



CITY of RICHMOND
City Auditor's Office

DATE: June 6, 2022

TO: Lincoln Saunders
Chief Administrative Officer

FROM: Louis Lassiter *LL*
City Auditor

SUBJECT: Citywide - Continuous Auditing

The City Auditor's Office has completed the Citywide - Continuous Auditing and the final report is attached.

We would like to thank the Administration staff for their cooperation and assistance during this audit.

Attachment

cc: The Richmond Audit Committee
The Richmond City Council
Sabrina Joy-Hogg, DCAO of Finance & Administration
Robert Steidel, DCAO of Operations
Reginald Gordon, DCAO of Human Services

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City of
RICHMOND
Office of the City Auditor

Audit Report# 2022-12
Citywide – Continuous Auditing
June 6, 2022



Audit Report Staff

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Highlights

Audit Report to the Audit Committee, City Council, and the Administration

Why We Did This Audit

The Office of the City Auditor conducted this audit as part of the FY2022 audit plan approved by the Audit Committee. The main objective for this audit was to compile and produce an annual report of the following activities and test for exceptions.

- Leave in excess of limits – Floating Holiday, Holidays, FMLA;
- Employee/Vendor matching – Search for potential Conflict of Interest;
- Overtime Earners greater than 1,040 hours per calendar year;
- Separated Employees paid for more than two weeks after their separation dates;
- Separated Employees with Computer System Access;
- Top 25 Vendors Payments;
- Duplicate Payments;
- Active Vendors without Payment Activity; and
- Payments to Miscellaneous Vendors.

What We Recommend:

Clerk of Court for Juvenile Domestic Courts:

- *Research the potential duplicate payment of \$400 and recover funds, if applicable.*

City Departments:

- *Recover identified duplicate payments from the vendor by either receiving a refund of the overpayment or a credit on future invoices.*

Director of Human Resources:

- *Implement the Standard Operating Procedure “Personnel Life Cycle & Position Control” and ensure it is being followed.*
- *Ensure employees maintain documents in adherence to the Virginia Records Retention General Schedule No. 2.*
- *Research and reconcile payments made to 3 employees and 20 employees in which staff could not conclude to determine if payments should be recorded.*

Additional recommendations are in the report.



Continuous Auditing

Background

Continuous Auditing as defined by the Institute of Internal Auditors (IIA) is “the combination of technology enabled ongoing risk and control assessments. Continuous auditing is designed to enable the internal auditors to report on subject matter within a much shorter timeframe than under the traditional retrospective approach.”

What Works Well

Employee/Vendor Matching Analysis

A total of **48,137** vendor payments for FY2021 were compared to employee information to identify potential conflicts of interest. Based on the review of all invoices paid to these employees, the auditor did not identify any conflicts of interest.

Top Vendor Analysis

The auditors extracted and analyzed payments to the top 25 paid vendors in the City for FY2021. Distributions to the top vendors totaled **\$1,481,642,338**. Based on the review of a limited sample of invoices for **11** vendors with active contracts, it was determined that payments were reasonable based on the contract and invoice descriptions.

Needs Improvement

Finding #1 – Use of Miscellaneous Vendor

During FY2021, the auditors noted that the Miscellaneous Vendor Code was used **12,301** which corresponded to **18,306** checks or **\$15,159,674**. The use of the Miscellaneous Vendor Code has been noted as a Significant Deficiency on the External Auditor’s Report on Internal Controls for the past five years.

Finding #2 – Separated Employees with an Active Directory

The auditors compared separated employees in CY2021 to the active directory user listing as of February 1, 2022 and found **101** separated employees that had active directory user accounts after their separation date.

Finding #3 – Duplicate Payments

For FY2021 the auditors analyzed **738** invoices totaling **\$6.3 million** for potential duplicates. Twenty invoices or **\$69,655** were identified as duplicate payments. Over half of the payments were recovered due to or prior to the audit. **Eleven** duplicates totaling **\$21,283** have not yet been recovered by the City as of 04/02/2022.

Finding #4 – Floating Holiday

For CY2021 **40** employees took multiple floating holidays or hours exceeded 8 hours. **Thirty-three** required leave balance adjustments valued at **\$13,263**. Six were corrected prior to the audit and one employee did not require an adjustment.

Finding #5– Family Medical Leave Act (FMLA) Leave

The auditors reviewed Paid FMLA Leave for CY2021 and identified **12** employees exceeding the established paid leave thresholds. The total hours over threshold totaled **805 hours** or **\$21,250**. Adjustments to overages were adjusted during the audit.

Finding #6– Overtime

During CY2021 **52** employees earned overtime in excess of 1,040 hours. After review of the supporting documentation for the top 20 employees, it was noted that **two** employees did not have supporting documentation for the overtime payment issued. Funds have been recouped from one employee. After removing support that was created for the audit, it was found that **377.5 hours** or **\$12,783** did not have proper documentation.

There are additional findings noted in the report for holiday leave, earnings paid after separation, and vendor database management.

Management concurred with **8 of 8** recommendations. We appreciate the cooperation received from management and staff while conducting this audit.

**BACKGROUND, OBJECTIVES, SCOPE, METHODOLOGY,
 MANAGEMENT RESPONSIBILITY, and INTERNAL CONTROLS**

This audit 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 objective.

BACKGROUND

Continuous Auditing as defined by the Institute of Internal Auditors (IIA) is “the combination of technology-enabled ongoing risk and control assessments. Continuous auditing is designed to enable the internal auditors to report on subject matter within a much shorter timeframe than under the traditional retrospective approach.”

Payments to City Employees

The City pays employees on a bi-weekly basis. At the end of the payroll cycle, each department is responsible for ensuring that employee time is entered and approved. The Payroll Division processes a payroll run before final payroll validation, allowing departments to review and process corrections. Payroll earnings for CY2021 were as follows:

Payroll Element ¹	CY2021 Total Dollars Paid
Total City Payroll All Departments	\$ 261,797,562
Overtime	\$ 21,265,176
Holiday	\$ 11,056,823
Floating Holiday	\$ 630,804
FMLA Paid Leave	\$ 2,100,662
Vacation	\$ 13,838,058

Auditor Prepared Table

¹ The totals represented below only depict totals keyed to the identified payroll elements in RAPIDS.

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During CY2021, the total number of newly hired City employees was **531**, and the total number of separations from City service was **719**. Department timekeepers and Human Resources Liaisons are responsible for the on-boarding and off-boarding of City employees from RAPIDS for City payroll.

