

**INTERNAL AUDIT
FISCAL YEAR 2016
REPORT CARD
CHESTERFIELD, VIRGINIA**



Internal Audit Mission Statement

Provide objective analysis and information to management and those charged with governance to support County and School goals benefiting the community.

Internal Audit
Fiscal Year 2016
Report Card
Chesterfield County, Virginia

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Note: The Association of Local Government Auditors (ALGA) performs a Benchmarking and Best Practices survey of audit organizations every two years. Peer data is presented from the most recent survey (published November 2015 for fiscal year 2014) on various tables throughout this report.



Chesterfield County, Virginia Internal Audit

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DATE: July 18, 2016

TO: Budget and Audit Committee

Joseph P. Casey, PhD.
County Administrator

Dr. James Lane
School Superintendent

FROM: Greg L. Akers
Director of Internal Audit

SUBJECT: Fiscal Year 2016 Annual Report Card

In compliance with Administrative Procedures, the Internal Audit Department hereby presents the Fiscal Year 2016 Annual Report. Completed audits are provided during the year to the Budget and Audit Committee through the County Administrator. This document summarizes our past fiscal year work effort against national peer performance benchmarks.

We enjoy working with the County and School Divisions and Departments to help identify opportunities to add value, and we appreciate their assistance with the audit and risk assessment process. I also appreciate the contributions of each Internal Audit Department team member for our priorities to:

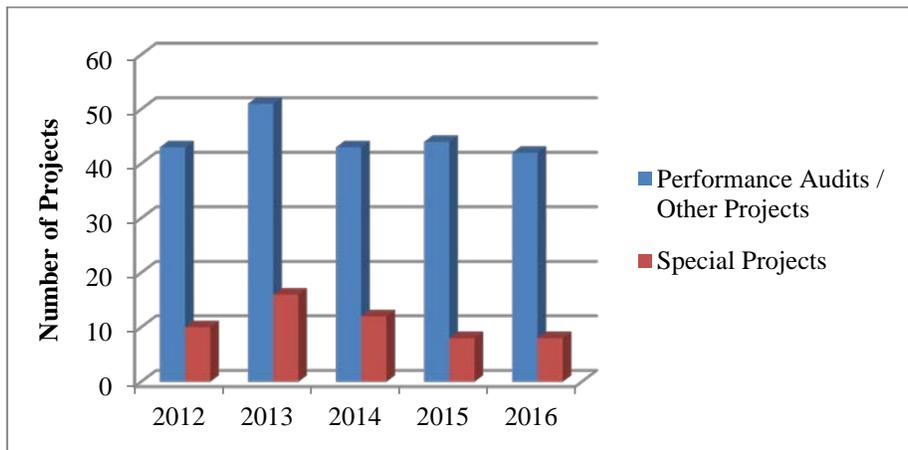
- Develop and implement the audit plan based on entity-wide risk assessment.
 - Implement comprehensive audit services that address the risks, needs, and goals of the County and School Board.
 - Administer the Fraud, Waste, and Abuse Hotline program for the employees and community as mandated by the *Code of Virginia*.
 - Provide mandated external audit support for completion of the Comprehensive Annual Financial Report (CAFR).
- Respond to special project needs as they arise.
- Identify areas for improvement of controls, efficiency, and effectiveness.
- Monitor implementation of the audit recommendations.
- Provide employee training on internal controls and ethics.

We thank you for your continued support, and value your input to improve our audit services.

I. COMPLETED PROJECT STATISTICS

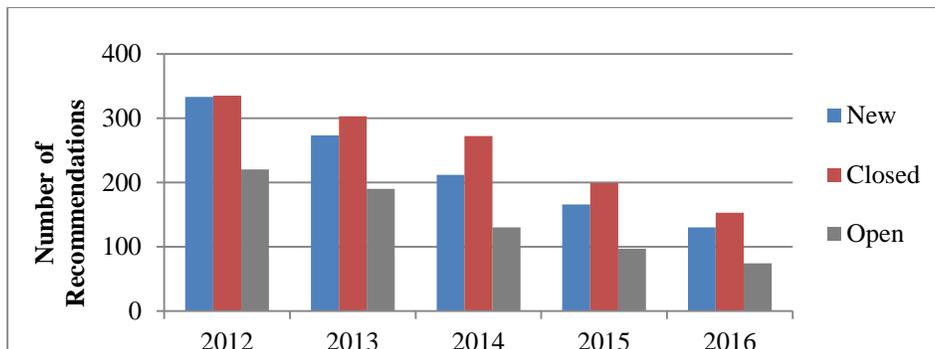
SUMMARY OF PROJECTS BY FISCAL YEAR					
Category	2012	2013	2014	2015	2016
Performance Audits / Other Projects	43	51	43	44	41
Special Projects	10	16	12	8	8
Total	53	67	55	52	49

The number of projects completed varies between years, based on individual project complexity and the volume of special project requests.



