

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”) issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arlington County, Virginia (the “County”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 14, 2019.

Compliance and Other Matters

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

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

Code of Virginia		State Agency Requirements
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Comprehensive Services Act Funds
Conflicts of Interest	Property Taxes	Social Services
Debt Provisions		Highway Maintenance Funds
Economic Development Opportunity Fund		
Intergovernmental Revenues and Agreements		

The results of our tests disclosed instances of noncompliance with those requirements required to be reported in accordance with the Specifications, which are described in the accompanying schedule of findings and responses as items 2019-001 through 2019-003.

The County’s responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and responses. The County’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Purpose of this Report

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

Cheryl Berkant LLP

Tysons Corner, Virginia
November 14, 2019

Arlington County, Virginia
Schedule of Findings and Responses -
Compliance with Commonwealth of Virginia's Laws,
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June 30, 2019

2019-001: Non-material Noncompliance – Conflicts of Interest (Repeat Finding - 2018-001)

Criteria:

Section 2.2-3115 of the *Code of Virginia* requires that certain local government officials and employees file a Statement of Economic Interest (“SOEI”), Financial Disclosure Statement, and Real Estate Disclosure form with the Clerk of the local governing body by February 1st or prior to assuming office or taking employment.

Condition:

During our testing of fifty-nine (59) County and School Board members, County constitutional officers, and other County officials and personnel required to complete the forms, we identified seven (7) instances where forms were not timely filed.

Cause:

The County relies on each member, officer and official to completely and timely provide the required forms.

Effect:

Non-compliance may result in action by the Commonwealth.

Recommendation:

We recommend the County continue to remind each individual required to complete these forms and of their responsibility for accuracy in completing and timely filing the forms with the Clerk. We further recommend the Clerk’s office review the forms for completeness.

View of Responsible Officials:

County: The County Board Office has recently implemented an electronic tracking system (replacing a manual tracking process) that will improve our ability to monitor submissions and follow up on missing forms. Additionally, the County Board Clerk will update letters to new advisory group appointees to clarify filing expectations, actions for non-compliance and to provide specific filing deadlines. Staff liaisons and advisory group chairs will be notified and asked to assist when a member does not submit the required forms. County Board members will also be notified when an advisory group member does not file in a timely manner. The County Board Clerk is revising outdated procedure documents (including list of required filers), implementing new collection and notification procedures and training additional staff to assist with tracking and reviewing forms for completeness. Each submission will undergo a two-part review for completeness. The Clerk will perform periodic internal audits to monitor effectiveness of the process improvements and provide quarterly status reports to the County Board.

Schools: APS is in the process of remedying the incomplete items noted by auditors on two School Board members’ 2018 SOEI forms. In response to this finding, a SOEI Review Check List was created and given to School Board Clerk with instructions to perform a review for accuracy and completeness of all future SOEI forms. This review should eliminate incomplete forms in future years. -Terri Carson, Director of Finance

2019-002: Non-material Noncompliance – Social Services Annual Review of Access (Repeat Finding - 2018-002)

Criteria:

Per Section 3-15 of the Specifications, each government’s local security officer should be annually reviewing each Arlington County Department of Human Services (DHS) employee’s access to each DHS application with the individual employee’s supervisor to ensure that the access is properly aligned with their stated job responsibilities.

Condition:

Of the fourteen (14) employees’ access forms selected for testing, seven (7) were not reviewed within the last year and system access for one (1) employee did not agree to the access request forms on file.

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Cause:

The DHS currently only requires Computer Access Request Forms be completed and signed by a supervisor when there is a change in system access for an individual. Based on our testing, this policy is not being followed as intended.

Effect:

Non-compliance may result in action by the Commonwealth.

Recommendation:

We recommend DHS review established Computer Access Request Forms policy and either implement a process to ensure it is being followed or revise the policy to require completion of the forms annually.

Views of Responsible Officials:

At the close of FY2018, DHS implemented a DSS Computer Systems Access procedure requiring the annual completion of systems access forms. As a result of the continued non-compliance, DHS will implement a quarterly self-assessment process to ensure that all DSS staff have their access reviewed annually.

2019-003: Non-material Noncompliance – Social Services Terminated Users (Repeat Finding - 2018-004)

Criteria:

Section 63.2 of the *Code of Virginia* requires that the local DHS remove access privileges for terminated users from all systems they were authorized to use within three working days of employment termination.

Condition:

In our testing of three (3) terminated users, two (2) did not have their access removed within three days.

Cause:

Terminated employees were not timely communicated to the local security officer to allow for removal within three working days.

Effect:

Non-compliance may result in action by the Commonwealth.

Recommendation:

We recommend DHS implement a process to remove access privileges for terminated users within three days.

Views of Responsible Officials:

At the close of FY2018, DHS implemented a DSS Employee Termination procedure requiring access for terminated staff be ended no more than three days after the separation date. As a result of the continued non-compliance, DHS will retrain DSS security officers to ensure they're aware of the three-day termination requirement and implement a quarterly self-assessment process to ensure that all terminated DSS staff have their access end-dated within three days of termination.