Overtime

The Fair Labor Standards Act states nonexempt employees must be paid overtime at a rate of time and a half when they work in excess of typically 40 hours or more depending on the type of employment. Law enforcement and fire protection employees are subject to different standards. The City of Richmond does not have a citywide policy to limit overtime hours. However, the City has a policy that excludes counting vacation, sick, holiday, compensatory time, or other leave as hours worked for the purposes of computing overtime with the exception of sworn public safety employees.

On September 13, 2021, City Council passed resolution 2021-R046 for the Mayor to address overtime by issuing an administrative regulation that requires supervisors to not expose employees to the safety and health risks caused by worked extended overtime hours over long periods. Additionally, the resolution states that the Chief Administrative Officer (CAO) present monthly financial and activity reports by agency on the number of overtime hours worked by each employee and the dollar value paid to each employee.

As identified in prior City audits, employees earn significant amounts of overtime in many City departments. Overtime hours for the City decreased in CY2021 when compared to CY2020. The below table represents the total overtime hours and dollars paid in each City department during CY2020 and CY2021:

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Department Name	Total CY2020 Overtime Hours	Total CY2020 Overtime Dollars	Total CY2021 Overtime Hours	Total CY2021 Overtime Dollars	Change in Hours from CY2020 to CY2021
Animal Care and Control	3,230	\$93,614	1,545	\$45,004	↓1,685
Budget	68	\$2,256	76	\$2,540	↑8
CAO's Office	10	\$310	12	\$490	↑2
Circuit Court	-	-	37	\$1,234	↑37
Citizen Service & Response	434	\$12,844	659	\$19,914	↑225
City Attorney	4	\$102	-	-	↓4
City Library	52	\$1,378	122	\$3,308	↑70
Commonwealth Attorney	34	\$1,231	128	\$5,022	↑94
Community Wealth Building	4	\$146	45	\$1,319	↑41
Court Services Unit	6	\$208	-	-	↓6
Emergency Communications	22,710	\$736,923	20,949	\$706,406	↓1,761
Economic Development	-	-	72	\$3,188	↑72
Finance	762	\$23,525	2,674	\$84,303	↑1,912
Fire & Emergency Services	134,429	\$4,460,174	172,491	\$5,736,093	↑38,062
Housing & Community Development	9	\$303	-	-	↓9
Human Resources	18	\$736	1	\$45	↓17
Human Services	-	-	4	\$153	↑4
Information Technology	305	\$11,403	221	\$8,055	↓84
Justice Services	987	\$31,130.	1,834	\$61,711	↑847
Mayor's Office	194	\$6,137	472	\$13,352	↑278
Minority Business Development	-	-	308	\$8,604	↑308
Parks & Recreation	12,585	\$332,620	14,800	\$412,674	↑2,215
Planning & Development Review	1,100	\$36,791	1,078	\$39,527	↓22
Police	209,251	\$9,346,130	151,129	\$6,635,484	↓58,122
Press Secretary	160	\$5,671	62	\$2,156	↓98
Procurement	27	\$841	-	-	↓27
Public Utilities	76,514	\$2,616,187	77,633	\$2,713,157	↑1,119
Public Works	49,662	\$1,421,330	47,544	\$1,145,604	↓2,118
Registrar's Office	6,106	\$161,311	7,441	\$217,701	↑1,335
Sheriff's Office	86,480	\$2,673,979	78,229	\$2,633,075	↓8,251
Social Services	7,722	\$248,860	12,284	\$454,856	↑4,562
Grand Total	612,862	\$22,226,140	591,849	\$21,265,176	↓21,013

Auditor Prepared Table

Holiday/Floating Holiday

Administrative Regulation 5.2 outlines the designated number of holidays each year. A floating holiday is granted each calendar year to City employees who start on or before May 1st. A total of

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128 holiday hours were granted and paid to non-public safety City employees during CY2021. The Mayor may issue additional one-time-only Holidays, in CY2021 there were four additional holidays.

FMLA Paid Leave

According to the United States Department of Labor, FMLA “is a federal law that provides eligible employees of covered employers with unpaid, job-protected leave for specified family and medical reasons.” During a given 12-month period, eligible employees may take up to 12 weeks of unpaid leave for the following events:

- Birth or placement of a child (including adoption, foster, and bonding time);
- Care of an immediate family member with a qualifying serious health condition;
- Serious health condition of the employee (including pregnancy or COVID); and
- Qualifying needs of immediate family members for military and active-duty members.

Effective July 1, 2019, the City of Richmond implemented Administrative Regulation 4.3-A for paid Parental Leave (PPL). PPL works in conjunction with FMLA which means employees must meet the eligibility requirements as outlined by FMLA and cannot exceed the number of hours allowed.

During CY2021, **526** City employees recorded time to one of the FMLA earnings elements with approximately **80,700** hours totaling **\$2,100,662**. FMLA leave may have been impacted by the COVID pandemic.

Employee Separation – Active Directory

Each City Department has at least one Automation Coordinator (AC). The AC submits a System Access Privilege Request (SAPR) through BonitaSoft to separate employees within their departments from the City's Active Directory as well as other City systems. The City's Active Directory is an employee account in the City's employee database that allows them to access the City's network, email, and other City systems to perform their duties.

Payments to City Vendors

Duplicate Payments

The City implemented an Optical Character Recognition (OCR) invoice scanning system (OnBase) in FY2019, which synchronizes with RAPIDS to upload invoices once matched with receipts to process payments. The OCR identifies vendor, invoice number, purchase order number, and amount and matches to the City's financial system. Departments manage their invoices processing. Once department representatives key receipts in OnBase, the invoice is processed and loaded into RAPIDS for processing. The RAPIDS system has built-in controls to detect and prevent the payment of duplicate invoice numbers to the same vendor. Factors external to the system that contributes to the risk of duplicate payments are the following:

- Duplicate vendors set up in the system;
- Inconsistent manually assigned invoice numbers;
- Lack of invoice date and/or number on the invoice;
- Multiple purchase orders/receipts; and
- Same invoice numbers paid by different departments.

During FY2021, approximately **79,397** vendor invoices totaling over **\$1.89** billion were processed.

Miscellaneous Vendor

The City has procurement regulations in which vendors are set up with a supplier ID and they are held to procurement policies and standards. The Miscellaneous Vendor attribute allows for users to bypass the procurement process and issue payments to vendors. The main purpose of this was to be able to issue one-time payments for Social Services, Jury Duty, voting workers, and refunds. If multiple payments were to be issued, the vendor would be set up as a supplier through procurement.

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Active & Inactive Vendors

Procurement Services Policy Number 49 indicates that “an annual vendor clean-up process that includes, the inactivation of vendors that have had no payment, purchase order, requisition, or receiving activity for a period of 18 months” should be completed.

