



Fiscal Year 2027 Audit Plan

City of Richmond, Virginia

Members of the Richmond Audit Committee,

I am pleased to present the Office of the City Auditor's Fiscal Year 2027 Audit Plan. As our audit planning process is multi-year, this plan includes various audits carried over from the prior year that are in process as well as key additions in areas concerning maintenance, follow-up, and government transparency. This plan builds on the OCA's continued commitment to high-impact audit work, as reflected by the office's recent national recognition through ALGA's Knighton Award for the P-Card audit.

We recognize that the City's priorities may shift throughout the year. While we intend to initiate as many of the listed projects as possible, this audit plan is a living document. Supplemental projects may be launched depending on resource availability or emerging needs, and we remain flexible in adjusting our work as circumstances change.

In addition to audits, OCA is working on administrative projects to improve the office's effectiveness, efficiency, and transparency. These include a public recommendations dashboard and updates to policies, procedures, risk assessment, and quality management processes. While these projects do not result in audit reports, they strengthen OCA's operations.

Thank you for your continued support. I welcome the opportunity to discuss the plan and continue working together to provide independent assurance and insight for the benefit of our City.

Riad Ali

Riad Ali, CPA, CIGA
City Auditor



WHAT THIS PLAN COVERS



Performance Audits in Progress

Projects currently underway as of July 1, 2026.



FY 2027 Planned Audits, Monitoring Reviews, and Follow-up Projects

Projects expected to begin in FY 2027 or continue throughout the year.



Special Projects

Support work that strengthens oversight, risk assessment, investigations, and audit planning.



Alternative Projects

Additional or alternative audits or reviews that may be performed based on risk, resources, or emerging priorities.

How the Plan Was Developed

This plan was developed using a structured, risk-based approach to ensure audit resources are directed toward areas with the greatest impact and value.

Sources of Areas Selected for Audit

Audit projects originate from a variety of sources, including:

- OCA risk assessments and observations
- Requests from City Council and Administration
- Concerns raised by employees or the public
- Mandatory or recurring audit areas
- Auditor-initiated work based on emerging risks



Input from leadership, prior audit work, and risk assessment helps shape the plan.

While risk is a primary driver, other factors such as leadership concerns, operational changes, or public trust considerations may elevate certain topics regardless of their formal risk ranking.

Risk Assessment Methodology

We assess each auditable entity using five key risk factors and weights.


1 Financial Exposure	2 Operational Complexity	3 Control Environment	4 Public Impact	5 Audit History
The level of financial resources at risk, including spending, transactions, and revenue.	The complexity of operations, including staffing, systems, contracts, and legal or regulatory exposure.	The strength of policies, procedures, and internal controls in place.	The potential impact on residents, services, and public trust if issues occur.	The time since the last audit and the implementation of prior recommendations.
WEIGHT: 35%	WEIGHT: 30%	WEIGHT: 20%	WEIGHT: 10%	WEIGHT: 5%

Financial Exposure receives the highest weight (35%) because it represents the greatest potential risk to City resources. Based on the total weighted score, entities are categorized as **High, Medium, or Low risk**. The audit plan is generally composed of projects involving high and medium entities.

Audit Plan

The Audit Plan is intended to be a flexible, living document. While it is based on the best information available at the time of development, new information, changing risks, emerging priorities, and unforeseen events may require adjustments. As a result, some audits included in this plan may not be conducted during the fiscal year, while others not currently listed may be added as circumstances evolve.

Projects may also be deferred, canceled, or modified due to factors such as external reviews, shifts in risk assessments, resource constraints, or changes in City priorities. This approach ensures the Office of the City Auditor remains responsive, strategic, and focused on delivering the greatest value to the City.

 Audits in Progress as of July 1, 2026		
Project	Preliminary Objectives	Projected Hours
Security of City Facilities	Assess whether the City has practices in place to ensure the security of City facilities, employees, and the public, and determine whether contracted security services are in compliance with the City’s contract.	300
Streetlights Maintenance Phase II	Evaluate the expenditures, efficiency, effectiveness, and maintenance of streetlights.	100
Finance Department Refund Notification Compliance	Determine whether the Department of Finance complies with City Code § 26-298, which requires notification of taxpayers within 90 days of identifying overpayments of taxes.	800
Accounts Payable	Evaluate whether the Accounts Payable process ensures timely and accurate payments, enforces proper internal controls, and complies with applicable policies and best practices.	1,500
Fire and Emergency Services – Payroll	Evaluate the controls in place over the payroll process and the accuracy of payroll payments and leave accruals.	1,000

FY 2027 Planned Audits, Monitoring Reviews, and Follow-up Projects

Project	Preliminary Objectives	Projected Hours
Facilities Maintenance	To assess the adequacy and execution of processes to prioritize, repair, and maintain City facilities.	800
Freedom of Information Act (FOIA) Requests	To assess whether the City's FOIA processes and controls support timely, consistent, and compliant responses to public records requests.	1,500
Delinquent Tax Collections	To assess whether the City has effective processes to identify, monitor, collect, and enforce payment of delinquent taxes in a timely, accurate, and consistent manner.	1,200
Continuous Audit Recommendations Follow-Up	Continuous follow-up with City departments to assess the implementation of audit recommendations.	1,000
Continuous Monitoring Reviews	To perform multiple targeted reviews of selected City data throughout the year to identify unusual transactions, potential non-compliance, data abnormalities, and other indicators of risk.	1,000
Special Requests or Projects	Audits and other projects initiated at the request of City Council, City Administration or at the discretion of the City Auditor.	1,000

★ Special Projects

Project	Preliminary Objectives	Projected Hours
Cybersecurity & Network Vulnerability Assessment	Hire a consultant to assess and test the City's Cybersecurity practices and network vulnerability.	100
External Audit Assistance	Provide external audit assistance.	300
OIG Audit Support	To provide audit-related expertise, data analysis, or internal control support to the Office of Inspector General for selected matters, when requested and appropriate.	200
Continuous Risk Assessment	To obtain and assess information from City departments and other sources throughout the year to identify emerging risks, operational challenges, internal control concerns, and potential audit topics, and to support informed audit planning and project selection.	200

Alternative Projects

Project	Preliminary Objectives	Projected Hours
Police Department Payroll	Evaluate the controls in place over the payroll process and the accuracy of payroll payments and leave accruals.	1,200
Purchasing Cards (P-Card) Follow Up	To assess the status and effectiveness of corrective actions taken in response to the Office of the City Auditor's Purchasing Cards audit.	800