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CHESTERFIELD COUNTY
Internal Audit

Internal Audit FY21 Audit Plan

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Chesterfield County, Virginia Internal Audit

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DATE: June 1, 2020

TO: Audit and Finance Committees

Joseph P. Casey, Ph. D.
County Administrator

Mervin B. Daugherty, Ed. D.
Superintendent

FROM: Khara L. Durden CPA, CISA, CFE
Director of Internal Audit

A handwritten signature in black ink, appearing to read "K. Durden".

SUBJECT: Internal Audit FY21 Audit Plan

Policy requires Internal Audit (IA) provide a proposed audit plan for Audit and Finance Committees (AFCs) input and approval. IA uses a risk-based plan to recommend potential audit units and considers prior audit history and input received from the County and School Administration, department heads, and others. Updates are provided to AFCs periodically, and the plan may be amended based on operational needs.

During audit plan development, IA considered coverage by risk level and entity. For FY21, we used our refined auditable unit population integrated with our risk assessment to make plan selections. Included charts compare audit plan coverage for the audit universe.

Although we continue to apply a technology focus for all projects, the FY20 COVID-19 pandemic has elevated new risk areas for Chesterfield County. We are proposing an enterprise project that targets the Enterprise's disaster management response and plan to incorporate targeted COVID-19 related objectives in other proposed projects. We hope the results will aid the Enterprise's preparation for future disaster events.

We presented the proposed audit plan for approval at the June 1, 2020 Joint AFC Committee meeting*. We thank you for your continued support and value your input for proposed projects.

*Plan was approved June 1, 2020 by the Joint AFC Committee and June 9th, 2020 by the School Board.

INTRODUCTION

Mission

The Chesterfield County Internal Audit department provides objective analysis and information to management and those charged with governance to support County and School goals benefiting the community.

About Us

Established September 1978, Internal Audit provides an independent function to conduct performance audits, special projects, and investigate reports of fraud, waste, or abuse. Our quality control system to comply with Government Auditing Standards is evaluated through Triennial Peer Reviews by the Association of Local Government Auditors (ALGA). Our latest peer review, completed October 2017, marks 21 consecutive years of program participation. Internal Audit reports directly to the County Administrator in all county matters and the School Superintendent for all school matters, and to the Governing Bodies through the Audit and Finance Committees.

Team

| | |
|---------------------------------|------------------------|
| Khara L. Durden, CPA, CISA, CFE | Director |
| Steve Sanderson, CIA, CISA, CFE | Assistant Director |
| Vacant | Audit Manager |
| Lora Holland, CPA, CGMA | Senior Auditor |
| Christopher Meade, CPA, CGAP | Senior Auditor |
| Terry Parker, MBA, CFE | Senior Auditor |
| Jim Boudreau, CPA, CFE | Staff Auditor |
| Sandra Fuentes | Staff Auditor |
| Christian Wingfield | Staff Auditor |
| Annette Stinson | Administrative Analyst |

Figure 1.2 Auditable Units by Risk Level

| County | Schools | | Combined | | | | | |
|---------------|-----------|-------------|---------------|------------|-------------|---------------|-----------|-------------|
| | Units | Percentage | Units | Percentage | | | | |
| <i>High</i> | 4 | 7% | <i>High</i> | 3 | 10% | <i>High</i> | 7 | 8% |
| <i>Medium</i> | 38 | 64% | <i>Medium</i> | 21 | 73% | <i>Medium</i> | 59 | 67% |
| <i>Low</i> | 17 | 29% | <i>Low</i> | 5 | 17% | <i>Low</i> | 22 | 25% |
| Total | 59 | 100% | Total | 29 | 100% | Total | 88 | 100% |

Figure 1.3 FY21 Audit Plan by Risk Level

| County Audit Universe | Division | FY21 Audit Plan | Risk | | |
|-----------------------|-----------------------|-----------------|----------|----------|----------|
| | | | High | Medium | Low |
| | Community Development | 3 | - | 2 | 1 |
| | Community Operations | 4 | - | 2 | 2 |
| | Entity-wide | 1 | 1 | - | - |
| | Finance | 4 | 2 | 1 | 1 |
| | Human Services | 1 | - | 1 | - |
| | Management | 1 | - | 1 | - |
| | Non-Departmental | 1 | - | - | 1 |
| | Total | 15 | 3 | 7 | 5 |

Schools Audit Universe

| Division | FY21 Audit Plan | Risk | | |
|--|-----------------|----------|----------|----------|
| | | High | Medium | Low |
| Business and Finance | 1 | 1 | - | - |
| Operations | 1 | - | 1 | - |
| School Leadership and Support Services | 1 | - | 1 | - |
| Total | 3 | 1 | 2 | - |

| | | | | |
|---|-----------|------------|------------|------------|
| FY21 County and School Project Total | 18 | 4 | 9 | 4 |
| FY21 Audit Plan Percentage of Risk | | 22% | 50% | 28% |

Note B: Figure 1.3 totals do not include non-audit services and hotline projects.