Vendors that are not inactivated could result in duplicate vendors and payments, improper payments, and an increased risk of fraud. As of December 31, 2021, **20,151** unique suppliers existed in the City's database.

OBJECTIVE

The objective of this audit was to compile and produce a semi-annual report of the following activities and test for exceptions (other reports may also be developed):

- Leave in excess of limits – Floating Holiday, Holiday, and FMLA
- Employee/Vendor matching
- Overtime earners greater than 1,040 hours per calendar year
- Separated employees paid for more than 2 weeks after their separation dates
- Separated employees with Active Directory System Access
- Earnings Register vs Active Employee Listing
- Duplicate Payments
- Top 25 Vendor Payments
- Active vendors without payment activity
- Payments to Miscellaneous Vendors

SCOPE

The data analysis scripts were broken into three separate scope periods as follows:

Calendar Year Analysis:

- Leave in excess of limits – Floating Holiday Hours, Holiday Hours, FMLA Leave
- Overtime Earners greater than 1,040 hours per calendar year
- Separated employees paid more than two weeks after their separation dates

- Separated employees with Active Directory System Access
- Earnings Register vs Active Employee listing

Fiscal Year Analysis:

- Duplicate Payments
- Employee/Vendor Matching – for potential conflicts of interest
- Top 25 Vendor Payments
- Use of the Miscellaneous Vendor

18 Month Period Ending December 31, 2022

- Active Vendors without Payment Activity

METHODOLOGY

For most of the data analysis, the auditors did not select samples (except for Top 25 Vendors and Overtime Analysis). Data was input into a data analytics software and a script written by the auditors was used to analyze the data for potential exceptions. Further analysis was performed on the exceptions as follows:

- Analyzed payroll and vendor payments;
- Compared analysis results to source documents;
- Inquired with City departments on analysis results; and
- Performed other tests, as deemed necessary to identify potential exceptions.

MANAGEMENT RESPONSIBILITY

City of Richmond management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

INTERNAL CONTROLS

According to the Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

Based on the audit test work, the auditors concluded the internal controls related to the Continuous Auditing Objectives need to be improved.

FINDINGS and RECOMMENDATIONS

What Works Well

Employee/Vendor Matching Analysis

Condition:

A total of **48,137** vendor payments for FY2021 were matched against employee data file information to identify potential conflicts of interest. **Nine** City vendors matched City employees' information. Based on a review of all invoices paid to these employees, no conflicts of interest were identified. Payments to the employees were for expense reimbursements, travel advances/settlements, grant work, and social services-related payments.

Criteria:

The Department of Procurement Services (DPS) Purchasing Policy #23 Conflict of Interest outlines the City's policy related to procurement transactions. DPS's policy is consistent with the City Code and Code of Virginia related to Conflict of Interest. The purpose of the policy is to serve as a guide to using departments on managing and avoiding conflicts as the "expenditure of public funds requires the highest degree of public trust and impeccable standard of conduct." In the policy, family interests such as services purchased from a relative or their business are identified as a common conflict."

Causes:

Procurement regulations are in place in the Department of Procurement Services. They have also implemented a training program to educate City employees on Conflicts of Interest.

Effect:

Based on the analysis completed of the vendor file to the employee data file we did not identify any conflicts of interest for this testing period. Unidentified conflicts may still exist but were not detected.

Top Vendor Analysis

Condition:

The Auditor extracted from RAPIDS the FY2021 top 25 paid vendors in the City with a total distribution amount of **\$1,481,642,338**. The Auditor reviewed each of the vendors and determined the following:

- 11 of the top 25 vendors had active contracts with the City;
- 14 vendors had payments for various transfers, non-departmental, debt service, payroll related, healthcare, and payments on behalf of Richmond Public Schools.

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The payments to the 11 vendors with active contracts ranged from **\$8,313,745 to \$73,355,716** as noted below:

Vendor Name	Total Payments	Contract with the City	Contract Description
BP ENERGY COMPANY	\$73,355,716	Yes	Sale and Purchase of Natural Gas
HMI Utilities, LLC	\$19,309,994	Yes	Annual Gas Renewal Services, Water/gas repairs, Gas renewal, New water facilities, Construction repair leaks
HOWARD SHOCKEY & SONS INC	\$11,429,914	Yes	Construction Services George Mason (Marsh) Elementary School
J R PIERCE INC	\$10,351,581	Yes	Restoration and Utility Cut Repairs
Mastec North America INC	\$10,239,254	Yes	Gas Renewal Project, Installation of New Water Facilities, Annual Electric Line Work, Installation of New Gas Mains and Services
MEDIKO PC	\$9,382,821	Yes	Inmate Medical Services
510 Delaware Corp.	\$9,377,882	Yes	Janitorial Services
PMA Management Corp.	\$8,554,171	Yes	Third-Party Administration of Workers Compensation and Liability Claims.
S.B. Ballard Construction Co.	\$8,548,080	Yes	Construction Manager at Risk - Greene (Cardinal) Elementary School
Greater Richmond Transit CO	\$8,460,784	Yes	Trip Reduction Program
MOTOROLA SOLUTIONS INC	\$8,313,745	Yes	Public Safety Land Mobile Radio Maintenance

Auditor Prepared Table

Based on the review of a limited sample of invoices for the 11 vendors with active contracts, it was determined that payments were reasonable based on the contract and invoice descriptions.

Criteria:

Payments to the top vendors should be contracted as required by the City's procurement code and supported with documentation for the disbursements made.

Cause:

For the top vendors and disbursements tested City departments complied with the procurement code by having active contracts along with supporting documentation.

Effect:

Based on the review of the top 11 vendors with active contracts, no irregularities were identified for the payments reviewed. Unidentified irregularities may still exist but were not detected.

What Needs Improvement

Finding #1 – Use of Miscellaneous Vendor

Condition:

The City has a Miscellaneous Vendor attribute which allows users to bypass the City’s procurement process for supplier registration. The main purpose of this supplier code was to issue payments for Social Services, Jury Duty, Voter Registration, and refunds. Use of the Miscellaneous Vendor Attribute has been noted as a Significant Deficiency on the External Auditor’s Report on Internal Controls for the last five years. If the purchase was for goods or services or multiple payments were going to be made, then the supplier would have to be set up in the City’s system with their supplier account.

