed table showing total findings since 2015, and their risk ranking.

d) Other activities

 i) Internal Audit wants departments to see the value of offerings. Other internal audit activities (p. 18 of the internal audit report) were reviewed.

e) FY 2019 Audit Plan for Internal Audit

 i) First half of the audit plan is in place

  (1) Cycle audit of contract compliance

  (2) Possible audit of utility taxes

   (a) E.g., make sure parcels are being charged commercial or residential rates as appropriate.

f) First DMF risk assessment survey (high-level information sharing, p. 19 of the Internal Audit presentation)

 i) How do the audit findings of high risk map to the business risk categories? (John)

  (1) Not clean fit into the business risk categories (Steve)

(2) Still developing the capacity for identifying and understanding risk. (Steve)

(3) Survey is going to division chiefs, deputies, constitutional officer leadership, and individuals reporting directly to the County Manager (about 200)

    ii) The survey is anonymous

    iii) Discussion

       (1) Federal government is getting into ERM in a broader way: reputation risks, and program delivery risks. If the risk survey is started and goes well, the survey can be expanded into broader ERM areas. (Hal)

3) **Status of Joint APS-County Audit Committee Meeting for discussion of APS Construction Costs audit**

    a) John reviewed the efforts to set up a joint meeting with APS Audit Committee and County Audit Committee.

    b) Schools construction cost audit expected to go public on 10/2 with a media release.

    c) After that point schools will start working to find a date to meet with the County Audit Committee jointly.

    d) Potential issues:

       i) Public engagement process

       ii) Schools amenities

       iii) Use permit conditions

    e) Mark discussed the process of working with schools to streamline use permit conditions. Will apply to Reed School, coming before the Board in November.

    f) We also want to also learn what else the audit function at APS is working on.

4) **Next meeting:**

    a) Wednesday, December 19, 2018, Rm 311, 4:30-6:30 PM

    b) Anticipated topics: Briefing of issued County Auditor audit(s); External auditor briefing.

V. Adjournment

Co-chair Vihstadt adjourned the meeting at 6:35 PM.

Minutes submitted by: Chris Horton, County Auditor

Arlington County Board
Audit Committee with Arlington Public Schools
Meeting Minutes
November 20, 2018

I. Call to order

Arlington Public Schools (APS) Audit Committee Chair Barbara Kanninen called to order a special meeting of the Arlington County Audit Committee and the APS Audit Committee at 5:00 PM on November 20, 2018 in Room 256 of the Syphax Education Center.

II. Roll call

County Audit Committee members present for the meeting:

- **John Vihstadt –** Co-chair
- **Erik Gutshall –** Co-chair
- **Mark Schwartz –** County Manager
- **Stephen Agostini –** Director, Department of Management and Finance (DMF)
- **Tenley Peterson –** Public member, Fiscal Affairs Advisory Committee representative
- **Hal Steinberg –** Public Member
- **Nancy Tate –** Public Member

APS Audit Committee members present for the meeting:
- **Barbara Kanninen,** APS Board member
- **Tannia Talento,** APS Board member
- **Pat Murphy,** APS Superintendent

Also in attendance were
- **Chris Horton—**County Auditor
- **John Mickevice**, APS Internal Auditor
- **Maria Meredith—**Deputy Director, DMF
- **Tom Strandberg**, O'Connor Construction Management (OCMI)
- **Jason Dittrich,** OCMI
- **Libby Garvey**, County Board member

- **Samia Byrd**, Deputy County Manager
- **Aaron Shriber**, County Planning Supervisor

III. Introductions and Welcome

    i) All attendees provided a self-introduction.

    ii) Barbara noted that Cintia Johnson is also on the APS Audit Committee. Barbara stated that the APS Audit Committee is interested in opportunities to collaborate with the County.

    iii) John Vihstadt talked about the need to address various budgetary constraints faced in Arlington County.

IV. APS Construction Costs – Market Study and Cost Study

1) Jason and Tom provided an overview of the cost study and the market study performed by O'Connor Construction Management, Inc. (See the APS Internal Audit webpage for the full Market and Cost Studies: https://www.apsva.us/about-the-school-board/internal-audit/.)

2) The market study revealed regional constraints for APS including labor shortages, materials costs, and competition for labor and materials with other projects.

3) The cost study created broad discussion regarding observations and recommendations in the report

    a) The community engagement process for schools received significant attention. OCMI that the APS process is lengthier than some other school districts' process, and suggested coming to the community with three options rather than a broader set of possibilities.

        i) Later OCMI reported that they were told by architecture firms that the firms typically charge 25% more for APS projects due to the community engagement process. OCMI also reported that there is an "Arlington Premium" in contractor pricing.

        ii) OCMI suggested considering when comments stop having an impact on the design process.

