



CITY OF RICHMOND

Office of the City Auditor

DATE: July 3, 2024

TO: Lincoln Saunders
Chief Administrative Officer

FROM: Riad Ali
City Auditor

SUBJECT: 2025-02 Quarterly Open Audit Recommendations Follow-Up

In compliance with our audit responsibilities, we are required to follow up on all open audit recommendations. Previously, we reviewed and followed up on all open recommendations annually between July and November and reported the results in November. We have now transitioned to an ongoing review of open recommendations where we continuously meet and work with departments to get recommendations implemented. Starting with this memorandum, we will provide a quarterly update on implemented and open recommendations by department.

During the 4th Quarter of FY 2024, there were 155 total open audit recommendations assigned to 20 City departments. As part of our review, we interviewed management personnel, viewed demonstrations of new management systems, and reviewed documentation submitted to support action steps taken to implement the recommendations. Please be advised that this review was not an audit conducted under Generally Accepted Government Auditing Standards.

Throughout this review period, we closed 11 recommendations, and we removed one recommendation because it was no longer feasible to complete. Of these closed, none were high priority, seven were medium priority, and four were low priority. At the end of this review period, 143 recommendations remained open. Additionally, during this review period, the City reported \$21,875.23 (Public Utilities) in recovered duplicate payments to vendors previously identified in audits. **Table 1** below displays the total number of recommendations that were closed this quarter by department and priority level.

Department	High	Medium	Low	Total
Public Works	0	2	0	2
Procurement Services	0	3	0	3
CAO/Human Resources	0	1	2	3
Public Utilities	0	1	2	3

cc: The Richmond Audit Committee
The Richmond City Council

Appendices

The appendices on the following pages summarize the following information:

- Appendix A – Details of recommendations closed this quarter.
- Appendix B – Number of open recommendations by department.
- Appendix C – Details of high priority open recommendations.

Appendix A - Details of Recommendations Closed this Quarter			
Date Issued	Priority Level	Department	Recommendation
1/1/2019	Medium	Human Resources	We recommend that the CAO and City Council require the department directors and staff to ensure compliance with the Leave Policy by processing leave timely in the Financial System (RAPIDS).
10/1/2020	Low	CAO/Human Resources	We recommend the Chief Administrative Officer work with Human Resources to determine if an insured approach for disability benefits for Defined Contribution plan participants is a more efficient and cost-effective alternative.
5/27/2021	Low	Human Resources	We recommend the Director of Human Resources simplify the exit survey questions to improve participation and better analyze the survey results.
8/23/2022	Medium	Public Works	We recommend the Department of Public Works Deputy Director update SOPs related to the abatement of private property to include an enforcement process conducted by DPW or work with the Department of Planning and Review to develop a process to implement City Code Section 11-135.
8/23/2022	Medium	Public Works	We recommend the Department of Public Works Deputy Director establish Cityworks as the central system of record for Graffiti and ensure all completed abatement jobs are documented in Cityworks.
8/27/2022	Medium	Public Utilities	We recommend that the DPU Director conduct an assessment to determine if it would be more efficient and effective to bring the hydrant inspection function back in-house and proceed accordingly.
8/27/2022	Low	Public Utilities	We recommend that the DPU Director review and update the language in the upcoming contract to remove any ambiguities and clarify the use of force account as much as possible.
8/27/2022	Low	Public Utilities	We recommend the Operations Manager reinstate the regularly scheduled inspector meetings.
12/2/2022	Medium	Procurement Services	We recommend that the DPS Director develop and implement monitoring procedures to ensure that the received proposals are forwarded to the Evaluation Panel members and that sufficient justification is documented for those that are not. This process should include a reconciliation of the bid log to the scoring documentation and any discrepancies researched, resolved, and documented.

Appendix A - Details of Recommendations Closed this Quarter

Date Issued	Priority Level	Department	Recommendation
12/2/2022	Medium	Procurement Services	We recommend that the DPS Director implement a means to readily track key milestones in the contract execution process, analyze the data to identify delays/bottlenecks and implement strategies to address the corresponding causes. Data should also be periodically analyzed to determine if adjustments are needed in the established timeframe goals.
12/2/2022	Medium	Procurement Services	We recommend that the DPS Director work with the Procurement Analysts and Contracting Officers to establish a central repository and a process to maintain documentation for the key milestones in the contract execution process.

