



CITY OF RICHMOND
CITY AUDITOR

December 1, 2021

The Honorable Members of City Council
City of Richmond, Virginia

Subject: Annual Follow-Up Review

The City Auditor's Office has completed the Annual Follow-Up Review for all open recommendations for audit reports issued by the Office of the City Auditor through June 30, 2021, which included a total of 221 recommendations. Of the 221 recommendations reviewed, 80 were from audits issued in the first six months of CY2021. Audit follow-up work with the departments and administration concluded November 9, 2021.

The City Administration implemented 33% of the open recommendations during this follow-up period. This is slightly below the average for the last 10 years of 37% of open recommendations implemented. Implementation of some recommendations were impacted due to the COVID-19 Pandemic, as well as staffing availability.

If you have any questions related to this report, please contact the City Auditor's Office.

Sincerely,

Louis G. Lassiter, CPA
City Auditor

Attachment

cc: The Richmond Audit Committee
Mr. Lincoln Saunders, Chief Administrative Officer

Objectives, Scope, and Methodology

In accordance with the FY 2022 Annual Audit Plan, the City Auditor's Office has completed a review of the status of outstanding audit recommendations. The primary objective of this review was to evaluate the timeliness and adequacy of implementing recommendations made from previous audits. During this review, the auditors interviewed management personnel associated with these recommendations and reviewed documentation submitted regarding the results of the actions taken. The auditors reviewed all the open recommendations for audit reports issued by the Office of the City Auditor through June 30, 2021. Of the 221 recommendations reviewed, 80 were from audits issued in the first six months of CY2021.

This review was a non-audit service done as defined by Generally Accepted Government Auditing Standards. We regularly evaluate whether management has taken corrective actions to implement prior recommendations. During this follow up period, the City Auditor's Office would like to recognize accomplishments and challenges with the validation of open recommendations.

Accomplishments:

Several departments made significant progress in closing audit recommendations.

- The Department of Housing and Community Development closed 13 of 14 open audit recommendations, including 12 of 13 from the February 2021 audit of their department;
- The Office of Minority Business Development closed 6 of 8 open recommendations from the March 2021 audit of their department;
- Social Services closed/removed 9 of 14 open audit recommendations including 7 of 8 from the February 2021 Foster Care audit.

We would like to recognize the Administrations' staff that worked to achieve the closure of these open audit recommendations.

Challenges:

While significant progress has been made, there are still 141 recommendations that remain open, including some that date back a few years and will require continued focus moving forward. Implementation of many recommendations continues to be impacted due to the COVID-19 Pandemic and staffing shortages in some areas.

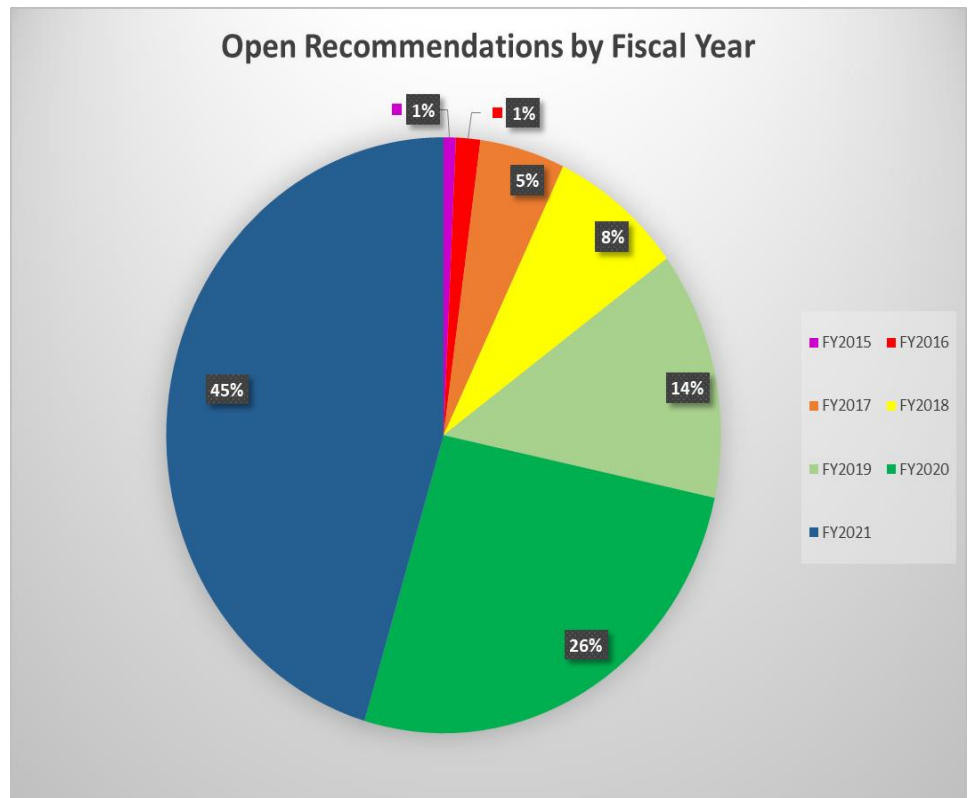
Implementation Status of Open Recommendations:

The auditors reviewed 221 outstanding recommendations. The results of our review indicated the below statuses:

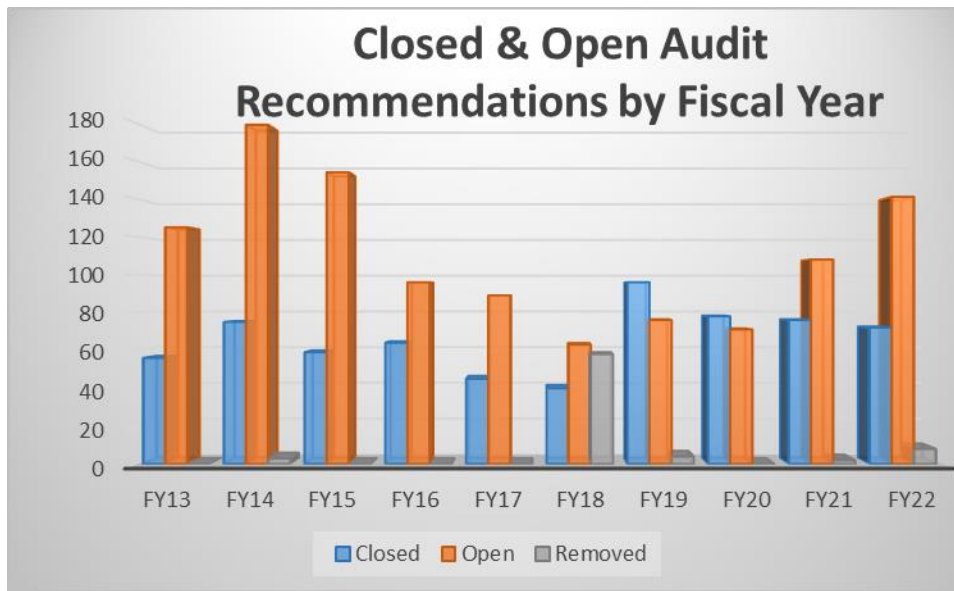
Status	# of Recommendations	Explanation
Closed	72	Recommendations were implemented.
Open	141	Recommendations have not been completed, of these 25 recommendations had not past their original due date.
Removed	8	No further follow up to be completed by the City Auditor’s Office due to issues not feasible or changes in processes.
Total	221	

Source: Auditor Prepared

For FY19 - FY21 there were 309 recommendations agreed to and over the last three follow up cycles, 226 have been closed and 10 removed. This shows continued work by the Administration to close audit issues. Approximately 85% of open recommendations are from reports issued in the last three fiscal years. The pie chart shows the open recommendations by the year the audit reports were issued. Of the 141 open recommendations, 14 are considered high priority, 98 are medium, and 29 are low.



During 2021, City Administration implemented 33% of the open recommendations during this follow-up period. There were 309 agreed to recommendations from FY 19-21, which caused a larger number of issues and impacted the closure percentage. Over the three last years, an average of 78 per year have been closed or removed.



We would like to acknowledge management's efforts during this follow up process where they provided documentation of corrective actions.