            (1) Barbara noted that an elevated playground at one school was suggested late in the community engagement process, and this suggestion ended up being used.

    b) OCMI indicated that the Design Build approach to construction may result in a shorter construction timeframe than Design Bid Build, if the contract is structured properly.

    c) Barbara noted that she would favor more coordination between APS and the County, since school facilities are also regarded as a place for community use.

    d) OCMI indicated that typically soft costs of construction (e.g., planning, engineering, process management) are 12-20% of total costs.

e) OCMI noted that outreach to Denver and San Diego school systems, which were identified as good national comparisons for Arlington, were not productive in getting the level of feedback useful for the cost study.

f) Tannia reminded the group that schools are viewed as community amenities, and it's important to keep this in mind when considering the amount community engagement that is right for Arlington.

V. Use Permit Conditions

a) Aaron and Samia provided an update on the changes the County has recently enacted for its Use Permit Conditions.

b) These changes were in effect for the Board's evaluation of the Reed School at the November Board meeting.

VI. Audit Updates

a) John Mickevice provided an overview of his function's audit work in FY 2018, and anticipated audit work in FY 2019. John answered questions about his work, including questions with respect to his audit of Medicaid and how audits get onto his audit plan.

b) Similarly, Chris Horton provided an overview of his function's audit work in FY 2018, and anticipated audit work in FY 2019.

VII. Joint Committee Activities

a) Audit Committee members discussed whether to meet jointly on a regular basis, such as annually. The conclusion was that John Mickevice and Chris Horton should work together to identify any topics that are of common interest and worthy of a joint discussion.

b) It was also suggested that the bodies should consider livestreaming or taping Audit Committee meetings.

VIII. Adjournment

Arlington Public Schools (APS) Audit Committee Chair Kanninen adjourned the meeting at 7:30 PM.

Minutes submitted by: Chris Horton, County Auditor

County Auditor Project Status Report – as of December 12, 2018

This project status report shows the current state of projects underway within the County Auditor's function. All primary projects within the Annual Audit Work Plan are shown. Supplemental projects are not shown until capacity allows these engagements to be initiated.

FY 2018 Audits	Kickoff Date	Current Audit Phase		Projected Date for Final Report	Initial Objective on the Annual Audit Work Plan	Comments
Fleet Management	July 24, 2017	*Planning*		February 2019	The initial objective was to assess the effectiveness of the County's fleet management operations.	Fieldwork is focusing on the following areas: 1. *DES' process of evaluating fleet efficiency* 2. *Shop safety* 3. *Access to accurate fleet management data* 4. *Vehicle maintenance timeliness* 5. ~~*Auto auction*~~
		Fieldwork	✔			
		Report Writing				
		Management Review				
Public Safety Overtime – Fire Department	May 1, 2018	*Planning*		January 2019	The initial objective is to assess the administration and use of overtime in the Fire Department. Elements could include the need for overtime, the use of effective overtime management techniques, the impact of current staffing levels and policies, and opportunities for potential savings.	Audit conducted in conjunction with SC&H Group.
		Fieldwork				
		Report Writing	✔			
		Management Review				
Public Safety Overtime – Police Department	May 2, 2018	*Planning*		January 2019	The initial objective is to assess the administration and use of overtime in the Police	Audit conducted in conjunction with SC&H Group.

		Fieldwork			Department. Elements could include the need for overtime, the use of effective overtime management techniques, the impact of current staffing levels and policies, and opportunities for potential savings.	
		Report Writing	✔			
		Management Review				
Economic Development Incentive Funds	September 18, 2018	*Planning*	✔	4th quarter, FY 2019	The initial objective would be to assess AED's process for monitoring of economic development incentive funds for compliance with agreed-upon requirements. Additional elements could include the quality and frequency of economic development incentive fund reporting, the quality and accuracy of the information used in the reports, and root cause analysis for any issues identified in the audit. Note that the matter of economic development incentive funds' overall effectiveness would be excluded from the scope of this audit, and potentially included in a future audit once enough longitudinal data are available.	
		Fieldwork				
		Report Writing				
		Management Review				

County Auditor Project Status Report – as of December 12, 2018

Public Safety Overtime – Sheriff's Department	September 26, 2018	*Planning*	✔	4th quarter, FY 2019	The initial objective is to assess the administration and use of overtime in the Sheriff's Department. Elements could include the need for overtime, the use of effective overtime management techniques, the impact of current staffing levels and policies, and opportunities for potential savings.	
		Fieldwork				
		Report Writing				
		Management Review				