INTERNAL AUDIT FY21 AUDIT PLAN

| Annual Recurring Projects (not included in Audit Universe): | Hours | Risk |
|---|---------------|------------|
| Non-Audit Analysis: | | |
| 1. APA Comparative Report | 75 | N/A |
| 2. CDBG & Home Organizations | 100 | N/A |
| 3. Community Organizations Applying for Donations | 100 | N/A |
| 4. Volunteer Fire & Rescue Organizations | 50 | N/A |
| Recurring Projects: | | |
| 5. Annual Follow-Up | 500 | N/A |
| 6. Annual Report Card | 50 | N/A |
| 7. Audit Risk and Work Plan Performance | 500 | N/A |
| 8. External Audit Support | 300 | N/A |
| 9. Peer Review (Triennial) | 200 | N/A |
| Fraud, Waste, and Abuse Hotline/Special Projects: | | |
| 10. County Special Projects/Hotline | 1,000 | N/A |
| 11. Fraud, Waste, and Abuse Hotline Annual Report | 100 | N/A |
| 12. Schools Special Projects/Hotline | 750 | N/A |
| Annual Recurring Project Subtotal (% of Total Audit Hours Available): | 3,725 | 35% |
| Risk-Based Audit Projects (included in Audit Universe): | Hours | Risk |
| FY20 Audits In Progress: | | |
| 1. County Special Project: Community Enhancement Risk Control Self Assessment | 75 | Low |
| 2. Parks & Recreation, Concession Stand Leases and Leases (Softball, etc.) | 100 | Low |
| 3. Risk Management, Claims Administration and Worker's Compensation | 275 | Medium |
| 4. Schools, Student Enrollment | 300 | Medium |
| 5. Social Services, General Relief | 200 | Medium |
| 6. Utilities, Customer Information System | 275 | Medium |
| FY20 Audits Remaining: | | |
| 7. Economic Development, Revitalization | 400 | Medium |
| 8. IST, Application Security Controls | 500 | Medium |
| 9. Schools, Capital Projects and Maintenance | 525 | Medium |
| FY20 Carry Over Subtotal (% of Total Audit Hours Available): | 2,650 | 25% |
| 10. Accounting, Revenue Collections | 500 | High |
| 11. Entitywide, Pandemic Response | 1,000 | High |
| 12. Human Resources, Candidate Recruitment and Selection | 500 | Medium |
| Annual External Audit Support: | | |
| 13. Schools, School Activity Funds | 125 | High |
| 14. Sheriff, Jail Canteen and Inmate Trust Fund | 325 | Low |
| Total Audit Hours Available with Current Vacancies^C: | 8,825 | 83% |
| 15. Procurement, Emergency Procurement Requests | 400 | Medium |
| 16. Accounting, Countywide Payroll | 500 | Medium |
| 17. Accounting, Expenditure Analysis | 500 | Low |
| 18. Non-Departmental, Regional Authority | 375 | Low |
| Total Audit Hours Available when Fully Staffed^C: | 10,600 | |

Note C: Covid-19 created Internal Audit (IA) staffing vacancies (two full-time positions) and may prevent office from performing 10,600 audit hours. If not fully-staffed, projects will be prioritized based on risk.

Community Development

- Building Inspection^M
- Community Enhancement^M
 - CDBG & Home Organizations^{NA}
- Economic Development^L
- Environmental Engineering^M
- Planning^H
- Transportation^M
- Utilities^M
 - Capital Projects^M
 - Capital Maintenance^M

Community Operations

- Circuit Court Clerk^L
- Commonwealth's Attorney^L
- Cooperative Extension^L
- General Services^M
 - Airport^M
 - Building and Grounds^M
 - Fleet Management^M
 - Waste and Resource Recovery^M
- Information System Technology^M
 - Application Services^M
 - Infrastructure Services^H
- Libraries^L
- Parks and Recreation^M
- Risk Management^M
- Sheriff^M
 - Jail Canteen and Inmate Trust Fund^L
 - Riverside Regional Jail^M

County Management

- Clerk to the Board of Supervisors^L
- County Administration^L
- County Attorney^L
- Fire and EMS^M
 - Volunteer Fire & Rescue Organizations^{NA}
- Human Resources^M
- Intergovernmental Relations^L

- Police^M
 - Emergency Communications^M

Entity-Wide

- APA Comparative Report^{NA}
- Capital Projects^M
- Capital Maintenance^M
- Disaster Management^H
- Payroll^M
- Quarterly Expenditure Analysis^L
- Revenue Collections^H

Finance

- Accounting
 - Enterprise System Security^M
- Budget and Management^M
 - Community Organizations Applying for FY21 Donations^{NA}
- Commissioner of Revenue^L
- Communications and Media^M
- Procurement^M
- Real Estate Assessor^M
- Registrar/Electoral Board^M
- Training/Learning & Performance Center^L
- Treasurer^M

Human Services

- Citizen Information and Resources^L
- Community Corrections^M
- Courts^M
- Juvenile Detention Home^M
- Mental Health Support Services^M
- Social Services^M

Non-Departmental^L

- Tax Relief for the Elderly^L
- County Affiliated Entities^L

Business and Finance

- Budget & Management^M
- Finance^H
- Food Service^M

Operations

- Facilities, Maintenance, and Construction^M
 - Capital Projects^M
 - Capital Maintenance^M
- Planning^M
- Safety and Security^M
- Student Transportation^M

Human Relations

- *Communications and Community Engagement*
 - Communities in Schools^M
 - Family and Community Engagement^M
 - Government, Policy, and Media Relations^L
 - Printing Services^L
- Constituent Services and Student Leadership^L
- *Human Resources and Employee Services*
 - Compensation and Benefits^M
 - Human Resources^M

School Leadership and Support Services

- Elementary School A^M
- Elementary School B^M
- Elementary School C (Title 1)^M
- High School^M
- Middle School^M
- Student Support Services^H
- Technology Services^H

Student Learning and Organizational Development

- Career and Technical Education^M
- Organizational Development^M
- Special Education^M
- Teaching and Learning^M

School Management

- Superintendent^L
- School Board Attorney^L

Note D: Risk rating are listed for auditable units: H – High; M – Medium; L – Low; NA – Non-Audit. Non-Audits are listed for reference and not included in auditable unit counts (Figures 1.1, page 3 and 1.2, page 4).

Chesterfield County Mission Statement

Providing a FIRST CHOICE Community Through Excellence in Public Service

blueprint
CHESTERFIELD