Summary of Results

FY 2022					
Department/Agency	Report	Total	Closed	Open	Removed
City Council/Human Resources					
Payroll	2019-07	1		1	
Citywide					
Accounts Payable	2020-12	2	1	1	
Capital Improvement Projects	2021-05	2		2	
Citywide - Construction Work In Progress	2017-05	1		1	
Citywide - Electronic Equipment Purchases	2017-06	1		1	
Continuous Auditing	2021-13	1	1		
Delinquent Real Estate Tax Sale	2021-10	3		3	
Department of Fire and Emergency Services Fire Prevention Division Audit	2021-15	1		1	
Facilities Maintenance	2018-06	1		1	
Human Resources - Recruitment & Hiring Process Audit	2021-14	1		1	
Pension & Other Post-Employment Benefits	2021-04	5	2	3	
Special Revenue Funds	2020-13	1		1	
Temporary Services Contract Compliance	2018-03	1		1	
Citywide/Finance					
Accounts Payable	2020-12	1		1	
Citywide - Construction Work In Progress	2017-05	3		3	
Citywide - Electronic Equipment Purchases	2017-06	1		1	
Economic & Community Development					
Citywide Grants	2018-08	1		1	
Delinquent Real Estate Tax Sale	2021-10	1		1	
Economic Development Strategy	2016-07	2		2	
Finance					
Capital Improvement Plan	2019-10	1		1	
Cigarette Tax Processing & Collections	2021-06	8	4	4	
Citywide Grants	2018-08	2	1	1	
Delinquent Collections & Cash Operation Units	2018-09	2		2	
Delinquent Real Estate Tax Sale	2021-10	5	3	2	
Department of Planning and Development Review: Property Maintenance Code Enforcement Division	2021-17	1		1	
Fixed Assets	2012-07	1	1		
Special Revenue Funds	2020-13	1		1	

FY 2022

Department/Agency	Report	Total	Closed	Open	Removed
Vehicle Personal Property Unit	2018-12	2		2	
Vehicle Utilization	2021-03	1		1	
Fire and Emergency Services					
Department of Fire and Emergency Services Fire Prevention Division Audit	2021-15	13		13	
Special Events Overtime	2020-04	4		4	
Vehicle Utilization	2021-03	1		1	
GRTC					
Greater Richmond Transit Company Revenues Audit	2020-09	6			6
Housing & Community Development					
Housing & Community Development	2021-11	13	12	1	
Special Revenue Funds	2020-13	1	1		
Human Resources					
Continuous Auditing	2021-13	4	1	3	
Human Resources - Recruitment & Hiring Process Audit	2021-14	9	3	6	
IT User Access	2020-14	1		1	
Payroll	2019-07	10	3	7	
Vehicle Utilization	2021-03	2		2	
Information Technology					
IT User Access	2020-14	6	3	3	
Library					
Special Revenue Funds	2020-13	3		3	
Minority Business Development					
Office of Minority Business Development	2021-12	8	6	2	
Parks & Recreations					
Cash Collections	2019-05	1			1
Planning & Development Review					
Delinquent Real Estate Tax Sale	2021-10	1	1		
Department of Planning and Development Review: Property Maintenance Code Enforcement Division	2021-17	11	2	9	
Development Process	2017-03	1		1	
Permits & Inspections	2020-02	21	5	16	
Police					
Cash Collections	2019-05	1		1	
Citywide Recruitment & Retention	2016-06	1	1		
Property & Evidence Unit	2019-12	3	2	1	

FY 2022

Department/Agency	Report	Total	Closed	Open	Removed
Top 20 Overtime	2020-07	1		1	
Press Secretary					
Special Revenue Funds	2020-13	2		2	
Procurement Services					
Accounts Payable	2020-12	2	1	1	
Capital Improvement Projects	2021-05	2	2		
Purchasing Cards (PCards)	2020-05	2		2	
Split Purchases	2019-13	2		2	
Public Utilities					
Billing and Collection Process	2018-04	2		2	
Facilities Maintenance	2018-06	1		1	
Top 20 Overtime	2020-07	1	1		
Utility Cuts Repair	2019-02	1	1		
Wholesale Water Contracts	2021-08	7	1	6	
Public Works					
Capital Improvement Plan	2019-10	2		2	
DPW Contract Administration	2015-09	1		1	
Heat Scarification Contract	2020-11	1	1		
Vehicle Utilization	2021-03	4	3	1	
Richmond Public Schools					
Capital Improvement Projects	2021-05	1	1		
Social Services					
Children's Services Act	2019-11	5	1	4	
Foster Care	2021-09	8	7	1	
LASER Reimbursements Process	2019-03	1			1
Grand Total		221	72	141	8