Chris Horton, Ph.D., CIA, CGAP
County Auditor

Arlington County Auditor

Annual Audit Work Plan FY 2019

June 19, 2018

Introduction

The Annual Audit Work Plan for Fiscal Year 2019 (FY 2019 Plan) comprises the work to be performed by the Arlington County Auditor for the year. The County Auditor reports to the County Board, independent of management, and is charged with conducting performance audits of departments, offices, boards, commissions, activities, and programs of Arlington County that directly or indirectly report, or are accountable to the County Board. Performance audits encompass a variety of scopes and objectives, including effectiveness and efficiency, economy, transparency, internal controls, and compliance.

Risk Assessment

The FY 2019 Plan is based on a risk assessment performed by the County Auditor, using a variety of sources. These include County data, such as budget documents and the Consolidated Annual Financial Report; County Board work sessions; analyses performed by the Fiscal Affairs Advisory Commission; and information gathered from a public solicitation of audit ideas in February and March 2018. Other inputs for the FY 2019 Plan's development were reviews of leading practice local government audit organizations' work plans, discussions with County management officials, and discussions with Audit Committee and County Board members.

Public Feedback

From February 7 to March 9, 2018, the County Auditor reached out to the public for input on possible audit topics in the FY 2019 Plan. The suggested audit topics spanned a wide range, and several of the community ideas are included in the FY 2019 Plan.

- Both the Neighborhood Conservation Advisory Commission (NCAC) and the topic of Site Plan Benefits are included as supplemental performance audits to be performed if capacity allows.

- Some topics were suggested by multiple submitters, and are contained in the Audit Horizon, including: affordable housing; street maintenance; and the Department of Environmental Services' permitting process (included as One Stop Arlington).

The community feedback regarding Arlington Public Schools (APS) is being addressed in part by the APS internal audit function. In some cases, APS functions may be included in the County Auditor's audit scope, if they fall under the management of a specific County program or activity being audited. For example, an audit of the Capital Improvement Planning (CIP) process could also contain an element related to how effectively Arlington Public Schools is included in the CIP process.

Flexibility

The FY 2019 Plan is approved by the County Board, and is designed to be flexible to respond to organizational needs as they arise. The FY 2019 Plan may be altered by the Board during the year, in consultation with the County Auditor, Audit Committee, and County management, if a significant reallocation of County Auditor resources is deemed necessary.

Overview of the Document

The FY 2019 Plan contains three parts. First are performance audits that would be conducted in FY 2019, and audits that are available to be conducted if capacity allows. Second is a brief overview of additional, non-audit activities that the County Auditor will perform. Finally, the FY 2019 Plan presents an Audit Horizon, which lists audits that could be performed in future years.

Performance Audits

Each audit listed includes one or more *initial objectives*. These objectives are designed to give some insight into areas of interest regarding the audit topic, but do not prematurely identify audit findings. Once an audit is formally begun, the County Auditor will gather key information regarding the audit topic during the audit's planning phase. After this phase has concluded, the County Auditor will determine the *fieldwork objectives* that will be answered during the fieldwork phase of the audit and addressed in the public report.

The FY 2019 Work Plan is designed to be a flexible, dynamic document that allows for the addition of audits that address risks that may appear during the year, or whose priority to the organization may change during the year. In such cases, the County Auditor will assess these emerging risks, consulting with the County Board, Audit Committee, and County management, and make a recommendation to the Board regarding whether audit resources should be allocated to meet the emergent need.

Note: Some audits on the FY 2018 Plan have been initiated but not completed as of the end of FY 2018. These include the audits of Fleet Management, performed by the County Auditor, and audits of Police Department and Fire Department overtime usage, primarily conducted by a third-party audit contractor.[1] These audits will be completed prior to initiating the FY 2019 Plan's performance audits.

Selection Criteria

For the FY 2019 Plan, some key selection criteria helped to guide the choice of the proposed audits. Each of the proposed audits fulfill the following four criteria.

- The need to provide information that is timely and relevant for decision-makers, especially with respect to budget decisions;
- The possibility of improving efficiency and effectiveness in operations;
- The importance of providing audit coverage in different areas, when considered over multiple fiscal years; and
- The importance of addressing areas of key interest to the County Board, Audit Committee, or County management.