During FY2021, the auditors noted the below usage of the Miscellaneous Vendor Code:

Category	Value
# of Misc. Vendors	12,301
# of Checks	18,306
Amount Paid to Misc. Vendors	\$15,159,674

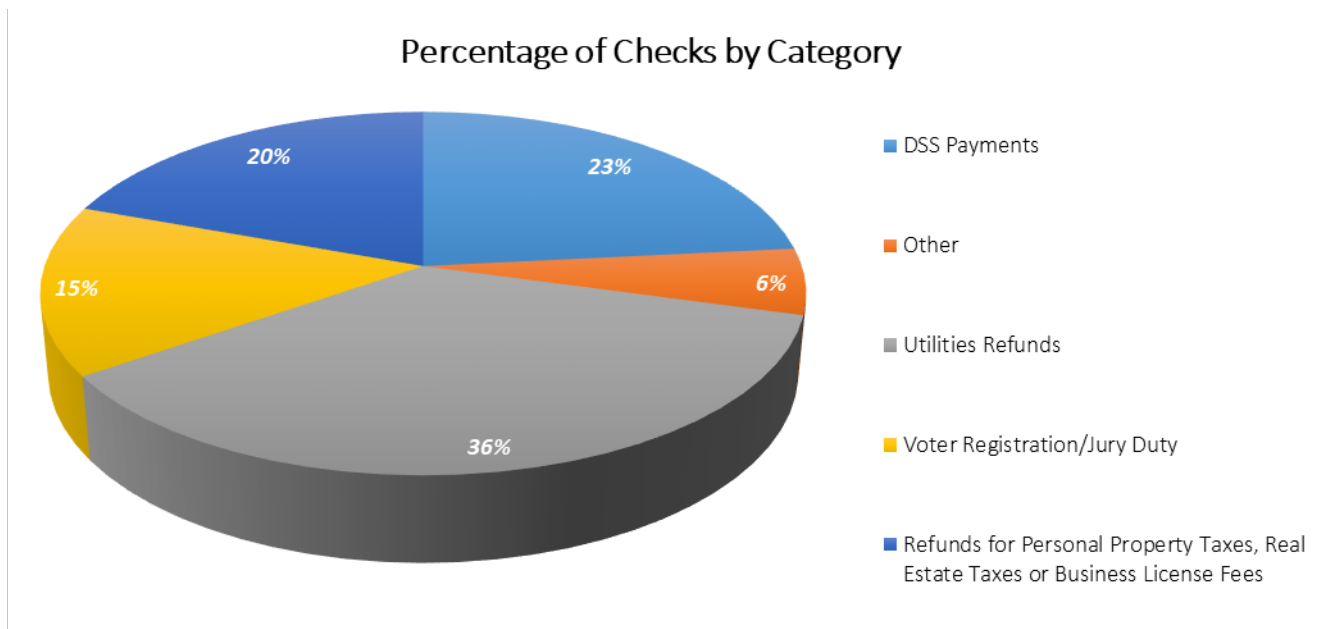
Auditor Prepared Table

After reviewing the invoice descriptions, the auditor broke down miscellaneous vendor payments by the number and amount of checks per category. The following table and pie charts provide the breakdown:

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Payment Type	# of Checks	Total Check Amounts
DSS Payments	4,285	\$2,974,172
Other ²	1,076	\$3,535,178
Utilities Refunds	6,604	\$1,505,259
Voter Registration/Jury Duty	2,775	\$382,462
Refunds for Personal Property Taxes, Real Estate Taxes, or Business License Fees	3,566	\$6,762,603
Grand Total	18,306	\$15,159,674

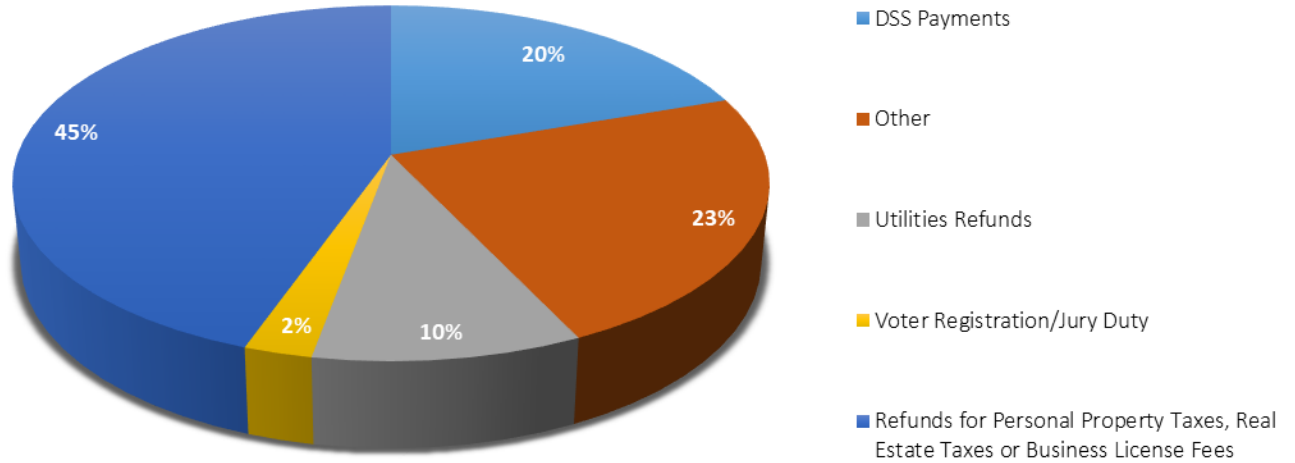
Auditor Prepared Table



Auditor Created

² Some payments within the "other" category could belong to one of the categories noted, however based on the invoice description, the auditor could not make the determination.

Percentage of Check Amounts by Category



Auditor Created

After analyzing the FY2021 miscellaneous vendor payments, the auditor noted:

- **910** misc. vendors were issued at least 3 checks
- **100** misc. vendors were paid more than \$10,000
- **102** checks were written for more than \$10,000

Check Amount (\$)	Count	% of Total
<100.00	6,819	37%
100.00-249.99	4,492	25%
250.00-499.99	1,647	9%
500.00-999.99	4,217	23%
1,000.00-2,499.99	709	4%
2,500.00-9,999.99	320	2%
10,000.00-24,999.99	43	<1%
>25,000.00	59	<1%
TOTAL	18,306	100%

Vendor Amount Rec.	Count	% of Total
<500.00	10,184	83%
500.00-999.99	801	7%
1,000.00-2,499.99	584	5%
2,500.00-9,999.99	632	5%
10,000.00-49,999.99	69	<1%
50,000.00-99,999.99	14	<1%
>100,000.00	17	<1%
TOTAL	12,301	100%

**Each table adds to more than 100% due to rounding. Auditor prepared each table.*

The auditor reviewed support documents of one payment for each vendor with:

- Greater than 15 checks or
- Greater than \$25,000 in checks received

Based on the review of 60 payments, the auditor noted no exceptions within the limited sample. Unidentified irregularities may still exist but were not detected. The payments were to citizens (tax or utility refunds, settlements) or suppliers that required a timely turnaround to not hinder the purchase (COVID purchases, etc.).

