



CITY OF RICHMOND
CITY AUDITOR

November 19, 2019

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, 2019, which included a total of 149 recommendations. Of the 149 recommendations reviewed 63 were from audits issued in the first six months of CY2019. Audit follow-up work with the departments and administration concluded November 12, 2019.

The City Administration implemented 52% of the open recommendations during this follow-up period. This is above the average implementation rate for the last 10 years.

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

Sincerely,

Louis G. Lassiter

Louis G. Lassiter, CPA
City Auditor

Attachment

cc: The Richmond Audit Committee
Ms. Lenora Reid, Interim Chief Administrative Officer

Objectives, Scope, and Methodology

In accordance with the 2020 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, 2019. Of the 149 recommendations reviewed 63 were from audits issued in the first six months of CY2019.

This review was conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives. 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 Departmental and Citywide audit recommendations.

- The Department of Finance closed 18 of 26 (69%) open audit recommendations.
- The Department of Social Services closed 17 of 24 (71%) open audit recommendations.
- The Department of Public Utilities closed 14 of 18 (78%) open audit recommendations.
- The Department of Public Works closed 10 of 14 (71%) open audit recommendations.

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 71 recommendations that remain open including some that date back a few years and will require continued focus moving forward.

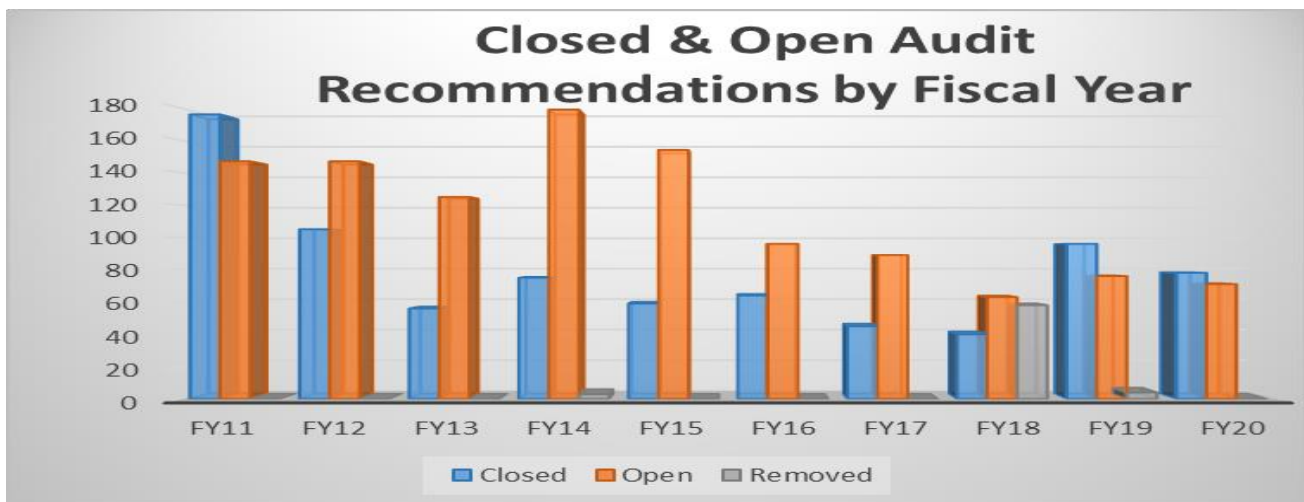
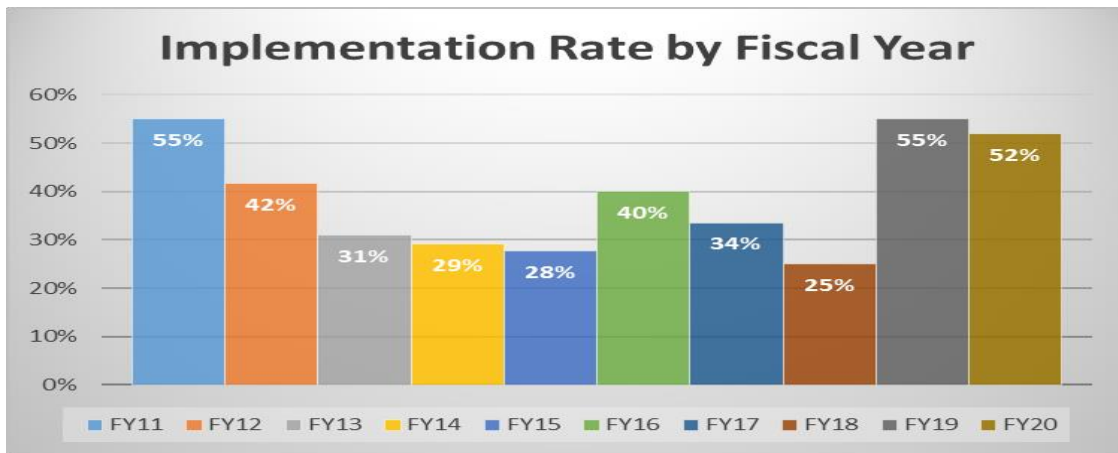
Implementation Status of Open Recommendations:

The auditors reviewed 149 outstanding recommendations. The results of our review indicated the following statuses:

| Status | # of Recommendations | Explanation |
|----------------|----------------------|---|
| Closed | 78 | Recommendations were implemented. |
| Open | 71 | Recommendations have not been completed. Eleven of the 71 had not passed their original due date. |
| Removed | 0 | No further follow up to be completed by the City Auditor's Office. |
| Total | 149 | |

Source: Auditor Prepared

During 2019, City Administration implemented 52% of the open recommendations during this follow-up period.



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

Summary of Results

| Department/Agency | Report Number | Total | Open | Closed | Removed |
|---|---------------|------------|-----------|-----------|----------|
| Economic & Community Development | | | | | |
| Economic Development Strategy | 2016-07 | 3 | 3 | | |
| Leigh Street Development Projects | 2018-10 | 3 | | 3 | |
| Finance | | | | | |
| Fixed Assets | 2012-07 | 1 | 1 | | |
| Risk Management | 2014-01 | 2 | | 2 | |
| Tax Audit and Enforcement Units | 2018-07 | 4 | 0 | 4 | |
| Delinquent collections and Cash Operation Units | 2018-09 | 9 | 2 | 7 | |
| Vehicle Personal Property Unit | 2018-12 | 3 | 2 | 1 | |
| Fire | | | | | |
| Apparatus & Equipment | 2019-09 | 4 | 2 | 2 | |
| Human Resources | | | | | |
| Recruitment & Retention | 2016-06 | 1 | 1 | | |
| Information Technology | | | | | |
| RAPIDS | 2014-04 | 2 | 2 | | |
| Planning & Development Review | | | | | |
| Development Process | 2017-03 | 3 | 3 | | |
| Property Maintenance Code Enforcement | 2017-09 | 1 | 1 | | |
| Procurement | | | | | |
| Accounts Payable | 2016-01 | 2 | | 2 | |
| Split Purchases | 2019-13 | 4 | 4 | | |
| Public Works | | | | | |
| Contract Administration | 2015-09 | 5 | 2 | 3 | |
| Solid Waste Management | 2012-11 | 1 | | 1 | |
| Police | | | | | |
| Property and Evidence Unit | 2019-12 | 10 | 8 | 2 | |
| Public Utilities | | | | | |
| Billing and Collections Process | 2018-04 | 3 | 2 | 1 | |
| Utility cuts | 2019-02 | 5 | 1 | 4 | |
| Contract Compliance | 2019-06 | 6 | | 6 | |
| Social Services | | | | | |
| Laser Reimbursement Process | 2019-03 | 2 | 1 | 1 | |
| Children's Services Act | 2019-11 | 22 | 6 | 16 | |
| Citywide Audits | | | | | |
| Electronic Equipment Purchases | 2017-06 | 2 | 2 | | |
| Construction Work in Progress | 2017-05 | 4 | 4 | | |
| Temporary Services Contract compliance | 2018-03 | 3 | 3 | | |
| Facilities Maintenance | 2018-06 | 10 | 2 | 8 | |
| Citywide Grants | 2018-08 | 7 | 3 | 4 | |
| Capital Improvement Plan | 2019-10 | 8 | 3 | 5 | |
| Cash Collections | 2019-05 | 4 | 2 | 2 | |
| Payroll | 2019-07 | 15 | 11 | 4 | |
| Total Recommendations | | 149 | 71 | 78 | 0 |