In addition, as previously discussed, feedback gathered through the County Auditor's solicitation of public ideas underscored the inclusion of proposed audits of the Neighborhood Conservation Advisory Commission and of Site Plan Benefits.

The foregoing key selection criteria were also important for the Audit Horizon. The other key criterion for the Audit Horizon was audits conducted recently in other leading practice local audit shops.

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[1] The County Auditor is responsible for all audits conducted on the Annual Audit Work Plans. SC&H Group is providing additional staff to conduct the primary planning and fieldwork activities for the audits of Police Department overtime and Fire Department overtime.

Carryover Performance Audit from the FY 2018 Annual Audit Work Plan		
Audit Area	**Department**	**Initial Objective and Scope**
Public Safety Overtime	Sheriff's Department	The initial objective is to assess the administration and use of overtime in the Sheriff's Department. Elements could include the need for overtime, the use of effective overtime management techniques, the impact of current staffing levels and policies, and opportunities for potential savings.
New Performance Audits Expected to be Completed in FY 2019		
Audit Area	**Department**	**Initial Objective and Scope**
Procurement Practices Efficiency	Multiple departments, primarily Department of Management and Finance	The initial objective would be to assess the efficiency of County procurement practices from a department's initial request through contract completion. The initial request would incorporate the scope of services development process, while contract completion would occur when a contract is signed and ready for implementation. Audit elements would also include an analysis of root causes for any inefficiencies identified. While the Purchasing Office is contained within the Department of Management and Finance, this audit may include procurement process activities conducted by other offices or departments, such as the County Attorney's Office. Note that the process of strategic planning for a procurement, as well as the contract administration (contract management and monitoring process) would be excluded from the scope of this audit, and potentially included in a separate audit.
Economic Development Incentive Funds	Arlington Economic Development (AED)	The initial objective would be to assess AED's process for monitoring of economic development incentive funds for compliance with agreed-upon requirements. Additional elements could include the quality and frequency of economic development incentive fund reporting, the quality and accuracy of the information used in the reports, and root cause analysis for any issues identified in the audit. Note that the matter of economic development incentive funds' overall effectiveness would be excluded from the scope of this audit, and potentially included in a future audit once enough longitudinal data are available.
Business Improvement Districts	Multiple departments, primarily Arlington	The initial objectives would be to evaluate how well the County is overseeing the BIDs and whether the County should make improvements to facilitate the BIDs' strategic effectiveness. Elements could include

	Economic Development (AED)	whether the County is ensuring that the BIDs comply with current BID agreements, whether improvements are needed in BID agreements or work plans, the effectiveness of the County's guidance to the BIDs, and the timeliness and accuracy of fund transfers to the BIDs.
Supplemental Performance Audits if Capacity Allows		
Audit Area	**Department**	**Initial Objective**
Neighborhood Conservation Advisory Commission (NCAC)	Multiple departments, primarily Community Planning, Housing and Development	The initial objective would be to assess the effectiveness of the NCAC projects, encompassing project selection, prioritization, scoping, and project execution. Elements could include a benchmarking of similar advisory commissions in other local jurisdictions, and reviewing a sample of current or completed projects to determine if there are opportunities for improvement.
Site Plan Benefits	Community Planning, Housing and Development	The initial objective would be to assess the effectiveness of controls to ensure that site plan benefits are tracked and followed-up through the implementation of benefits and any associated ongoing monitoring. Elements could include the quality and frequency of site plan benefits reporting, the quality and accuracy of the information used in the reports, and root cause analysis for any issues identified in the audit.

Additional Non-Audit Efforts

In addition to conducting performance audits the County Auditor anticipates allocating time to other activities not directly attributable to an audit engagement.

Additional Efforts	
Activity	**Purpose**
Follow-up Activities	In FY 2019, the County Auditor will conduct follow-up work to identify and validate management's implementation of audit recommendations. Based on the implementation dates selected by management for FY 2018 audits, follow-up work is expected to begin in March 2019.
Training and Development	The County Auditor policies and procedures call for the Auditor to complete 80 hours of continuing professional education in every two-year period, with at least 20 hours in each year of the two-year period to maintain compliance with Government Auditing Standards (Yellow Book). This level of training helps the County Auditor to maintain audit competencies, as required by Yellow Book, and also allows the County Auditor to maintain certifications required for the position
Risk Assessment	The County Auditor will conduct additional work beginning in January 2019 to develop a proposed Annual Audit Work Plan for FY 2020.
Third Party Procurement and Oversight (if necessary)	For any audit work is performed by third parties, the County Auditor is responsible for assisting with procurement and then ensuring that the individual(s) performs work in accordance with the terms of the agreement. Depending on the size of the audit contracted, and the skill level of the third parties, this procurement and oversight work is estimated to add approximately 100 hours per audit.