Criteria:

Suppliers should have to go through the standard Procurement process for the registration of new suppliers/vendors. The process includes:

- Reviewing the vendor for conflicts of interest with City employees;
- Comparing the vendor to the debarment list; and
- Ensuring IRS for W-9 and any other applicable forms are completed.

Cause:

Use of the miscellaneous vendor reduces the time it takes to pay a vendor as the standard procurement vendor registration process can be avoided.

Effect:

Without going through the standard vendor registration through Procurement, there is an increased risk of:

- Using suspended or debarred vendors,
- Using vendors with relationships with City employees creates conflicts of interest, and
- Fraud.

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Previously Issued Recommendation:

The 2021 Report on Internal Controls noted the use of Miscellaneous Vendors as a Significant Deficiency and the City agreed to the finding and provided the following Management Response:

“Procurement Services will establish miscellaneous vendor supplier records by payment types to align to source and purpose for creation. Additionally, Procurement services will create a dashboard and validate the use of the miscellaneous vendor payment types.”

This recommendation will be followed up on by the External Auditors and we will not issue a new duplicate recommendation. Instead, we will coordinate with the external auditor and will continue to perform this analysis as a part of continuous auditing.

Finding #2 – Separated Employees Remain in the Active Directory

Condition:

The auditors compared separated employees in CY2021 to the active directory user listing as of February 1, 2022. A total of **101** separated employees in CY2021 were identified with an enabled active directory user account. Microsoft Active Directory stores information about objects on the network, e.g. City email, computers, shared drives, printers/copiers, and Office365. Active Directory also handles our logon authentication and access control for the objects. The following table provides a breakdown of City Departments and the total number of separated employees in CY2021:

City Department	Total CY2021 Separated Employees with Active Directory Accounts
Animal Care and Control	3
CAO's Office	1
Circuit Courts	1
City Library	1
Emergency Communications	3
Finance	1

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Fire & Emergency Services	14
Human Resources	2
Justice Services	2
Parks & Recreation	8
Public Utilities	38
Public Works	21
Registrar's Office	1
Retirement System	1
Sheriff's Office	4
Total	101

Auditor Prepared Table

Automation Coordinators within each City Department must submit a SAPR to request the deactivation of a separated employee's account. The following table provides an analysis of the number of departments that submitted a SAPR and when it was submitted for CY2021:

Answers	Dept. Submitted SAPR	SAPR Submitted During the Audit	SAPR Submitted Prior to the Audit
Yes	47	42	5
No	54	-	-
Totals	101	42	5

Auditor Prepared Table

Criteria:

Administration Regulation 2.6 indicates that it is the responsibility of the employee's manager and automation coordinator to notify the Department of Information Technology to remove system access.

Standard Operating Procedure "Personnel Life Cycle & Position Control", effective August 1, 2021, outlines procedures for employee separation, which includes notification by the HR Generalist to Department Automation Coordinators to deactivate network/software access.

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There is a security risk when separated users have active accounts within Active Directory. If a separated user has an active account, he/she could log in to systems connected to the Active Directory if he/she gains access to a City computer. If a separated user has not been disabled or removed from Active Directory, then we must also assume the likelihood that the user has not been removed from local and cloud systems not connected to Active Directory.

Cause:

Departments that did not submit SAPRs provided the following reasons:

- Automation Coordinator transition;
- Uninformed of the process;
- No request or notification email received from central HR for account deletion; and
- Not submitted.

Effect:

Separated employee accounts remained active in the City's Directory, which could result in inappropriate access to City Systems after an employee terminates employment.

Actions Taken:

Management has been informed of the specific accounts that need review and correction. *No new recommendations* are being issued as the following recommendations remain open.

Previously Issued Recommendations:

2020-14 Information Technology User Access Audit:

- *We recommend the Director of Human Resources develop and implement a policy outlining the communication responsibilities for separated employees between HR and the Automation Coordinators.*
- *We recommend the Director of Information Technology develop and implement a process to define the responsibilities for removing access to the RAPIDS Application.*

- We recommend the Director of Information Technology provide training to Automation Coordinators on the updated RAPIDS access removal process.
- We recommend the Director of Information Technology develop and implement a standard process for managing and monitoring the timely completion of access control service requests and manual activities within DIT Teams.

Finding #3 – Duplicate Payments

Condition:

For FY2021, the auditors analyzed City invoices greater than \$300 for vendor name, invoice date, and invoice amount to identify potential duplicate payments. A total of 1,577 invoices were analyzed with 738 reviewed in detail totaling approximately \$6.3 million for potential duplicates. The remaining invoices were determined to have consistent invoice naming sequences or goods/services provided for multiple areas of the City. For the invoices reviewed, the following were identified:

- 20 Invoices were identified as duplicate payments (40 total invoices) totaling \$69,654.81
 - 11 duplicates, from 3 departments, have not been recovered as of April 4, 2022, by the City as noted below: (\$21,283.17)

Department	Duplicate Invoices Not Recovered
Parks and Recreation	\$ 1,469.94
Public Utilities	\$ 19,363.23
Public Works	\$450.00

Auditor Prepared Table

- 6 duplicates were recovered prior to the audit (\$23,169.06)
- 1 duplicate was recovered due to the audit (\$24,044.38)
- 2 duplicates were confirmed by the departments, however, the auditors could not conclude on the recovery of these funds (\$1,158.20)
- The auditor could not determine if one pair of invoices was a duplicate due to employee turnover in the department. (\$400)

Criteria:

System controls in RAPIDS prevent the same invoice numbers from being paid for the same amount and vendor site code. Department employees responsible for processing invoices should monitor and validate invoice accuracy and not bypass system controls.

Cause:

Duplicates resulted from modified invoice numbers, duplicated vendors, and errors. It is the responsibility of the department to ensure that vendor invoices are not processed multiple times and the information in the system matches what is on the invoice.

Effect:

City vendors were paid multiple times resulting in duplicate funds being expended for services not received. However, the amount was not large as a part of the total invoices analyzed as potential duplicates. This could result in the loss of thousands of dollars for the City.

