



Chesterfield County, Virginia

Memorandum

DATE: June 28, 2016

TO: James J.L. Stegmaier
County Administrator

Dr. Marcus Newsome
School Superintendent

FROM: Greg L. Akers
Director of Internal Audit

SUBJECT: 2016 Audit Follow-Up

County Administrative Procedures require the County Auditor to furnish the County Administrator and Superintendent with a summary of all material unresolved comments, recommendations, and management responses on a regular basis. Follow-up was conducted on open audit recommendations from prior years as well as those issued during the 2015 calendar year. Departments continued to make progress addressing audit recommendations.

Internal Audit's annual follow-up process is the formal organizational procedure that provides a comprehensive snapshot to senior management for ongoing monitoring. Summary reports are being provided and meetings will be scheduled with County and School division and department management if desired. Please note certain listed recommendations and attached reports may be Freedom of Information Act (FOIA) exempt. FOIA exemption applies to certain material related to personnel, security of systems, or security of facilities.

Department management responds to all findings as reports are issued. Department management also reports progress on resolving audit recommendations throughout the year and updates Internal Audit. Internal Audit's recommendation database has a steady flow of ins and outs throughout the year as reports are issued and as management completes actions to address items.

Most audit recommendations are addressed by management in less than a year. However, certain items are long-term in nature by design and can extend beyond a department's existing resources. These longer term items can require multi-year funding, technology investments, staff resources, training and development, and policy and ordinance considerations. Issues in-progress or not completed continue to be regarded as OPEN and have been assigned new estimated target dates. Others have been CLOSED as evidenced by department responses, supporting documentation, and auditor review.

- 80% of the 130 new recommendations issued in calendar year 2015 are closed.
- Of the remaining 74 cumulative open items, management estimates completing 69% by December 31, 2016, and 99% by December 31, 2017.

2016 Audit Recommendation Statistics by Division

DIVISION	PRIOR	NEW	CLOSED	OPEN
Management Services	38	23	38	23
Human Services	20	2	15	7
Community Development	7	23	7	23
Fire	5	7	4	8
Police	7	-	4	3
County Management	2	16	15	3
Schools	18	59	70	7
TOTAL	97	130	153	74
ALGA 2014 Benchmark ⁽¹⁾	N/A	70	51	N/A

(1) Table above compares total annual activity for new and closed audit recommendations to the latest benchmarks from the Association of Local Government Auditors (ALGA) for similar sized audit organizations (6 to 10 auditors).

The Office of Internal Audit will continue to address open recommendation through correspondence with departments and future audit work. We appreciate the cooperation and assistance of the department directors and School Board staff with this process. This cooperation provides assurance that sufficient action is taken to resolve the audit recommendations. If you have any questions or require additional information, please do not hesitate to contact me at extension 1240.

Attachments

Copy: Sarah Snead, Deputy County Administrator for Human Services
 Bill Dupler, Deputy County Administrator for Community Development
 Rebecca Dickson, Interim Deputy County Administrator for Management Services
 Edward Loy Senter, Jr, Fire & EMS Chief
 Thierry Dupuis, Chief of Police
 Dr. Sharon Thomas, Chief Executive to the Superintendent
 Chris Sorensen, Assistant Superintendent for Business and Finance

Highlights

Internal Audit Report to the Board of Supervisors/School Board

Why We Did This Review

County Administrative Procedures require the County Auditor to furnish the County Administrator and Superintendent with a summary of all material unresolved comments, recommendations, and management responses on a regular basis.

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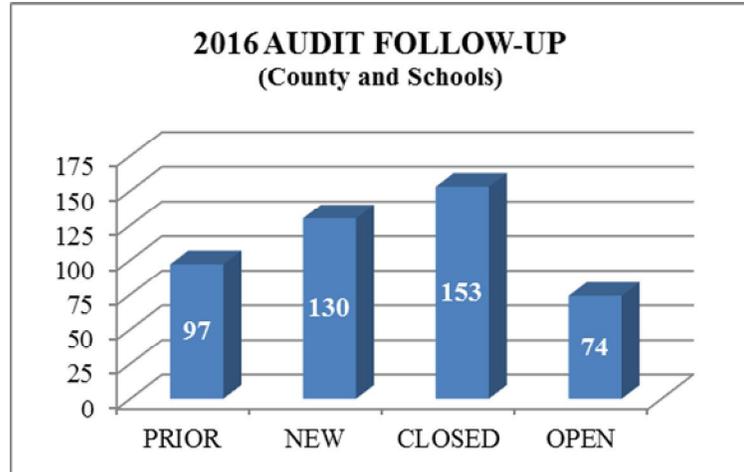
2016 Audit Follow-up

What We Found

Audit Follow-up

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We appreciate the cooperation received from department directors and School Board staff during this process. This cooperation provides assurance that sufficient action is taken to resolve the audit recommendations.

