



**CITY OF RICHMOND**  
**Office of the City Auditor**

November 18, 2022

The Honorable Members of the 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, 2022, which included a total of 227 recommendations. Of the 227 recommendations reviewed, 50 (22%) were from audits issued in the first six months of CY2022. Audit follow-up work with the departments and administration concluded on November 10, 2022.

The goal of the City Auditor's office is to work effectively with the City Administration to achieve a rolling three-year average that 70% of agreed recommendations are implemented. For the three years FY20-FY22 that average stands at 76% with 40% of all open recommendations implemented during this single follow-up period. Over the three last years, an average of 80 per year have been closed or removed.

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 2023 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, 2022. Of the 227 recommendations reviewed, 50 were from audits issued in the first six months of CY2022.

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 Planning Development and Review closed 22 of 26 open audit recommendations, including 8 of 9 from the 2021-17 Property Maintenance Code Enforcement audit of their department;
- The Office of Community Wealth Building closed 14 of 17 open audit recommendations, including 13 of 14 from the 2022-06 audit of their department (the remaining was removed);
- Procurement Services closed 8 of 9 open audit recommendations, including 2 open recommendations from 2019; and
- The Fire Marshal's Office closed 9 of 14 open audit recommendations from the 2021-15 Fire Prevention Division Audit, including recommendations related to the inspection of schools and nursing homes.

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

**Challenges:**

While significant progress has been made, there are still 133 recommendations that remain open, including some that date back a few years and will require continued focus moving forward.

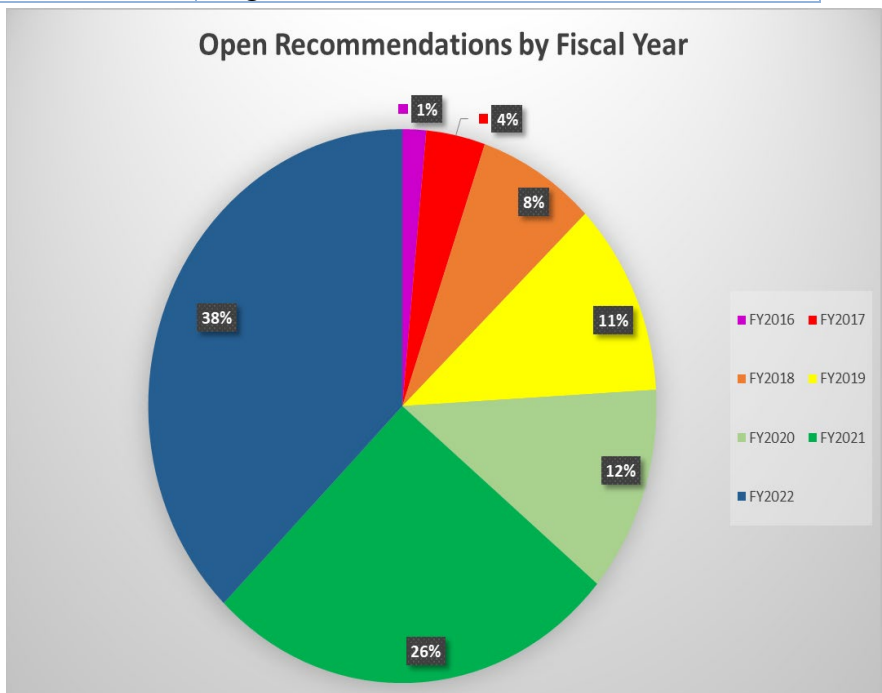
**Implementation Status of Open Recommendations:**

The auditors reviewed 227 outstanding recommendations. More recommendations were closed from this follow-up cycle than were added in the last fiscal year. The results of our review indicated the below statuses:

Status	# of Recommendations	Explanation
<b>Open from Prior Follow Up</b>	141	
<b>New in FY22</b>	86	
<b>Total through 6/30/22</b>	227	
<b>Closed</b>	91	Recommendations were implemented.
<b>Removed</b>	3	No further follow up to be completed by the City Auditor’s Office due to issues not feasible or changes in processes.
<b>Open as of 11/11/22</b>	133	Recommendations have not been completed, of these 22 recommendations had not passed their original due date.