Audit Horizon

The purpose of an Audit Horizon is to list audit areas that likely could be reviewed productively at the current time. Audits that appear on the Audit Horizon may appear on a future list of performance audits to be conducted, but being listed on the Audit Horizon does not guarantee that a program or function will be audited in the near future. A subsequent risk assessment process would be used to make that final determination.

For convenience, the Audit Horizon is presented alphabetically.

Audit Area	Department	Initial objective
Affordable Housing	Multiple departments, primarily Community Planning, Housing and Development	The initial objective would be to assess the effectiveness of the County's affordable housing program. Elements could include the oversight and impact of the housing grants program, and whether controls that would help to achieve the County's Affordable Housing Principles and Goals are in place and effective.
Capital Construction	Multiple departments, primarily Department of Environmental Services	The initial objective would be to assess whether the County effectively manages CIP projects within budget and schedule. The audit would focus on a sample of CIP projects.
Capital Improvement Plan (CIP)	Multiple departments, primarily Department of Management and Finance	The initial objective would be to assess the effectiveness of the capital improvement planning process. Elements could include whether the County effectively provides oversight and coordination of the process for identifying capital infrastructure needs and implementing projects; develops integrated, long-term CIP planning; and identifies needed capital infrastructure requirements. This audit could also contain an element related to how effectively Arlington Public Schools is included in the CIP process.
Contract Management	Department of Technology Services (DTS)	The initial objective would be to assess the effectiveness of contract management within Technology Services. Contract management is decentralized within County government, so departments manage executed contracts within their purview. This audit would focus on DTS-wide contract management practices rather than only focusing on specific contracts.
Compensation Practices	Department of Human Resources	The initial objective would be to assess the equity and effectiveness of County's compensation practices. Elements could include testing the equity of pay within the open range pay system, and assessing the effectiveness of support given to management to implementing pay for performance assessments

One Stop Arlington	Multiple Departments	The initial objective would be to assess the effectiveness and efficiency of the permitting process within One-Stop Arlington. Elements could include the consistency of information provided to permit applicants and the timeliness of permit application decisions. The One-Stop Arlington process is still being developed and implemented, and this audit may need to be broken into multiple pieces to match the phases of One-Stop Arlington implementation.
Facilities Management	Department of Environmental Services	The initial objective would be to assess the effectiveness of facilities management practices. Elements could include the adequacy and effectiveness of the work order processes; the timeliness of repairs; the alignment of preventative maintenance activities with relevant standards; and the impact of retrofitting facilities to meet energy standards.
Financial Condition Analysis	Department of Management and Finance	The initial objectives would be to: assess the City's current financial condition, such as revenues, debt, and capital assets; and the degree to which financial information is publicly reported in comparison to leading practice. The financial condition analysis would not be intended as a predictive (prospective) analysis or as a substitute for the annual financial audit, but rather as a broad analytical and diagnostic tool.
Information Technology – Security Management	Department of Technology Services	The initial objective would be to assess the effectiveness of general controls over information technology security management using a recognized source of audit guidance, such as the Federal Information Systems Control Audit Manual. The review of security management would help to address the controls over personally identifiable information of employees and community members that are held by County technology systems.
Voter Registration and Outreach	Office of the Electoral Board and Voter Registration	The initial objectives would be to assess controls over the accuracy of the voter registration database, and the effectiveness of the outreach and education programs. Elements could include benchmarking other outreach and education efforts.
Performance Measures	Multiple departments, primarily Department of Management and Finance	The initial objectives of the audit would be to assess the effectiveness of County the performance measurement and reporting frameworks in collecting, validating, and using performance information; and publicly reporting performance information. The County Auditor notes that the Fiscal Affairs Advisory Commission has begun an initial study of County performance measures in 2018 that could be useful for this audit.
Recruiting Process	Department of Human Resources	The initial objective would be to assess the effectiveness of recruiting and hiring practices. Elements could include

		the goals and plan for the recruiting process; the timeliness of filling open positions; the consistency, objectivity, and fairness of the recruiting process; and management's monitoring and improvement of the recruiting process.
Street Maintenance	Department of Environmental Services	The initial objective would be to assess the effectiveness of the County's asphalt Maintenance, street marking, and street sweeping activities. Elements could include strategic planning for street maintenance, timeliness of completion, and monitoring of compliance with established standards. *This audit may require outside consultant assistance.*