



MEMORANDUM

TO: The Honorable Richmond City Council Members

FROM: Joseph Kearfott, Chairperson
Audit Committee

DATE: December 20, 2022

COPIED: Lou Lassiter, City Auditor

SUBJECT: **Audit Committee 2022 Annual Activity Report**

On behalf of the Audit Committee, I am pleased to present to you the attached 2022 Annual Activity Report. This report reflects all activity for the Calendar Year (CY) 2022.

Thank you for your support. We look forward to continuing to serve the City as members of this body. If you require additional information, we may be contacted through the Audit Committee Secretary, Ms. Rochelle Carter at 804-646-5632.

c: Audit Committee Members
Office of the City Clerk

AUDIT COMMITTEE

ENACTED

Chapter 2, Article V, Division 12 of the Richmond City Code

(Ord. No. 83-248-224, adopted November 14, 1983; Ord. No. 86-122-84, adopted April 28, 1986; Ord. No. 2009-90-100, adopted June 8, 2009; Ord. No. 2010-32-50, adopted March 8, 2010; Ord. No. 2011-144-154, adopted September 12, 2011; Ord. No. 2016-094, adopted April 11, 2016)

COMPOSITION

The Audit Committee shall consist of seven members to be appointed by the City Council. Two of these seven members shall be members of the Council appointed to serve terms coincident with their terms as members of the City Council. The remaining five members shall be appointed from the business community of the City. Of these five members appointed from the business community of the City, at least one shall be licensed by the State Board of Accountancy as a Certified Public Accountant, at least one shall be a lawyer admitted to the Virginia State Bar, and at least one shall have experience in the financial services industry.

OBLIGATION

The duties of the Audit Committee shall be the following:

1. Reviewing of significant financial information for appropriateness, reliability and timeliness;
2. Ascertaining the existence and adequacy of accounting and internal control systems and the adequacy of safeguards for the assets of the City
3. Overseeing audit functions;
4. Making recommendations to the council concerning the selection and termination of external auditors;
5. Reviewing annual financial reports of the City and results of audit examinations;
6. Evaluate internal control functions;
7. Reviewing interim financial information;
8. Evaluating financial management systems and results of the City operations;
9. Reviewing and approving the annual work plan of the Office of the City Auditor.

MEETINGS, AGENDA, MINUTES

The Audit Committee met four (4) times during CY2022. One meeting was conducted virtually & three were hybrid, due to the Coronavirus pandemic concerns.

The Committee's Agendas and Minutes are on file at the City Clerk's Office and were sent as required throughout the year.

TERM OF OFFICE

Council members shall succeed themselves no more than two times, and citizen members shall not be allowed to succeed themselves more than two times. All appointments of citizen members shall be for terms of three years.

COMMITTEE MEMBERS

Chair **Joseph Kearfott**, *term expires 4/7/25*

Samuel Bemiss, *term expires 11/28/23*

W. Lee Chaney, III, *term expires 7/25/23*

Donald Cowles, *term expires 5/7/25*

Daniel E. Howell, *term expires 9/28/25*

The Honorable Cynthia Newbille, *term expires 12/31/24*

The Honorable Kristen Nye, *term expires 12/31/24*

ACCOMPLISHMENTS

1. The Committee reviewed a total of 14 audit reports in 2022.
2. The Committee reviewed the work of the External Auditors related to the FY21 Single Audit and obtained progress updates for the FY22 ACFR
3. The [FY23 Audit Plan](#) was reviewed and approved.
4. Performance Measures for the City Audit function were reviewed and presented to City Council's Government Operations Standing Committee on July 27, 2022.
5. Reviewed summary updates from the Inspector General's Office.
6. The External Audit contract was approved by City Council and awarded to Clifton Larson Allen after a Request for Proposal (RFP) evaluation was completed.

AUDIT REPORTS reviewed during CY2022:

Report #	Area	Title	Year & Month Issued
2023-07	Procurement Services	Procurement Services	2022-12
2023-06	Finance	CIP - School Maintenance Funds	2022-11
2023-05	Citywide	Annual Follow-up	2022-11
2023-04	Citywide	APA Comparative Cost Report Analysis FY2021	2022-08
2023-03	Public Works	Graffiti Removal	2022-08
2023-02	Public Utilities	Contract Compliance	2022-08
2023-01	Information Technology	Cyber Security Assessment (Confidential -FOIA Exempt)	2022-07
2022-13	Citywide	Fiscal and Efficiency Review	2022-06
2022-12	Citywide	Continuous Auditing	2022-06
2022-11	Emergency Communications	Tower Leases	2022-05
2022-10	Citywide	CARES Act	2022-04
2022-09	Human Resources	Benefits Reconciliations	2022-03
2022-08	Citywide	Homelessness	2022-02
2022-07	Citywide	Service Efforts & Accomplishments - Citizen Survey	2022-02