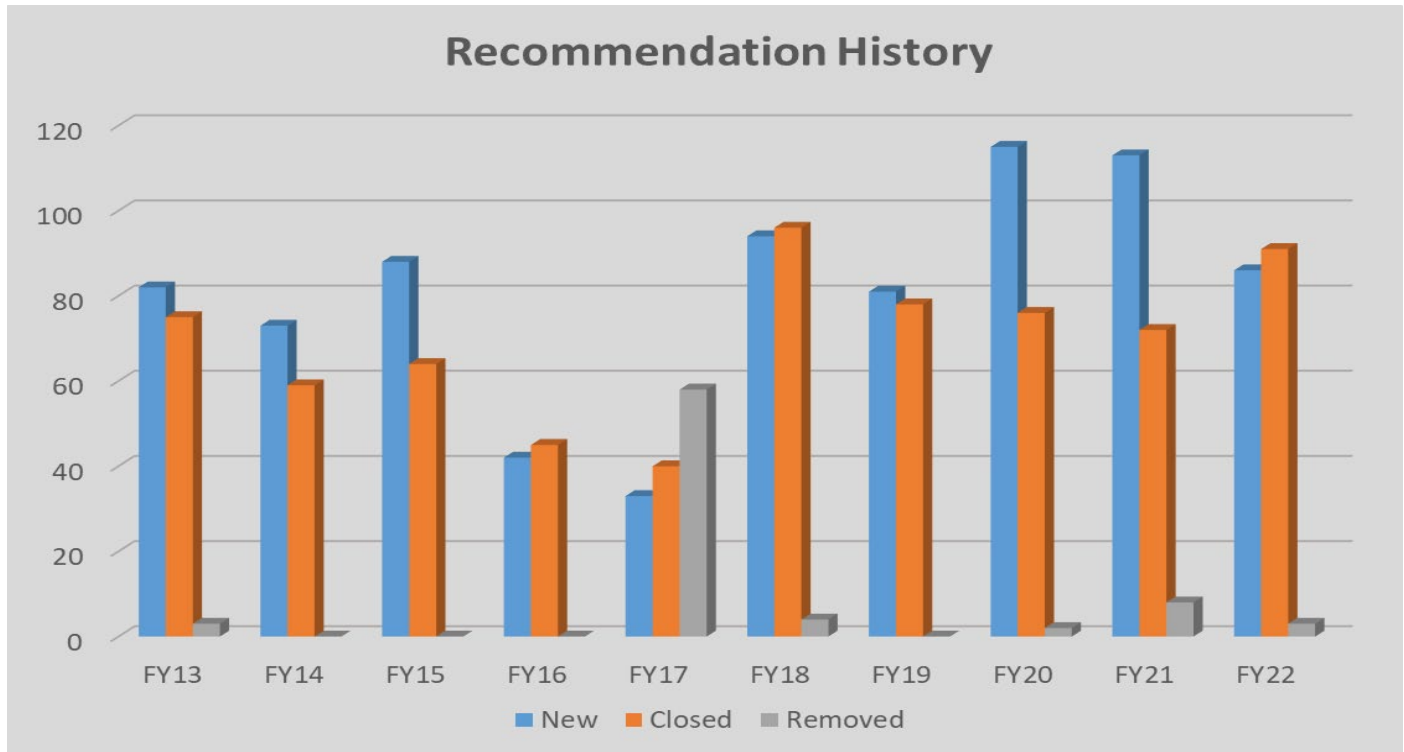
Source: Auditor Prepared

For fiscal years ending 6/30/20 – 6/30/22 there were 314 recommendations agreed to and over the last three follow-up cycles, 239 have been closed and 13 removed. This shows continued work by the Administration to close audit issues. Approximately 76% 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 133 open recommendations, 12 are considered high priority, 98 are medium, and 23 are low.

The goal of the City Auditor’s office is to work effectively with the City Administration to achieve a rolling three-year average that 70% of agreed to recommendations are implemented. For the three years FY20-FY22 that average stands at 76% with 40% of all open recommendations implemented during this follow-up period. Over the three last years, an average of 80 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 2023					
Department/Agency	Report	Total	Closed	Open	Removed
<b>Budget</b>					
CARES Act Audit	2022-10	1		1	
<b>City Attorney</b>					
Tower Leases	2022-11	1	1		
<b>City Council/Human Resources</b>					
Payroll	2019-07	1		1	
<b>Citywide</b>					
Citywide - Construction Work In Progress	2017-05	1		1	
Citywide - Electronic Equipment Purchases	2017-06	1		1	
Temporary Services Contract Compliance	2018-03	1		1	
Facilities Maintenance	2018-06	1		1	
Special Revenue Funds	2020-13	1		1	
Pension & Other Post-Employment Benefits	2021-04	2		2	
Delinquent Real Estate Tax Sale	2021-10	1		1	
Human Resources - Recruitment & Hiring Process Audit	2021-14	1	1		
Milling and Overlay Contract Audit	2022-03	1	1		
<b>Citywide/City Attorney</b>					
Delinquent Real Estate Tax Sale	2021-10	2		2	
<b>Citywide/Community Wealth</b>					
Accounts Payable	2020-12	1	1		
<b>Citywide/Finance</b>					
Citywide - Construction Work In Progress	2017-05	3		2	1
Citywide - Electronic Equipment Purchases	2017-06	1		1	
Accounts Payable	2020-12	1		1	
Vehicle Utilization	2021-03	1		1	
<b>Citywide/Fire/Finance</b>					
Department of Fire and Emergency Services Fire Prevention Division Audit	2021-15	1		1	
<b>Citywide/Human Resources</b>					
Pension & Other Post-Employment Benefits	2021-04	1		1	
Human Resources - Recruitment & Hiring Process Audit	2021-14	1		1	
<b>Citywide/Operations</b>					
Capital Improvement Projects	2021-05	2		2	
<b>Citywide/Public Utilities/Public Works/Parks/Police/Animal Control</b>					
Continuous Auditing	2022-12	1		1	
<b>Clerk of Court for Juvenile Domestic Courts</b>					
Continuous Auditing	2022-12	1		1	