New Recommendations:

- 1) *We recommend the following City departments recover identified duplicate payments from the vendors by either receiving a refund of the overpayment or a credit on future invoices:*
 - *Public Utilities*
 - *Public Works*
 - *Parks and Recreation*
 - *Animal Care and Control*
 - *Police*
- 2) *We recommend the Clerk of Court for Juvenile Domestic Courts research the potential duplicate payment of \$400 and recover funds, if applicable.*

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Finding #4 – Floating Holiday

Condition:

The auditors analyzed the CY2021 floating holiday hours and identified **40** employees with floating holiday earnings where employees took multiple floating holidays or hours exceeding 8 hours. Of these, the following was determined:

- 33 required adjustments to leave balances **(\$13,263.16)**
- 6 had already been corrected prior to the audit **(\$3,847.76)**
- 1 employee did not require an adjustment

The following table outlines floating holiday overages by department:

Department	Number of Employees with Floating Holidays Over Threshold	Number of Employee Adjustments Identified due to audit	Total Earnings Adjustments Identified due to Audit
Emergency Communications	3	3	1,641.34
Finance	2	2	\$786.35
Fire	9	9	\$6,632.19
Police	*7	0	0
Public Utilities	10	10	\$2,043.41
Public Works	4	4	\$745.56
Retirement System	1	1	\$239.59
Social Services	4	4	\$1,174.72
Totals	40	33	\$13,263.16

Auditor Prepared Table **1 of the 7 employees did not require an adjustment and 6 had been correct prior to the audit*

In reviewing employees hired after May 1st, the auditors noted no hired employees used a floating holiday that they had not earned.

Criteria:

According to Administrative Regulation 5.2:

- Employees are allotted a predetermined number of holidays and one floating holiday during each calendar year. Except for shift personnel, City employees are granted eight hours for holidays.

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- Employees who are employed by the City by May 1st of each year are eligible for a floating holiday.

Cause:

Supervisors did not have proper oversight to ensure the accuracy of leave taken by their direct reports. Also, the system does not restrict the number of floating holiday hours recorded to holiday line items.

Effect:

Improper keying and approval of additional holiday and floating holiday hours resulted in employees showing higher vacation and sick leave balances. This resulted in **\$13,263** of extra floating holiday pay which had to be corrected as a result of this audit. Additional administrative work is required to make the necessary adjustments due to the lack of automated system controls.

Actions Taken:

The auditors have communicated the required adjustments to the eight departments and they have or are working to make corrections as necessary. ***No new recommendations*** are being issued as the following recommendations remain open.

Previously Issued Recommendations:

2019-07 Payroll Audit Report:

- *We recommend the Director of HR run a report calendar year-end showing floating holiday and holiday hours over the limits and distribute it to departments for correction prior to W-2 processing.*

2021-13 Continuous Audit:

- *We recommend the Director of Human Resources implement automated system controls to limit the number of floating holiday hours as a part of the RAPIDS system.*

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Finding #5 – FMLA Leave

Condition:

We analyzed CY2021 employee earnings for all Paid FMLA Leave and identified 13 employees exceeding the established paid leave thresholds, however, one employee was not an exception. The following table outlines overages by FMLA Paid Leave type:

FMLA Paid Leave Type	Number of Employees	Total Hours Over Threshold	Total Dollars Over Threshold
Paid Parental Sick	3	157	\$5,078.59
Paid Maternity/Bonding	9	648	\$16,171.60
Totals	12	805	\$21,250.19

Auditor Prepared Table

All adjustments for the FMLA paid leave overages were adjusted after it was brought to the attention of the department.

Criteria:

Effective July 1, 2019, the City implemented Paid Parental Leave for various FMLA categories. The table below outlines the City's Administrative Regulation 4.03A outlines the type of event and the number of weeks that can be granted as paid leave to eligible employees:

FMLA Paid Leave Type	Period Granted	Leave Use
Birthing Mothers	8 weeks	Continuous
Stillbirth (birthing mother)	4 weeks	Continuous
Bonding – non-birthing parent	8 weeks	Continuous or intermittent
Adoption/foster care placement	8 weeks	Continuous or intermittent
Care for a sick parent	4 weeks	Continuous or intermittent

Auditor Prepared Table

Cause:

Supervisors did not have proper oversight to ensure the accuracy of leave taken by their direct reports. Also, RAPIDS does not restrict the number of hours recorded to the paid leave line items.

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Effect:

The City granted excess Paid Parental Leave to **12** employees totaling **805** hours in excess of the allotted number of hours. This overage totaled approximately **\$21,250**. Without proper monitoring and enforcement of time tracked for FMLA, the following may occur:

- Remaining FMLA hours balance could be inaccurate, which could lead to improper approval of subsequent FMLA.
- Additional costs incurred by the City for leave an employee is not entitled to.

Previously Issued Recommendation:

No new recommendations are being issued as the following recommendations remain open.

2021-13 Continuous Audit

- *We recommend the Director of Human Resources implement automated system controls to limit the number of Paid FMLA hours as a part of the RAPIDS system upgrade by element type.*

Finding #6 – Overtime

Condition:

During CY2021, **52** City employees in **seven** departments earned overtime in excess of 1,040 hours. Of these employees, **14** had more than 1,040 overtime hours in CY2020. The breakdown of total overtime hours and dollars for those exceeding 1,040 hours are summarized by department name as follows:

Department	Number of Employees	Total CY2021 OT Hours for Employees Meeting 1,040 Hours	Total CY2021 OT Dollars for Employees Meeting 1,040 Hours
Emergency Communications	2	3,137.75	99,634.57
Fire & Emergency Services	34	45,005.05	1,554,628.24
Parks & Recreation	1	1,297.75	46,484.67
Police	5	5,771.10	270,114.30
Public Utilities	1	1,358.50	45,929.88
Public Works	3	3,889.75	123,174.42
Sheriff's Office	6	8,504.25	288,269.98
Grand Total	52	68,964	2,428,236

Auditor Prepared Table

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Overtime in Excess of 1,040 hours increased from CY2020 to CY2021 as noted below.

Title	Number of Employees	Total Hours	Total Dollars
CY2020	23	28,011	\$1,061,353
CY2021	52	68,964	\$2,428,236
Total Increase	29	40,953	\$1,366,883

Auditor Prepared Table

- The auditors requested and reviewed supporting documentation for the highest overtime period for the top 20 overtime earners in CY2021.

Department Name	# of Employees
Fire and Emergency Services	14
Sheriff's Office	2
Public Works	1
Public Utilities	1
Emergency Communications	2
Total	20

Auditor Prepared Table

- Based on the review, the auditors noted the below had supporting documentation and were approved:
 - Emergency Communications - (2)
 - Public Works - (1)
 - Sheriff's Office - (2)
 - Fire & Emergency Services – (13)

The auditors noted the following two exceptions:

- For one Fire Department Staff member - they were paid for an extra **24** overtime hours without support documentation (**\$760.32**). As a result of the audit, these funds have been collected from the employee.

