

Highlights

Internal Audit Report to the Board of Supervisors/School Board

Why We Did This Review

Internal Audit manages the Fraud, Waste, and Abuse Hotline program for the County and School Board.

The County's Hotline program is operated pursuant to the *Code of Virginia* § 15.2-2511.2 and provides a means for employees and citizens to confidentially report any activity or conduct where fraud, waste, or abuse are suspected. Chesterfield County Administrative Policy and Procedure 8-2 establishes the "tone at the top" of ethical expectations for all employees. The policy defines what constitutes fraud, with procedures employees must follow when fraud is suspected. Chesterfield County Personnel Policies (section 1-4) establish a code of ethics, further defining expectations for employee honesty and behavior. The combination of these elements provides a climate to help deter fraud and other unethical practices.

Our internal procedures require that a comprehensive annual report of activity be provided to the County Administrator and School Superintendent following fiscal year-end.

What We Recommend

This report is being furnished for information only.



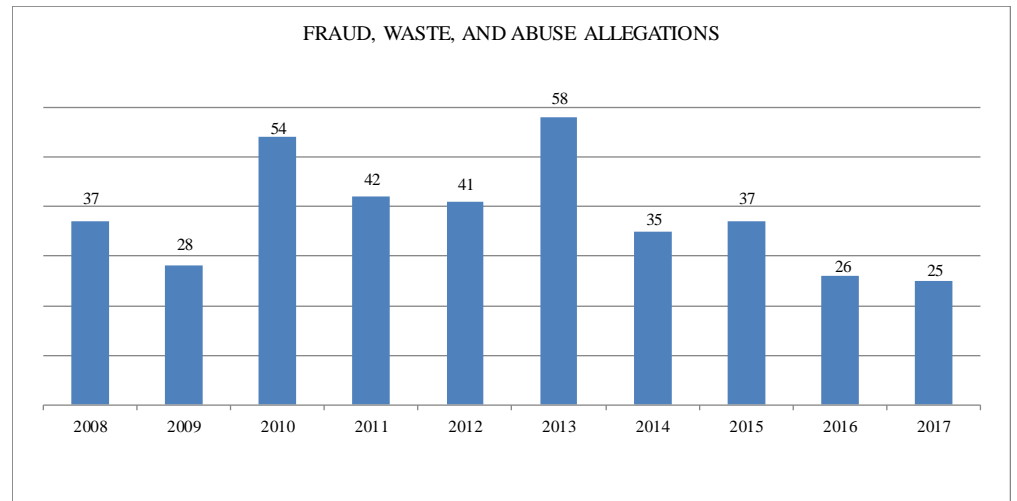
For more information, please contact Greg Akers, at 804-748-1240 or akersg@chesterfield.gov

Fraud, Waste, and Abuse Hotline Program Fiscal Year 2017 Report

Summary

This report summarizes activities from July 1, 2016 to June 30, 2017 for allegations that came to our attention through the Hotline program.

Internal Audit received 25 allegations. Citizens and anonymous individuals each made up 36% of the contacts received through the Hotline program. Calls to Internal Audit, internet reporting, and email were the primary reporting methods with each accounting for 24% of allegations. Common allegations concerned potential welfare fraud, employee time abuse, and theft.



In all 25 cases, allegations were evaluated by Internal Audit and resulted in:

- 11 Investigations
- 11 Referrals (to the appropriate County, School, or external department)
- 3 No action required (not enough information for investigation or referral)

There were 12 total investigations during Fiscal Year 2017, including one initiated in a prior fiscal year:

- 3 Substantiated the allegations
- 8 Allegations were not substantiated
- 1 In process at fiscal year-end.

Where investigations resulted in a formal report, highlight reports were provided to the Audit and Finance Committee during the year. Four investigations with formal audit reports had 13 recommendations across four County and School departments.

Internal Audit partners with the Learning and Performance Center on ethics training during County new employee orientations and provide training on internal controls and ethics to departments as requested. In Fiscal Year 2017, a total of 627 employees received ethics training.

Ethics remains a top priority in Chesterfield County. We appreciate the coordinated efforts of staff and management working together to maintain an ethical environment and workplace.