FY 2023

Department/Agency	Report	Total	Closed	Open	Removed
<b>Community Wealth Building</b>					
Office of Community Wealth Building	2022-06	12	11		1
CARES Act Audit	2022-10	2		2	
<b>Economic &amp; Community Development</b>					
Economic Development Strategy	2016-07	2		2	
Citywide Grants	2018-08	1		1	
<b>Economic Development</b>					
CARES Act Audit	2022-10	2		2	
<b>Emergency Communications</b>					
Tower Leases	2022-11	15	1	14	
<b>Emergency Communications/PDR</b>					
Tower Leases	2022-11	1		1	
<b>Finance</b>					
Citywide Grants	2018-08	1		1	
Delinquent Collections & Cash Operation Units	2018-09	2		2	
Vehicle Personal Property Unit	2018-12	2		2	
Capital Improvement Plan	2019-10	1		1	
Special Revenue Funds	2020-13	1		1	
Cigarette Tax Processing & Collections	2021-06	4	2	2	
Delinquent Real Estate Tax Sale	2021-10	2		2	
Department of Planning and Development Review: Property Maintenance Code Enforcement Division	2021-17	1		1	
Human Resources Benefits Reconciliations	2022-09	2		2	
CARES Act Audit	2022-10	1		1	
<b>Fire and Emergency Services</b>					
Special Events Overtime	2020-04	4		4	
Vehicle Utilization	2021-03	1		1	
Department of Fire and Emergency Services Fire Prevention Division Audit	2021-15	13	9	4	
<b>Housing &amp; Community Development</b>					
Delinquent Real Estate Tax Sale	2021-10	1		1	
Housing & Community Development	2021-11	1		1	
Citywide Homelessness Audit	2022-08	6		6	
<b>Human Resources</b>					
Payroll	2019-07	7	2	5	
IT User Access	2020-14	1		1	
Vehicle Utilization	2021-03	2		2	
Continuous Auditing	2021-13	3	1	2	
Human Resources - Recruitment & Hiring Process Audit	2021-14	5	2	3	

FY 2023

Department/Agency	Report	Total	Closed	Open	Removed
Human Resources Benefits Reconciliations	2022-09	9	3	6	
Continuous Auditing	2022-12	3	1	2	
<b>Human Services</b>					
Office of Community Wealth Building	2022-06	1		1	
CARES Act Audit	2022-10	2	1	1	
<b>Human Services/Community Wealth Building</b>					
Office of Community Wealth Building	2022-06	2	2		
<b>Information Technology</b>					
IT User Access	2020-14	3	3		
IT Project Management Audit	2022-02	5	1	4	
<b>Library</b>					
Special Revenue Funds	2020-13	3		3	
<b>Minority Business Development</b>					
Office of Minority Business Development	2021-12	1		1	
<b>Minority Business Development/Procurement</b>					
Office of Minority Business Development	2021-12	1		1	
<b>Planning &amp; Development Review</b>					
Development Process	2017-03	1	1		
Permits & Inspections	2020-02	16	13	3	
Department of Planning and Development Review: Property Maintenance Code Enforcement Division	2021-17	9	8	1	
<b>Police</b>					
Cash Collections	2019-05	1		1	
Property & Evidence Unit	2019-12	1		1	
Top 20 Overtime	2020-07	1	1		
Police Training	2022-04	2	2		
<b>Press Secretary</b>					
Special Revenue Funds	2020-13	2	1	1	
<b>Procurement Services</b>					
Split Purchases	2019-13	2	2		
Purchasing Cards (PCards)	2020-05	2	2		
Accounts Payable	2020-12	1		1	
Milling and Overlay Contract Audit	2022-03	3	3		
Continuous Auditing	2022-12	1	1		
<b>Public Utilities</b>					
Billing and Collection Process	2018-04	2		2	
Facilities Maintenance	2018-06	1	1		
Wholesale Water Contracts	2021-08	6	5	1	
Continuous Auditing	2022-12	2		2	
<b>Public Works</b>					

FY 2023

<b>Department/Agency</b>	<b>Report</b>	<b>Total</b>	<b>Closed</b>	<b>Open</b>	<b>Removed</b>
DPW Contract Administration	2015-09	1	1		
Capital Improvement Plan	2019-10	2		2	
Vehicle Utilization	2021-03	1		1	
Milling and Overlay Contract Audit	2022-03	10	6	3	1
<b>Social Services</b>					
Children's Services Act	2019-11	4		4	
Foster Care	2021-09	1	1		
<b>Grand Total</b>		<b>227</b>	<b>91</b>	<b>133</b>	<b>3</b>