- For one DPU employee - Auditors expanded to review the entire year as documentation was not available to support some OT hours within the initial request. After reviewing the additional OT support provided, the auditors noted that some files (**139.5 hours**) provided had current dates and lacked the employee's signature. These files were created for the purpose of the audit and the auditors could not use them to support the overtime worked. After removing support that was created for the audit, the auditors noted **377.5 OT hours** did not have supporting documentation totaling **\$12,783**.

Criteria:

Employers should monitor overtime hours to ensure high productivity and employee safety. Support documentation that does not exist prior to the start of an audit should not be created for purposes of providing support to the auditors.

Causes:

The City does not have a policy limiting the amount of overtime an employee may work. This is an open outstanding recommendation from the 2019-07 Citywide Payroll audit.

A majority of the large overtime earners are located in the Fire Department. This was caused due to requirements that four firefighters man the apparatuses that are in use. In addition, the COVID 19 pandemic, as well as staff shortages, caused increases in the Fire Departments Overtime.

The Fire Department noted that one staff member overpaid was due to a keying error as keying occurred when an incumbent served in a dual role and performed a special assignment to process payroll. Subsequently, the Fire Department hired a Payroll Administrator who now has the primary responsibility of coordinating payroll and compensation functions.

DPU did not have an adequate process in place for approving and documenting overtime work.

Effect:

Studies have shown that employees working extended overtime hours over long periods may

result in reduced employee productivity and exposes the employees to safety and health risks. Additionally, such high overtime amounts appear to be unreasonable to maintain for an organization.

Without an adequate approval and documentation process in place, employees may be paid for time not worked creating losses for the City.

If files are created after the fact, it may become harder to distinguish what was adequately documented and approved at the overtime work was performed which may lead to fraud or theft.

Actions Taken:

The list of high overtime earners has been communicated again to the CAO so that this open follow-up item can be researched and addressed. Additionally, the auditors met with DPU management and discussed the issue of creating documents for the purpose of audits.

Previously Issued Recommendation:

The following recommendation remains open.

2019-07 Payroll Audit Report:

- *We recommend that the Human Resources Director work with the CAO to implement a policy to limit the number of overtime hours allowed for an employee, adjusted for the applicable FLSA threshold.*

New Recommendations:

- 3) We recommend the Director of Public Utilities ensure that all paid overtime noted within RAPIDS is adequately documented and approved.*
- 4) We recommend the Director of Public Utilities take appropriate action in regards to the creation of support documentation for audit purposes.*

Finding #7 –Holiday Leave

Condition:

The auditors analyzed holiday hours paid during CY2021 and identified **28** employees with holiday leave hours that were more than the allotted hours. Of the 28 the following was determined:

- **12** of the identified employees required an adjustment to the employee's leave (totaling **84.25** hours and **\$2,152.02**.
 - Ten of the adjustments were submitted for a total of **54.25** hours totaling **\$1,133.80**.
 - The remaining 2 employees requiring adjustments, indicated they would adjust the balance as a part of the quarterly leave audits submitted to Finance for a total of **30** hours totaling **\$1,018.22**.
- **16** did not require leave adjustments and were keying errors in the employee's timecards.

Criteria:

According to Administrative Regulation 5.2, employees are allotted a predetermined number of holidays and one floating holiday during each calendar year. Except for shift personnel, City employees are granted eight hours for holidays.

Cause:

Supervisors did not have proper oversight to ensure the accuracy of leave taken by their direct reports. Also, the system does not restrict the number of holiday hours recorded.

Effect:

Improper keying and approval of additional holiday hours resulted in employees showing a higher balance resulting in **\$2,152** of additional holiday pay.

This oversight also resulted in the loss of productivity due to additional administrative work by the departments, HR, and central Finance to make the necessary adjustments.

Previously Issued Recommendation:

No new recommendations are being issued as the following recommendations remain open.

2019-07 Citywide Payroll

- *We recommend the Director of HR run a report calendar year-end showing floating holiday and holiday hours over the limits and distribute it to departments for correction prior to W-2 processing.*

Finding #8 – Earnings Paid Beyond Separation

Condition:

The auditors analyzed earnings beyond the identified employee separation dates for the following:

Earnings Beyond 14 Days of Separation

The auditor identified **47** earning elements paid to **35** employees greater than 14 days beyond their identified separation date in RAPIDS for the City. Based on inquiries with department representatives and the review of supporting documentation the following was determined:

- **Eight** employees received earnings paid in error subsequent to their last day of employment with the City Of Richmond. The following was identified for these employees:
 - **Five** of the overpayments were recouped through the payroll adjustment process.
 - **Two** of the overpayments were not recouped as they were found to be immaterial.
 - **One** employee received an overpayment in the amount of **\$7,452.47**, of which the City has been able to recoup **\$4,991.51**, which yields a balance of **\$2,460.96** due to the City. The employee has been notified, however, no further payments have been made.
- **Three** employees received earnings, however, the auditor could not conclude if the payments were processed in error as the documentation was not maintained.

Payouts Beyond 30 Days After Separation

The auditor identified **46** vacation/holiday payouts paid to **44** employees more than 30 days after their separation date with the City. The auditor was unable to conclude if **20** employees were paid in error due to a lack of supporting documentation. For the remaining **24**, there were no exceptions noted.

Of note, an employee could be included in both the earnings beyond 14 days and the payouts beyond 30 days after separation data.

HR established a new policy “*Personnel Life Cycle & Position Control*” with an effective date of August 1, 2021. The policy establishes procedures for the separation of employment or Off-Boarding to include the facilitation of final pay. The auditor reviewed the number of occurrences in which payroll elements were paid beyond the established time periods after August 1, 2021, and found that **37** or **40%** occurred after that date.

Criteria:

Standard Operating Procedure “*Personnel Life Cycle & Position Control*”, effective August 1, 2021, outlines procedures for the separation of employees or Off-Boarding as follows:

- Hiring Manager emails the letter of resignation to the HR Generalist immediately upon receipt (1 Day);
- HR Generalist emails the employee a notice of resignation acceptance and exit interview meeting request and emails notices of separation to the following:
 - Automation Coordinator to deactivate network/software access;
 - HR Benefits to end benefit elections;
 - Department timekeepers to confirm leave and related final pay; and
 - Security to deactivate City Badge access. (1 Day)
- HR Manager coordinates the retrieval of city property with the employee noting items on the “Employee On-Boarding & Off-Boarding Checklist”; and
- HR Generalist will complete and submit the HR Transaction Form to initiate the separation process in RAPIDS by 1:00 pm the 1st Wednesday of each pay period; and
- HR Generalist will complete and submit the “Payroll Transaction Form” via email to the Finance Department for leave payout by 12:00 pm the Tuesday prior to the pay period start date to facilitate the final payout.

