



ARLINGTON COUNTY AUDITOR FOLLOW UP AUDIT REPORT REPORT NO. FRD2025FL001

INTRODUCTION

In accordance with the FY 2025 Audit Plan, the Office of County Auditor (OCA) conducted a follow up audit to the Fire Department Overtime audit report issued July 2019. The objective of this follow up was to verify the remaining open audit recommendations taken by management adequately addressed the original finding noted by OCA.

BACKGROUND

As part of the FY 2019 Annual Audit Work Plan, OCA performed a performance audit (audit) of overtime in Arlington County Fire Department (ACFD). At the time of the original audit, overtime expenditures in ACFD ranged from \$5.2 million to \$6.2 million in the previous last three fiscal years (FY 2016 – FY 2018). Determining the cause of these increases can help improve ACFD operations. The initial audit objective was to assess the administration and use of overtime in the ACFD. The objective was refined into four audit fieldwork objectives, focusing on minimum staffing calculations, data and reporting, the management and monitoring of overtime, and the reimbursement billing processes.

The OCA performed a series follow up audits resulting in three reports to provide a status update on the audit findings and recommendations from the original audit. The original audit noted 23 recommendations, and as of the last follow up audit report issued May 28, 2022, 5 recommendations remained open.

The follow up scope is to verify the status of the remaining five open audit findings as noted in the section titled, Audit Findings and Recommendation Status.

AUDIT FINDINGS AND RECOMMENDATION STATUS

| Audit Finding 1.5 | ACFD uses two primary systems to manage departmental overtime use: PRISM and TeleStaff. These systems play specific roles in overtime management, but the interaction between PRISM and TeleStaff is limited in a way that creates cumbersome and inefficient processes and impairs overtime management. Further, TeleStaff is not always used as effectively as it could be. | | |
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| Recommendation | Action Taken | Conclusion | |
| ACFD should explore automating some staffing processes in TeleStaff (an automated scheduling system for public safety agencies, to record regular and overtime pay), such as leave approvals and awarding overtime. | Automating leave approvals and out-bounding callbacks to award overtime is a goal for 2026. Public Safety has installed the applicable components within Telestaff for use and the Sheriff’s Office is testing out-bounding. ACFD Telestaff team is monitoring and will begin parallel testing during Q4 FY2025 with plans to implement in Q1 FY 2026. ACFD is currently working on a staffing policy for outbound callbacks which will proceed implanting the Telestaff process. | Remediation activities are in process. This item will be tracked and applicable follow up will be reported by OCA post implementation Q1 2026. | |

| Audit Finding 1.9 | | The process for overtime billing is inefficient and hinders ACFD’s overtime management. | |
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| Recommendation | | Action Taken | Conclusion |
| ACFD should develop an automated workflow for invoice creation, approval, and payment receipt. Controls need to be documented to ensure sufficient segregation of duties for billing and payment processing functions to ensure billing practices can be consistently applied. For example, ACFD should ensure checks never go directly to the individuals responsible for creating the invoices. Additionally, ACFD may want to seek out training within the County’s ERP to determine how to evaluate whether payments have been received and recorded properly. This may require a change in system access, if necessary. | | A Standard Operating Procedure (SOP) within ACFD was implemented to explain the invoicing process. An ACFD individual calculates the charges as it relates to ACFD equipment and staffing. Those calculations are provided to Department of Parks and Recreation (DPR), through the Special Events Committee, to complete the billing process. For services not coordinated through the Special Events Committee, ACFD uses PRISM+ to generate an invoice and payments are made online to Treasury and are not sent to ACFD. | Implemented. No further action required by OCA. |

| Audit Finding 1.10 | The process for overtime billing is inefficient and hinders ACFD's overtime management. | |
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| Recommendation | Action Taken | Conclusion |
| ACFD should evaluate their options and develop a fee schedule that will be utilized for special events, including opportunities to seek additional cost recovery for various vehicle types and equipment utilized, and charging for administrative fees to cover costs associated with scheduling and planning events. | The FY24 operating budget approved the costs of consumables, vehicle usage, staff, and planning fees by including a fee schedule for special events. The County Board approved a fee schedule April 22, 2023, and became effective July 1, 2023. | Implemented. No further action required by OCA. |

| Audit Finding 1.12 | The process for overtime billing is inefficient and hinders ACFD's overtime management. | |
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| Recommendation | Action Taken | Conclusion |
| ACFD should consider setting a standard rate to bill for services to reduce to administrative burden of manually calculating each invoice. As part of this process, ACFD should also: document and communicate their rate setting process for hourly rates and fee schedule for equipment charged; regularly evaluate rates based on current salaries of personnel to ensure they are appropriately recovering costs associated with overtime; and document the frequency and methodology at which it will evaluate the effectiveness of cost-recovery for each type of event. | This was implemented as part of the FY25 operating budget. The effective fee schedule was implemented July 1, 2023, as noted under item 1.10 was approved by the County Board. | Implemented. No further action required by OCA. |

| Audit Finding 2.4 | Staffing challenges inhibit effective overtime management. | |
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| Recommendation | Action Taken | Conclusion |
| ACFD should evaluate how staffing may need to be changed in civilian roles to meet best practice standards for administrative roles that assist with budget, finance, and payroll functions. | ACFD has reviewed and evaluated staffing of civilian roles. The department employs more technology, applies automation, and optimizes administrative processes. ACFD is working with HR for job analysis and completed reclassifications during FY25. In early FY 2025, we are reviewing two civilian positions one accounting technician and one warehouse coordinator. The latter was originally a uniformed role but was | Implemented. No further action required by OCA. |

| Audit Finding 2.4 | Staffing challenges inhibit effective overtime management. | |
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| Recommendation | Action Taken | Conclusion |
| | changed to a civilian role. The department is currently out to recruit for a civilian pharmacy manager, an FTE provided this summer to avoid using uniformed staff and resulting in additional overtime. | |

CONCLUSION

Management has taken the necessary corrective actions to address the risks associated with the audit finding and effectively implemented corrective actions. Audit finding 1.5 will be monitored and verified post Q1 2026 and results will be reported the Audit Committee.

The Office of County Auditor would like to thank the Fire Chief and his team for their support and cooperation throughout the follow up process.

ABOUT US

Compliance Statement

The County Auditor conducted this follow up audit by applying the applicable principles of generally accepted government auditing standards. The government auditing standards do not cover follow up reviews. The County Auditor's follow-up work is informed especially by the principles articulated in the following key standards: evidence; documentation of auditor's work; communication with an audited entity; reporting of audit work to those charged with management and governance; and auditor professional judgment. The County Auditor employs a risk-based approach to follow-up work. The County Auditor requires verification of the implementation status for all recommendations that are initially reported by management to be implemented.

Authority

The County Auditor is appointed by the Arlington County Board under the authority of § 15.2-709.2 of the Code of Virginia, 1950, as amended.

County Auditor

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