AUDIT RECOMMENDATION STATISTICS BY FISCAL YEAR (County & Schools)						
Recommendations	2012	2013	2014	2015	2016	ALGA 2014 Benchmark
New	333	273	212	166	130	70
Closed	335	303	272	199	153	51
Open	220	190	130	97	74	N/A

Audit recommendation data is collected as of December 31st each year to follow-up on all open audit issues from prior audits.



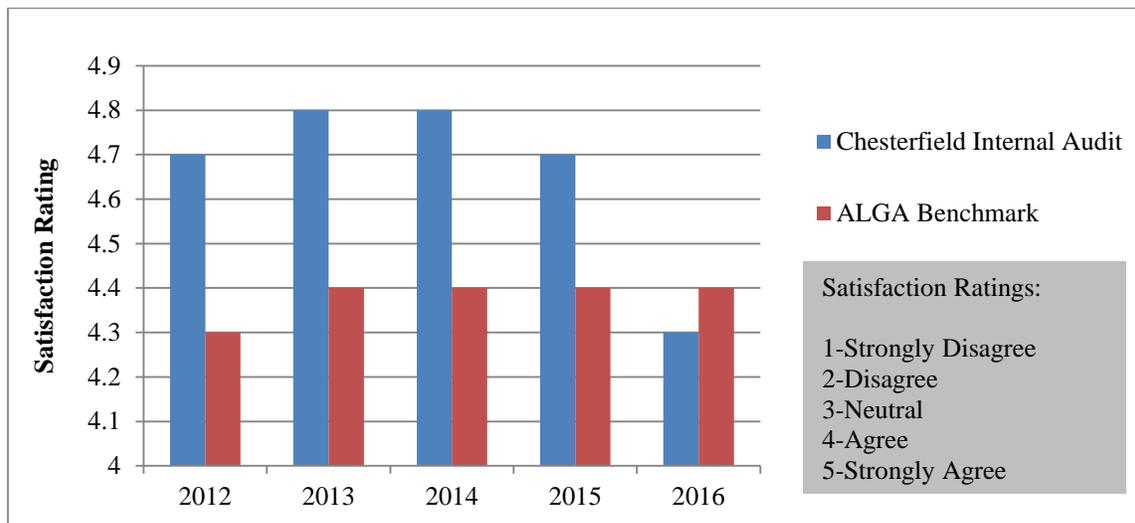
I. COMPLETED PROJECT STATISTICS CONTINUED

AUDITOR PERFORMANCE BY FISCAL YEAR						
Category	2012	2013	2014	2015	2016	ALGA 2014 Benchmark
Number of audits performed per auditor (office average)	7.6	8.4	8.0	7.9	6.7	7.8
Percent of total time charged to audits	66%	67%	68%	62%	69%	69%

The number of projects completed by auditor varies between years, based on individual project complexity and the volume of special project requests.

CUSTOMER SATISFACTION RATINGS BY FISCAL YEAR					
	2012	2013	2014	2015	2016
Chesterfield Internal Audit	4.7	4.8	4.8	4.7	4.3
ALGA Benchmark	4.3	4.4	4.4	4.4	4.4

At project completion, customers are provided surveys to rate their satisfaction, which helps us monitor quality control and improve our service.



II. COMPLETED PROJECTS LISTING

Performance Audits
• Audit Follow-up
• Commonwealth Attorney's Expenditures
• Community Development DCA's Expenditures
• County Administrator's Expenditures
• General Services Convenience Centers
• Human Services DCA's Expenditures
• Jail Canteen and Inmate Trust Fund
• Management Services DCA's Expenditures
• School Activity Funds (includes 16 schools audited)
• School Construction Management
• School Observations FY15
• School Observations FY16
• Transportation Expenditures & CIP
• Travel-County Administrator
• Travel-County Administrator Direct Reports
Other
• APA Comparative Report
• CDBG/HOME Program Organization Audit Reports
• Community Organizations Applying for Donations of \$10,000 or More
• External Audit
• Nursing Home Health Center Commission Status Reports (4 Quarterly and 1 Year-end)
• School PTA/PTSA
• Volunteer Fire and Rescue Organization Audit Reports

II. COMPLETED PROJECTS LISTING CONTINUED

Special Projects
• Fraud, Waste, and Abuse HOTLINE Annual Report
• General Services Buildings and Grounds ¹
• General Services Facilities Management ¹
• Police Telestaff ¹
• School Activity Funds (SAF) Vendor
• School Construction
• School Facilities ¹
• School Online Learning ¹

¹Items are exempt from public disclosure under Freedom of Information Act (FOIA).

