




Chesterfield County, Virginia Internal Audit

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DATE: June 27, 2019

TO: Joseph P. Casey, Ph.D. Chesterfield County
County Administrator Board of Supervisors

Mervin B. Daugherty, Ed.D Chesterfield County
Superintendent School Board

FROM: Greg L. Akers 
Director of Internal Audit

SUBJECT: FY2019 Audit Follow-Up

Internal Audit's annual follow-up process is the formal organizational procedure that provides a comprehensive snapshot to senior management for ongoing monitoring. County Administrative Procedures require the Auditor to furnish the County Administrator and School Superintendent with a summary of all material unresolved comments, recommendations, and management responses on a regular basis. Follow-up was conducted with departments on open audit recommendations from calendar year 2018 and prior.

Department management responds to all recommendations as reports are issued with anticipated implementation dates to resolve findings. Internal Audit's recommendation database is updated as reports are issued and when management provides support for closure. Departments continued to make progress addressing audit recommendations.

- 83% of recommendations issued calendar year 2018 are already closed. This is an improved clearance rate compared to 66% for calendar 2017.
- For the 72 cumulative open items remaining, management estimates completing 76% by December 31, 2019, and 93% by December 31, 2020.

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 where applicable. Others have been CLOSED as evidenced by department responses, supporting documentation, and auditor review.

- 23 open recommendations originated prior to calendar year 2014 (i.e. are more than 5 years old). Ongoing management attention is appropriate to resolve these items, which are noted by division on the next page.

FY2019 Audit Recommendation Statistics by Division¹

| <u>ENTITY / DIVISON</u> | <u>PRIOR</u> | <u>NEW</u> | <u>CLOSED</u> | <u>OPEN</u> | <u>> 5 Years</u> |
|--|--------------|------------|---------------|-------------|---------------------|
| County: | | | | | |
| Community Operations | 34 | 13 | 17 | 30 | 14 |
| Human Services | 2 | 5 | 2 | 5 | 1 |
| Finance and Administration | 3 | 10 | 6 | 7 | 1 |
| Community Development | 16 | 1 | 5 | 12 | 2 |
| Fire | 7 | 7 | 10 | 4 | 3 |
| Police | 3 | 6 | 7 | 2 | 1 |
| Human Resources | 1 | - | 1 | - | - |
| County Subtotal | 66 | 42 | 48 | 60 | 22 |
| Schools: | | | | | |
| Attorney | - | 1 | 1 | - | - |
| Leadership and Support Services | 2 | 2 | 1 | 3 | 1 |
| Student Learning and Organizational Development | 3 | - | 3 | - | - |
| Business and Finance | 9 | 30 | 34 | 5 | - |
| Human Relations | 4 | - | 2 | 2 | - |
| Operations | 2 | 14 | 14 | 2 | - |
| School Subtotal | 20 | 47 | 55 | 12 | 1 |
| TOTAL | 86 | 89 | 103 | 72 | 23 |
| ALGA 2018 Benchmark² | N/A | 84 | N/A | N/A | N/A |

- (1) Audit recommendation data is collected as of December 31st each year to follow-up on all open audit issues from prior audits.
- (2) Association of Local Government Auditors (ALGA), annual new audit recommendations for similar sized audit organizations (6 to 10 auditors).

The Office of Internal Audit will continue to address open recommendations through correspondence with departments and future audit work. We appreciate the cooperation and assistance of the department directors with this process. This cooperation provides assurance that action is taken to resolve the audit recommendations. If you have any questions or require additional information, contact me at extension 1240.

Copy: Scott Zaremba, Deputy County Administrator
 Sarah Snead, Deputy County Administrator for Human Services
 Matt Harris, Deputy County Administrator for Finance and Administration
 Bill Dupler, Deputy County Administrator for Community Development
 Edward Loy Senter, Jr, Fire & EMS Chief
 Jeffrey Katz, Chief of Police
 Mary Martin Selby, Director of Human Resources
 Dr. Thomas Taylor, Chief of Staff
 Dr. Sharon Pope, Chief Academic Officer
 Dr. John Gordon, Chief of Schools
 Christina Berta, Chief Finance Officer
 Nita Mensia-Joseph, Chief Operating Officer