



CITY OF RICHMOND
CITY AUDITOR

November 30, 2023

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, 2023, which included a total of 221 recommendations. Of the 221 recommendations reviewed, 44 (20%) were from audits issued in the first six months of CY2023. Audit follow-up work with the departments and administration concluded November 16, 2023.

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. This is the benchmark for recommendation closures. For the three years FY21-FY23 that average stands at **80%**, which exceeds the three-year goal, with 30% of all open recommendations implemented during this single follow-up period. Over the three last years, an average of 77 per year have been closed.

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

Sincerely,

W. Bret Lewis, CPA
Interim City Auditor

Attachment

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

Objectives, Scope, and Methodology

In accordance with the FY 2024 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, 2023. Of the 221 recommendations reviewed, 44 were from audits issued in the first six months of CY2023.

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 Parks & Recreation closed all open audit recommendations which were all from the 2023-14 Parks & Recreation Revenue Collections Audit.
- Procurement Services closed 12 of 18 open audit recommendations, including 11 of 17 from the 2023-12 Procurement Services Audit and 1 open recommendation from 2020.
- The Department of Emergency Communications closed 9 of 15 open audit recommendations from the 2022-11 Tower Leases Audit.
- Library Services closed their 3 open recommendations from the 2020-13 Special Revenue Funds 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 152 recommendations that remain open, including some that date back a few years and will require continued focus moving forward.

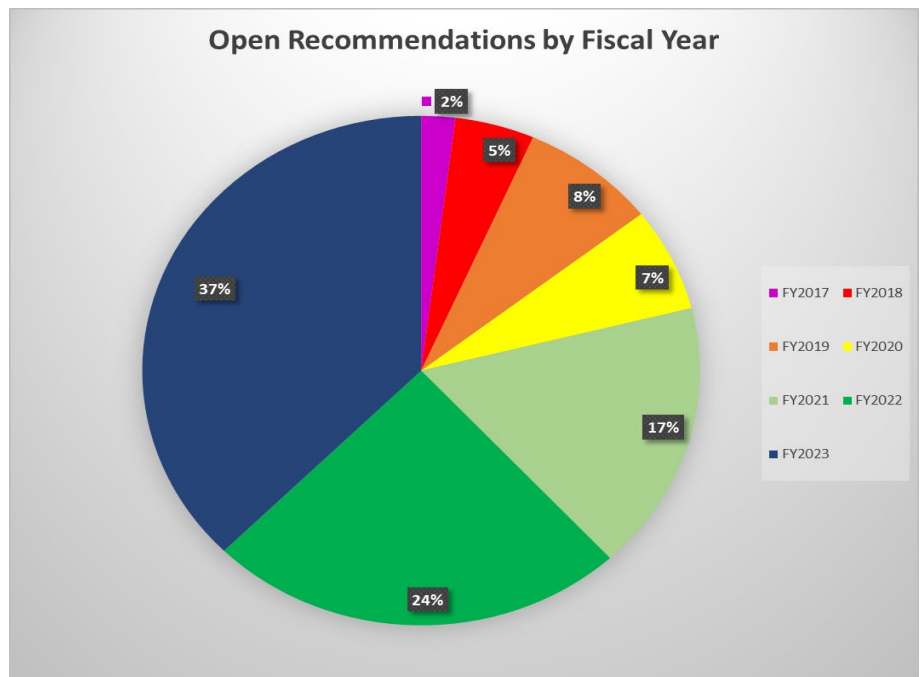
Implementation Status of Open Recommendations:

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

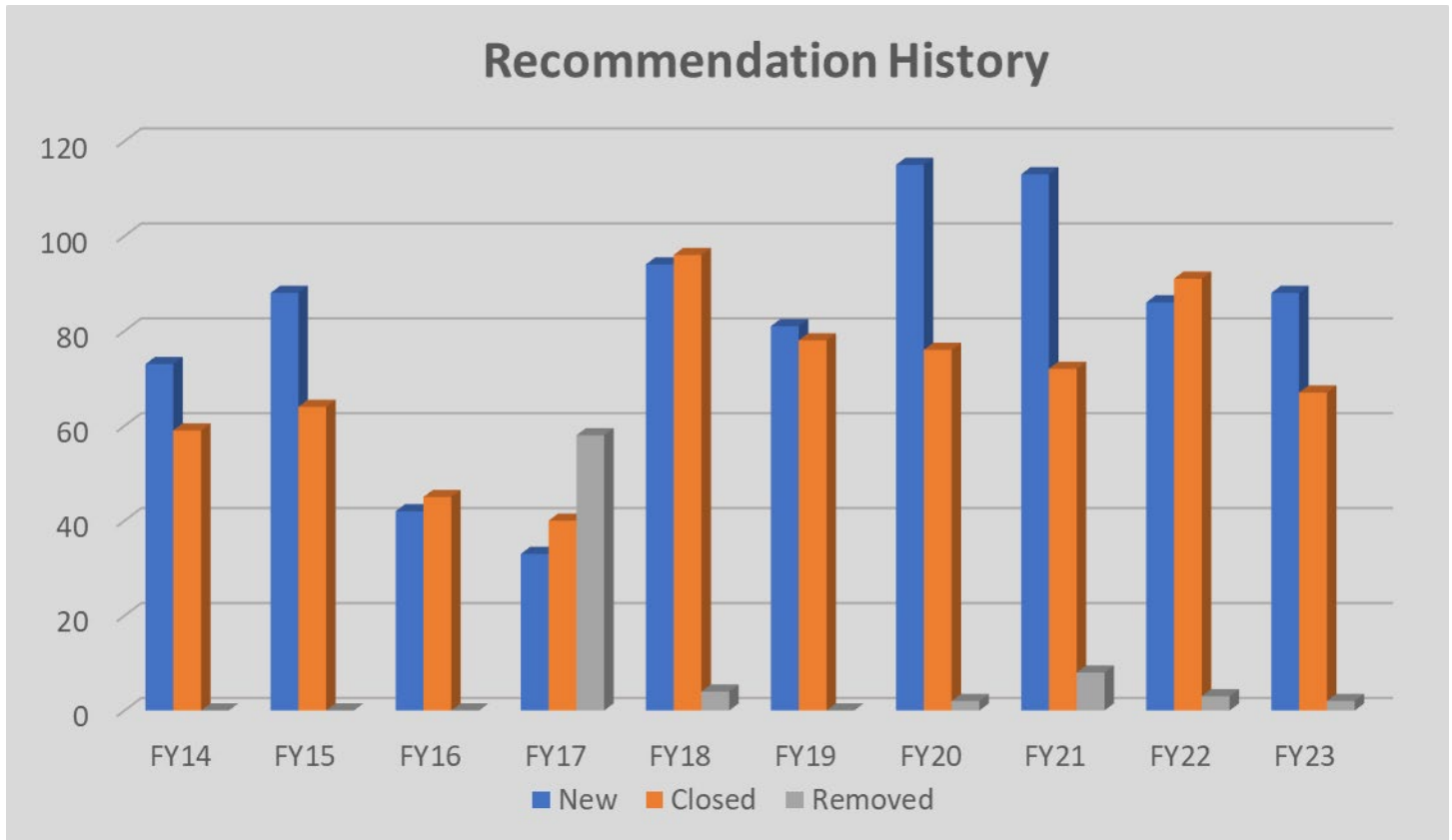
Status	# of Recommendations	Explanation
Open from Prior Follow Up	133	
New in FY23	88	
Total through 6/30/23	221	
Closed	67	Recommendations were implemented.
Removed	2	No further follow up to be completed by the City Auditor’s Office due to issues not feasible or changes in processes.
Open as of 11/17/23	152	Recommendations have not been completed; of these, 15 recommendations had not passed their original due date.

Source: Auditor Prepared

For fiscal years ending 6/30/21 – 6/30/23 there were 287 recommendations agreed to and over the last three follow up cycles, 230 have been closed and 13 removed. This shows continued work by the Administration to close audit issues. Approximately 79% 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 152 open recommendations, 16 are considered high priority, 100 are medium, and 36 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 FY21-FY23 that average stands at 80% with 30% of all open recommendations implemented during this follow-up period. Over the three last years, an average of 77 per year have been closed.