III. AUDITS IN PROGRESS AT FISCAL YEAR-END²

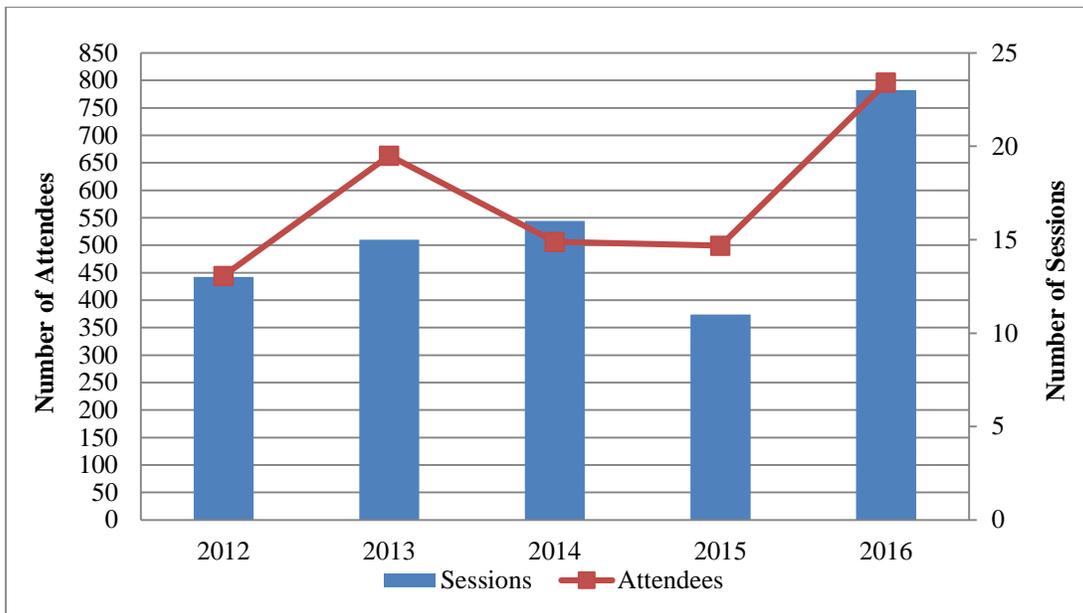
• CDBG Program Compliance
• Chesterfield Emergency Planning Committee
• MHSS Special Project
• Petty Cash, Change and Consumer Funds
• Police Benefit Fund
• Real Estate Assessment Processes, Calias, and Expenditures
• School Administrative Services Expenditures
• School Board Payroll
• Social Services Special Welfare Funds
• Utilities Customer Information System
• Utilities Right of Way
• Vehicle Utilization/Gas Usage Analysis

²Planned projects at various stages of audit process to be completed in fiscal year 2017.

IV. TRAINING PROVIDED

The Internal Audit Department partners with the Center of Organizational Excellence on ethics training during County new employee orientations. In addition, we periodically provide training on internal control and ethics to departments as requested.