Appendix B - Number of Open Recommendations By Department

Department	High	Medium	Low	Total	Number of Total Recommendations Past Original Target Date**
Public Utilities	5	16	7	28	28
Finance	6	19	3	28	23
Chief Administrative Officer*	2	10	4	16	16
Human Resources	0	8	4	12	12
Information Technology	0	4	4	8	7
Housing & Community Development	0	6	2	8	8
Emergency Communications	3	3	0	6	5
Fire and Emergency Services	0	5	1	6	6
Social Services	0	5	1	6	6
Procurement Services	0	2	3	5	3
Economic Development	0	2	1	3	3
Human Services	0	1	2	3	3
Planning & Development Review	0	3	0	3	3
Public Works	0	2	1	3	3
Budget	1	0	1	2	2
Police	0	1	1	2	2
Clerk of Court for Juvenile Domestic Courts	0	1	0	1	1
Community Wealth Building	0	1	0	1	1
Minority Business Development	0	1	0	1	1
Strategic Communications & Civic Engagement	0	1	0	1	1
Total	17	91	35	143	134

**Note: Recommendations assigned to Chief Administrative Officer includes recommendations specifically for the CAO or DCAOs and include recommendations written to multiple City Departments. However, if a recommendation was assigned to a specific department in the City's management response, we assigned it to that department in the table.*

***Of the total open recommendations, this column represents the number of recommendations past the original target date provided by Departments when the report was issued. Nine (9) recommendations have not reached the original target date, so they were not anticipated to be closed.*

Appendix C - High Priority Open Recommendation Detail

Department	Date Issued	Original Due Date	Recommendation
Budget	4/26/2022	6/1/2023	<p>We recommend that the Chief Administrative Officer (CAO) establish a centralized grant management and sub-recipient oversight and monitoring function for the City to ensure:</p> <ul style="list-style-type: none"> • Grants are being properly administered to ensure compliance, including obtaining required reports and expenditures are allowable and adequately supported; • Grant contracts' scope of services clearly defines duties, responsibilities, and expectations of the recipients and that copies of fully executed contracts are maintained; Grant contracts identify funds that recipients can retain for administrative/operational/unrestricted expenses; and • City staff charged with grant management and sub-recipient oversight receive proper training; and assistance in identifying grant opportunities for City departments.
Citywide/City Attorney	2/1/2021	12/1/2021	We recommend the Chief Administrative Officer work with the City Attorney to develop and implement a formal policy to ensure the enforcement of delinquent real estate taxes is equitably applied to owner-occupied and non-owner occupied properties.
Citywide/Finance	3/1/2020	7/1/2021	We recommend the DCAO of Finance & Administration ensure the department directors require a periodic annual review of RAPIDS roles assigned to all City employees.
Emergency Communications	5/24/2022	06/30/2023	We recommend the Director of the Department of Emergency Communications research and collect the \$186,877 for FY2021.
Emergency Communications	5/24/2022	12/31/2023	We recommend the Director of the Department of Emergency Communications ensure telecommunications tower leases are professionally managed either internally or externally with persons that have specialized training in regards to marketing, negotiating, and managing the leases.
Emergency Communications	5/24/2022	07/01/2024	We recommend the Director of the Department of Emergency Communications ensure all leases in holdover are renegotiated and submitted to City Council for approval.

Appendix C - High Priority Open Recommendation Detail

Department	Date Issued	Original Due Date	Recommendation
Finance	11/29/2022	07/01/2023	We recommend the Director of Finance ensure entries are made in RAPIDS from the prior audit as well as those noted in this audit to correct RPS CIP account totals.
Finance	4/25/2023	06/30/2024	We recommend the Director of Finance ensure statutory assessments are conducted in accordance with Sec. 26-435 of the City Code and evaluate current practices and use of staff to manage non-filing businesses to increase tax enforcement efforts.
Finance	4/25/2023	06/30/2023	We recommend the Director of Finance develop and implement a plan to reconcile the meals tax accounts timely to achieve the performance collection goals of the City and promote accurate and reconciled information in the partial payment letters.
Finance	12/5/2023	3/31/2024	We recommend the Director of Finance refund erroneously assessed (by the system) interests on individual personal property tax bills from 6/7/2022 to 8/7/2022.
Finance	12/5/2023	03/31/2024	We recommend the Director of Finance review individual personal property tax accounts with a penalty assessed before the due date (8/5) to verify the penalty was appropriate and make corrections.
Finance	12/5/2023	12/31/2024	We recommend the Director of Finance periodically review those accounts where the owner's address is outside of the City limits but the vehicle is listed as garaged within the City.
Public Utilities	8/17/2022	11/30/2022	We recommend that the DPU Director develop and implement processes and procedures to properly administer the hydrant inspection program to ensure that the hydrants are inspected timely.
Public Utilities	8/17/2022	11/30/2022	<p>We recommend that the DPU Director develop and implement processes and procedures to properly administer the hydrant repairs and replacements to ensure that the hydrants are put back into service timely including:</p> <ul style="list-style-type: none"> a. Establishing a formal goal for hydrant repairs/replacements when utility markings are required; and b. Documenting any encountered delays.

Appendix C - High Priority Open Recommendation Detail

Department	Date Issued	Original Due Date	Recommendation
Public Utilities	2/28/2023	6/30/2023	We recommend the Department of Public Utilities Deputy Director develop and implement a process to monitor estimated bills to include controls that limit the number of consecutive estimates.
Public Utilities	2/28/2023	06/30/2023	We recommend the Department of Public Utilities Deputy Director develop and implement a process to address the aging population of ERTs to include monitoring procedures.
Public Utilities	2/28/2023	09/30/2023	We recommend the Director of the Department of Public Utilities establish a reconciliation process that includes ensuring bad debt accounts are returned to the City and/or collected accurately and in their entirety.