Source: Auditor Prepared

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

Summary of Results

FY2024					
Department/Agency	Report	Total	Closed	Open	Removed
Budget					
CARES Act Audit	2022-10	1		1	
DIT Chargebacks for Constitutional Officers	2023-08	1		1	
City Council/Human Resources					
Payroll	2019-07	1		1	
Citywide					
Citywide - Construction Work In Progress	2017-05	1	1		
Citywide - Electronic Equipment Purchases	2017-06	1		1	
Continuous Auditing	2023-10	1		1	
Facilities Maintenance	2018-06	1	1		
Pension & Other Post Employment Benefits	2021-04	2	1	1	
Special Revenue Funds	2020-13	1		1	
Temporary Services Contract Compliance	2018-03	1		1	
Citywide/City Attorney					
Delinquent Real Estate Tax Sale	2021-10	2		2	
Citywide/City Attorney/Finance/PDR					
Delinquent Real Estate Tax Sale	2021-10	1		1	
Citywide/Finance					
Accounts Payable	2020-12	1		1	
Citywide - Construction Work In Progress	2017-05	2	1	1	
Citywide - Electronic Equipment Purchases	2017-06	1		1	
Vehicle Utilization	2021-03	1		1	
Citywide/Fire/Finance/Planning Development Review					
Department of Fire and Emergency Services Fire Prevention Division Audit	2021-15	1		1	
Citywide/Fire/Public Utilities/Public Works/Social Services/Finance/Library					
Continuous Auditing	2023-10	1		1	
Citywide/Human Resources					
Pension & Other Post Employment Benefits	2021-04	1		1	
Citywide/Operations					
Capital Improvement Projects	2021-05	2		2	
Citywide/Public Utilities/Public Works/Parks/Animal Care/Police					
Continuous Auditing	2022-12	1		1	
Clerk of Court for Juvenile Domestic Courts					
Continuous Auditing	2022-12	1		1	
Community Wealth Building					
CARES Act Audit	2022-10	2		2	

FY2024					
Department/Agency	Report	Total	Closed	Open	Removed
Economic & Community Development					
Citywide Grants	2018-08	1		1	
Economic Development Strategy	2016-07	2	2		
Economic Development					
CARES Act Audit	2022-10	2		2	
Emergency Communications					
Tower Leases	2022-11	14	8	6	
Emergency Communications/PDR					
Tower Leases	2022-11	1	1		
Finance					
Capital Improvement Plan	2019-10	1		1	
CARES Act Audit	2022-10	1	1		
Cigarette Tax Processing & Collections	2021-06	2		2	
CIP School Maintenance Funds	2023-06	3		3	
Citywide Grants	2018-08	1	1		
Delinquent Collections & Cash Operation Units	2018-09	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	
Meals Tax Processing and Collections	2023-12	7	4	3	
Special Revenue Funds	2020-13	1		1	
Vehicle Personal Property Unit	2018-12	2		2	
Fire and Emergency Services					
Continuous Auditing	2023-10	1	1		
Department of Fire and Emergency Services Fire Prevention Division Audit	2021-15	4	3	1	
Special Events Overtime	2020-04	4		4	
Vehicle Utilization	2021-03	1		1	
Housing & Community Development					
Citywide Homelessness Audit	2022-08	6		6	
Delinquent Real Estate Tax Sale	2021-10	1		1	
Housing & Community Development	2021-11	1		1	
Human Resources					
Continuous Auditing	2021-13	2	1	1	
Continuous Auditing	2022-12	2		2	
Human Resources - Recruitment & Hiring Process Audit	2021-14	4	2	1	1
Human Resources Benefits Reconciliations	2022-09	6		6	
IT User Access	2020-14	1	1		
Payroll	2019-07	5	3	2	
Vehicle Utilization	2021-03	2		2	
Human Services					
CARES Act Audit	2022-10	1		1	

FY2024					
Department/Agency	Report	Total	Closed	Open	Removed
Human Services/Community Wealth Building					
Office of Community Wealth Building	2022-06	1		1	
Information Technology					
DIT Chargebacks for Constitutional Officers	2023-08	2		2	
DIT Disaster Recovery	2023-13	2		2	
IT Project Management Audit	2022-02	4		4	
Library					
Special Revenue Funds	2020-13	3	3		
Minority Business Development					
Office of Minority Business Development	2021-12	1		1	
Minority Business Development/Procurement Services					
Office of Minority Business Development	2021-12	1		1	
Parks & Recreations					
Parks & Recreation - Revenue Collections	2023-14	7	7		
Planning & Development Review					
Department of Planning and Development Review: Property Maintenance Code Enforcement Division	2021-17	1		1	
Permits & Inspections	2020-02	3		2	1
Police					
Cash Collections	2019-05	1		1	
Property & Evidence Unit	2019-12	1		1	
Procurement Services					
Accounts Payable	2020-12	1	1		
Procurement Services	2023-07	17	11	6	
Public Utilities					
Billing and Collection Process	2018-04	2	1	1	
Continuous Auditing	2022-12	2	1	1	
DPU Billings	2023-09	20	3	17	
DPU Contract Compliance	2023-02	16	1	15	
Wholesale Water Contracts	2021-08	1		1	
Public Works					
Capital Improvement Plan	2019-10	2		2	
Graffiti Removal	2023-03	8	4	4	
Milling and Overlay Contract Audit	2022-03	3	2	1	
Vehicle Utilization	2021-03	1	1		
Social Services					
Adoption	2023-15	2		2	
Children's Services Act	2019-11	4		4	
Strategic Communications & Civic Engagement					
Special Revenue Funds	2020-13	1		1	
Grand Total		221	67	152	2