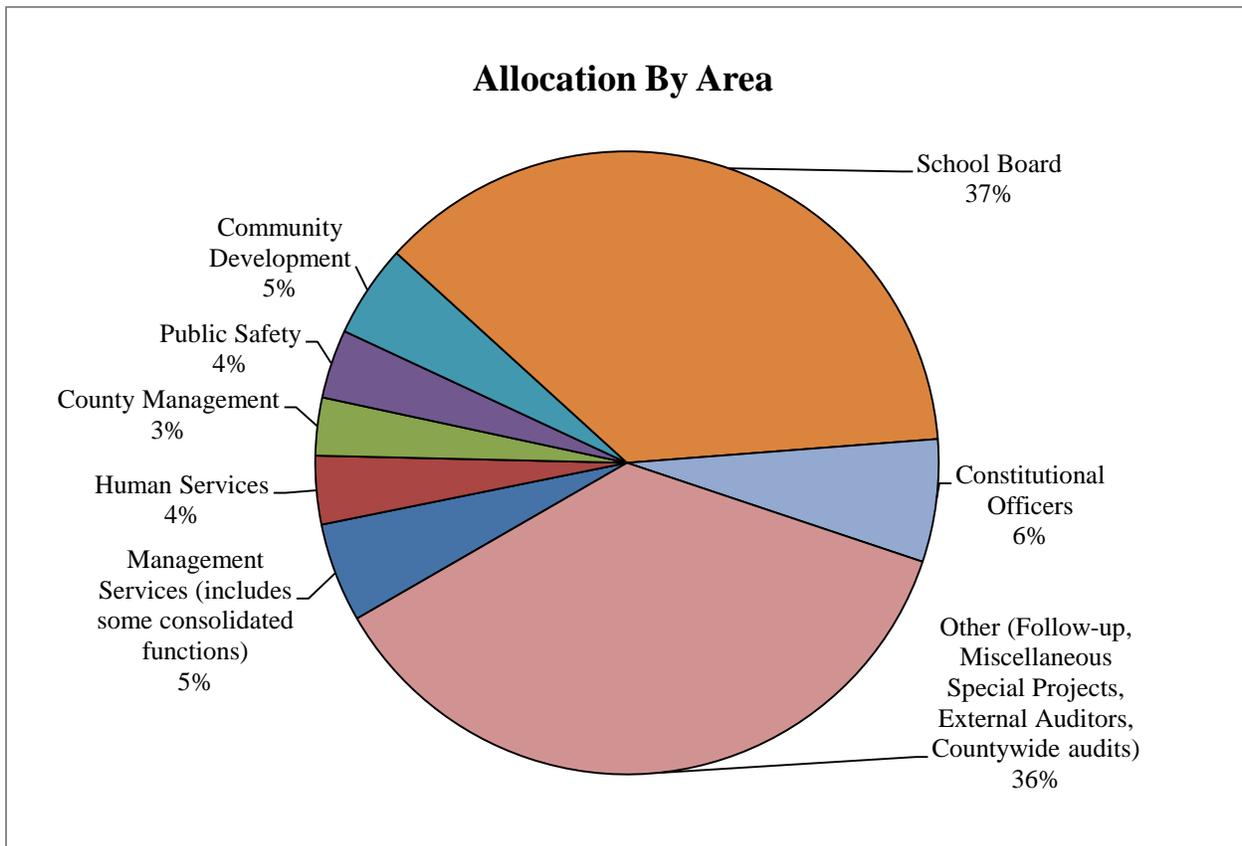
TRAINING BY FISCAL YEAR					
	2012	2013	2014	2015	2016
Sessions	13	15	16	11	23
Attendees	444	663	506	499	796



V. AUDIT RESOURCE ALLOCATION

FISCAL YEAR 2016 ACTUAL	
Area	Hours
Management Services (includes some consolidated functions) ³	566
Human Services ³	390
County Management	330
Public Safety ³	392
Community Development	529
School Board ³	4,067
Constitutional Officers	699
Other (Follow-up, Miscellaneous Special Projects, External Auditors, Countywide audits, etc.)	4,012
TOTAL	10,985

³Hours include special projects for the area.



VI. INTERNAL AUDIT TEAM



Back row left to right: Matt Dini, *Audit Manager*, Richard Slate, Jr, *Staff Auditor*;
Greg Akers, *Audit Director*; Steve Sanderson, *Senior Auditor*; Chris Meade, *Senior Auditor*
Front row left to right: Stephanie Bookheimer, *Staff Auditor*; Annette Stinson, *Administrative Assistant*, Lora Holland, *Senior Auditor*; Michelle Heckel, *Senior Auditor*;
Niki Roney, *Staff Auditor*

Professional Associations

Staff professional organization memberships and participation include:

- Association of Certified Fraud Examiners (ACFE)
- American Institute of Certified Public Accountants (AICPA)
- Association of Local Government Auditors (ALGA)
 - Department's external peer reviews (performed every 3 years) resulted in unqualified opinions from 1996 - 2014.
- Government Finance Officers Association (GFOA)
- Information Systems Audit and Control Association (ISACA)
- Institute of Internal Auditors (IIA)
- Virginia ACL Users Group
- Virginia Government Finance Officers' Association (VGFOA)
 - Communications Committee
- Virginia Local Government Auditors Association (VLGAA)

Chesterfield County Mission Statement

Providing a FIRST CHOICE Community Through Excellence in Public Service

blueprint
CHESTERFIELD



Chesterfield County Public Schools Mission Statement

Chesterfield County Public Schools, in partnership with students, families, and communities, emphasizes and supports high levels of achievement through a global education for all, with options and opportunities to meet the diverse needs and interests of individual students.

