

Audit Committee *County Auditor 's* *Introduction*



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Arlington County Auditor
Jim L. Shelton, MBA, CRP
[*JShelton@ArlingtonVA.US*](mailto:JShelton@ArlingtonVA.US)



Audit Committee Meeting

Meeting Date & Time:

Thursday, February 9, 2023
4:30 pm – 6:00 pm

Meeting Location:

Conference Room 311 on the 3rd Floor of the Bozman Building
2100 Clarendon Blvd., Suite 300 Arlington, VA 22201

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

AGENDA

1. Call to order
2. County Auditor's Introduction
 - a. County Auditor's Audit Approach Overview w/ Presentation
3. Committee Members Question and Answer Session
4. Next Audit Committee Meeting
 - a. February 23, 2023
 - i. External audit presentation and discussion (Cherry Bekaert and DMF)
5. Adjourn



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Auditor's Background

As a finance professional, my practical experience includes 24 years in leadership performing internal, financial and program audits; and financial management functions.

My last nine years, I served as the Fairfax County Board of Supervisors Auditor where I created annual audit work plans, conducted audits, and developed recommendations focusing on increasing county revenues, cost containment, and improving the efficiency and effectiveness of programs and services.



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Auditor's Background Cont'd

My academic background includes: a BS/BA in Accounting from Xavier University and an MBA from Fontbonne University.

I am also a Certified Risk Professional certified by the Bank Administration Institute (BAI) and a Virginia Government Finance Officers' Association member.

My Arlington County Auditor contract was approved by the Board with a start date of 5th January 2023.



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Audit: Approach & Focus

For each audit conducted at Arlington County, I will focus primarily on developing, whenever possible, revenue enhancements and costs containment initiatives.

Keeping in view, the need to limit duplication of efforts between the Internal Audit and the County Auditor offices.

The quarterly audits will focus primarily on financial and programmatic assessments with a limited focus on internal controls.

Internal controls will only be addressed when identified as a result of financial and/or programmatic gaps.



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Audit: Approach & Focus Cont'd

Financial, transactional and other related data is being requested from the departments/divisions to be included in the auditor's data repository.

- These data will be mined by data scientists for analysis.
- Conclusions will be drawn from the entire population of information (***audit universe***) as opposed to sampled results extrapolated over an *audit universe*.
 - Sampling may occur, *occasionally*, when documents are needed to support audit assertions.



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Audit Execution & Phases

Audit execution will include several steps:

- Development of the ***Annual Audit Plan by Quarter***.
 - The ***First Draft*** will be reviewed with the Audit Committee Chair (*Christian Dorsey*) and Vice Chair (*Takis Karantonis*) for feasibility.
 - Upon review, the ***Annual Audit Plan*** will be presented to the full Audit Committee at a ***tentatively proposed*** meeting in ***May 2023*** with ***proposed*** Audit Kick-off starting ***June 2023***.



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Audit Execution & Phases Cont'd

Efforts will be made to complete each audit at quarter end through a report out presentation at the upcoming Audit Committee (AC) meeting.

Efforts will also be made to receive responses from management for all **Observations** and **Recommendations** which include **Agreed Upon Actions** and **Target Implementation Dates** to complete the audit.

The County Auditor's office will work with management to assist in providing **Agreed Upon Actions** which are **Actionable and Measurable**.

These items are needed to facilitate meaningful follow-up reporting with audit evidence.



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Audit Execution & Phases Cont'd

Phase One: The audit process commences with the completion of the ***Annual Audit Plan***. The plan is currently in progress.

- This process is being facilitated through the collection of financial, operational and transactional data from selected departments/divisions.
- Data request meetings have started with select department leaders and their designated staff.

These meetings are integral to the completion of the ***Annual Audit Plan*** and quarterly audit process.



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Audit Execution & Phases Cont'd

Phase Two: The audit process will also include the buildout of audits by quarters.

- **Audits** will commence at the beginning of each quarter and close at quarter end.
- Each succeeding **Quarterly Audit** will begin at the end of each preceding quarter's report out.
- That report out will trigger the kick-off on the next quarter's audit.



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Post Audit Approach

The ***Audit Follow-Up*** process will include revisiting the audits for two reasons:

- To clear management's responses to recommendations through testing.
 - This will allow the Auditor's office to document competent audit evidence in lieu of back and forth self reporting.
- Utilize knowledge gained from the prior audit to identify any others financial/programmatic areas for enhancements/improvements.



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Conclusion

Q&A
Session
Responses
&
Comments

~END~



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*ARLINGTON COUNTY GOVERNMENT BOARD
COUNTY AUDITOR / JIM SHELTON, MBA, CRP*

2100 Clarendon BLVD., Suite 300
Arlington, Virginia 22201