



Office of the City Auditor

*Committed to increasing government efficiency, effectiveness,
accountability and transparency*

CITYWIDE ANNUAL FOLLOW-UP REPORT 2017

Report#: 2017-08



Issue Date: January 10, 2017

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City of Richmond
City Auditor

January 10, 2017

The Honorable Members of City Council
City of Richmond, Virginia

Subject: Annual Follow-Up Progress Report

The City Auditor's Office has completed the Annual Follow-Up Review for recommendations with implementation dates on or before September 30, 2016, which included a total of 134 recommendations for the City. The City Auditor's Office transferred 89 open recommendations for Richmond Public Schools (RPS) to their Board for further review. Therefore, the Auditor's Office will no longer be conducting follow-up on RPS' open recommendations.

City administration implemented 34% of the recommendations due to be implemented during this follow-up period. Over the past 10 years, the implementation rate shows a declining trend. Each year, a small fraction of recommendations are being implemented. Recently, the City Auditor's Office has received requests from the City Administration to remove some open recommendations from follow-up, as these recommendations are old. However, the administration may not have addressed the underlying deficiencies in all cases that led to these recommendations.

Audits identify operational and control deficiencies. These deficiencies, once identified, need to be addressed appropriately. If the recommendations are not implemented, the known deficiencies will continue to cause operational challenges. In addition, control deficiencies, if not addressed, could be exploited and may compromise accountability over City resources. The Chief Administrative Officer

needs to ensure that appropriate and timely corrective actions are taken to implement the outstanding audit recommendations.

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

Sincerely,

Umesh Dalal

Umesh Dalal, CPA, CIA, CIG
City Auditor

Objectives, Scope, and Methodology

In accordance with the 2017 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 in previous audits. During this review, the auditors interviewed management personnel associated with each recommendation and tested the results of the actions taken. The auditors reviewed all the audit reports issued by the Office of the City Auditor that had open recommendations with an implementation date through September 30, 2016.

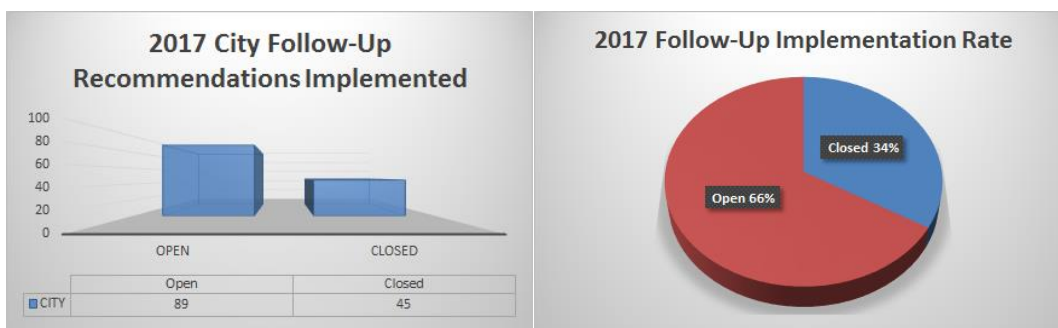
This review was conducted in accordance with Generally Accepted Government Auditing Standards. Those Standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The auditors believe that the evidence obtained provides a reasonable basis for their findings and conclusions based on the audit objectives.

Implementation Status of Open Recommendations:

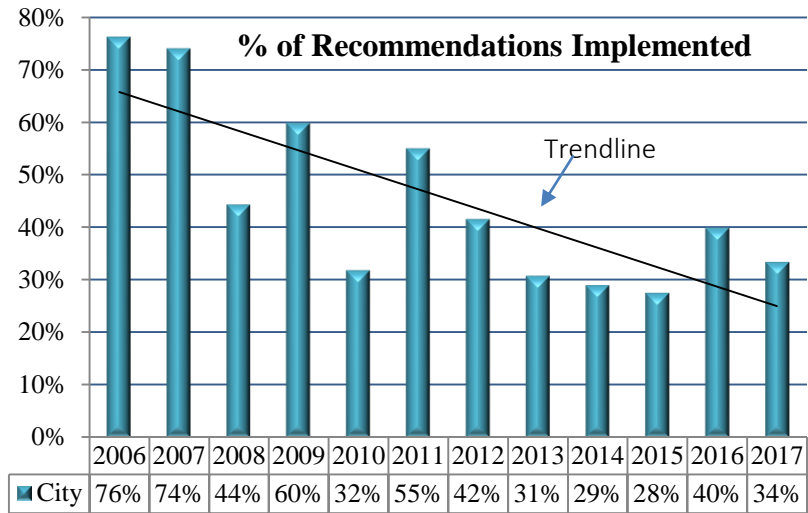
City of Richmond

The auditors reviewed 134 outstanding recommendations for the City. The results of our review indicated City management adequately implemented 45 recommendations and 89 will remain open.

The City’s rate of implementation is as follows:



During 2016, City management implemented 34% of their recommendations, which is a decrease from the prior year's follow up results. The implementation rates show a declining trend in the past 10 years (from 2006 through 2016) are demonstrated below:



The graph above reflects a declining trend of implementing audit recommendations. This may show either an unwillingness or inability of implementing recommendations due to constraints. However, more discussions related to the constraints need to occur.

Summary of Results

Department/Agency	Report Number	Total	Open	Closed
Animal Care & Control				
Richmond Animal Care & Control	2013-04	2		2
Finance				
Accounts Payable	2016-01	16	14	2
Accounts Payable & Procurement	2008-04	3	3	
Fixed Assets	2012-07	1	1	
Revenue Administration	2012-08	1	1	
Human Resources				
Payroll - Human Resources	2010-04	4	3	1
Risk Management	2014-01	1	1	
Recruitment & Retention	2016-06	2	1	1
Information Technology				
RAPIDS	2014-04	2	2	
Office of Minority Business				
Minority Business Development	2013-01	6	4	2
Parks, Recreation, & Community Development				
Capital Improvements Projects	2011-12	1	1	
Planning & Development Review				
Code Enforcement	2010-08	2	2	
Permits and Inspections	2010-03	6	6	
Procurement				
Accounts Payable & Procurement	2008-04	4	4	
Procurement Services	2013-02	2		2
Accounts Payable	2016-01	1	1	
Public Works				
Contract Administration	2015-09	5	5	
Facilities Management	2011-08	4	4	
Fleet Services	2007-10	2		2
Fleet Services	2015-04	8	2	6
Grounds Maintenance	2009-06	1		1
Roadway Maintenance	2012-04	8		8
Sidewalks	2013-11	3	2	1
Solid Waste Management	2012-11	2	1	1
Urban Forestry	2010-07	1		1
Risk Management	2014-01	3	3	

Department/Agency	Report Number	Total	Open	Closed
Police				
Operational Analysis	2011-02	2	2	
PISTOL	2012-10	7	5	2
Property & Evidence Room	2011-01	1	1	
SID & AFU	2015-05	2	1	1
Recruitment & Retention	2016-06	1	1	
Public Utilities				
Stormwater Division	2015-10	3	2	1
Social Services				
Fraud Investigation Unit	2015-06	12	3	9
Citywide Audits				
Computer Purchases	2011-14	1	1	
Grants Process	2010-05	2	1	1
RAPIDS	2014-04	2	1	1
Budgeting Process	2017-01	8	8	
Economic Development				
Economic Development Strategy	2016-07	2	2	
Total Recommendations		134	89	45