Records Retention Disposition Schedule for Virginia County and Municipal Governments, General Schedule NO. GS-2 states that payroll records must be retained for at least five years after the end of the fiscal year and may include, but are not limited to the following:

- Deduction Authorizations and Registers;
- Leave Records;
- Ledgers and Reports;
- Compensation Files;
- Retirement Contributions;
- Time and Attendance Records;
- Time Sheets;
- Virginia Employment Commission (VEC) Reports;
- Wage and Income Tax Reports;
- W-2 Wage and Tax Statements; and
- Form 1099

Cause:

Auditor was unable to conclude if payments were made in error due to the lack of documentation. The HR Generalist indicated that the processing of the payments was performed before their tenure and records were not available. Additionally, there were payments paid appropriately, however, the auditor could not conclude the reason for the delay in processing due to a lack of documentation, as employee records were not available.

Departments indicated delays in processing for the following reasons:

- Extended time to reconcile hours to be paid out;
- Failure by HR to process the separation;
- Disciplinary process;
- Earnings adjustments;
- Error in processing;
- Severance;

- Time corrections; and
- Excessive leave rule executed in August 2021.

Human Resources indicated that the following causes delays in processing employee separations:

- Lack of communication that the employee has separated;
- Forms are not completed for the employee, which results in the employee remaining active in the system.

Effect:

Employees received wages in error beyond their employment with the City totaling **\$7,452.47** of which **\$4,991.51** has been recovered. Additional amounts may also have been paid in error.

Additionally, the City is not compliant with the Virginia Records Retention Schedule. Employees in the Human Resources Generalist roles do not have historical records as they pertain to City employees.

Previously Issued Recommendation:

The following recommendation remains open:

2021-13 – ACL Continuous Monitoring

- *We recommend that the Director of Human Resources works with the respective departments to recover the overpaid funds as cost beneficial and as advised by the City Attorney's Office except for the immaterial amounts.*

New Recommendations:

- 5) We recommend that the Director of Human Resources Implement the Standard Operating Procedure "Personnel Life Cycle & Position Control", effective August 1, 2021, and ensure it is being followed.*
- 6) We recommend that the Director of Human Resources ensures employees maintain documents in adherence to the Virginia Records Retention General Schedule NO. 2.*

- 7) *We recommend the Director of Human Resources research and reconcile the payments made to 3 employees and 20 employees in which staff could not conclude to determine if payments should be recorded. [audit will provide a detailed listing]*

Finding #9 – Vendor Database Management

Condition:

A total of **20,151** vendors were in the supplier database as of December 31, 2021. The auditors compared vendors with payments for the last 18 months to determine if vendors are active without payments. Based on this analysis the auditor determined that **22%** of the active vendors did not have payments in the last 18 months.

Categories	Number of Suppliers	Percent of Total Suppliers
No Payments and No Inactive Date	4,438	22%
Payments and Properly Active	4,062	20%
No Payments and Properly Inactive	11,547	57%
Payments and Flagged Inactive	104	<1%

Auditor Prepared Table

The rate of 22% is an increase since the previous recommendation was closed in October 2020 but is below the percentage of the data analyzed ending 6/30/2019. The below table notates the percentages.

No Payments and Still Active	% of vendors	Number of Vendors
June 2019	35%	6,593
October 2020	8%	1,570
December 2021	22%	4,438

Auditor Prepared Table

Criteria:

Procurement Services Policy Number 49 indicates that “an annual vendor clean-up process that includes, the inactivation of vendors that have had no payment, purchase order, requisition, or receiving activity for a period of 18 months” should be completed.

Cause:

The process to remove inactive vendors is manual and time-consuming. Per Procurement, the last update was performed from July 2020 to February 2021. Procurement noted they meet quarterly on vendor database management with the last meeting occurring in December 2021. The Supplier Registration team is preparing to start their next scheduled Supplier Inactivation process in July 2022.

Effect:

Vendors that are not inactivated could result in duplicate vendors and payments, improper payments, and an increased risk of fraud.

New Recommendation:

- 8) We recommend the Procurement Director update the vendor database and inactivate vendors that are not inactive for the last 18 months.*

APPENDIX A: MANAGEMENT RESPONSE FORM

2022-12 Citywide - Continuous Auditing

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
1	We recommend the following City departments recover identified duplicate payments from the vendors by either receiving a refund of the overpayment or a credit on future invoices: <ul style="list-style-type: none"> • Public Utilities • Public Works • Parks and Recreation • Animal Care and Control • Police Department 	Y	The Departments will work to recover identified duplicate payments from vendors
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	CoR Administration		31-Dec-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
2	We recommend the Clerk of Court for Juvenile Domestic Courts research the potential duplicate payment of \$400 and recover funds, if applicable.	Y	We will research and reach out to you with our findings.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Supervising Deputy Clerk		1-Dec-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
3	We recommend the Director of Public Utilities ensure that all paid overtime noted within RAPIDS is adequately documented and approved.	Y	Retrain Managers on the transition to automated processes and reinforce the operating procedures
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Public Utilities		17-Jun-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
4	We recommend the Director of Public Utilities take appropriate action in regards to the creation of support documentation for audit purposes.	Y	Create a remediation form for instances where process was not followed.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Public Utilities		17-Jun-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX A: MANAGEMENT RESPONSE FORM

2022-12 Citywide - Continuous Auditing

#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
5	We recommend that the Director of Human Resources Implement the Standard Operating Procedure "Personnel Life Cycle & Position Control", effective August 1, 2021, and ensure it is being followed.	Y	Provide HR Generalists overview of Personnel Cycle & Position Control SOP.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Human Resources		9-Jun-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
6	We recommend that the Director of Human Resources ensures employees maintain documents in adherence to the Virginia Records Retention General Schedule NO. 2.	Y	Provide HR Generalists guidance on Virginia Records and Retention General Schedule No. 2
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Human Resources		9-Jun-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
7	We recommend the Director of Human Resources research and reconcile the payments made to 3 employees and 20 employees in which staff could not conclude to determine if payments should be recorded. [audit will provide a detailed listing]	Y	Review detailed listing to be provided by Audit and determine if payments made were made correctly and reconcile accordingly. If determined that funds were overpaid and not immaterial, initiate steps to recover overpayment.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Human Resources		9-Jun-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
8	We recommend the Procurement Director update the vendor database and inactivate vendors that are not inactive for the last 18 months.	Y	Inactivation Project: DPS will continue to regularly review and inactivate those vendors in iSupplier with whom the City does not have an active contract and to which the City has not made payment within 18–24 months. Scheduled to begin July 2022. Projected completion date of current vendor file is October 31, 2022. Note: Procurement does not inactivate governmental entities.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of Procurement		31-Oct-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION