




Chesterfield County, Virginia Internal Audit

9901 Lori Road, Room 142 – P.O. Box 40 – Chesterfield, VA 23832
Phone: (804) 748-1240 – Fax: (804) 768-9346 – Internet: chesterfield.gov

DATE: February 25, 2022

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

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

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

SUBJECT: FY22 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. Internal Audit Policy 8-1: Internal Audit Introduction requires the Auditor to furnish the County Administrator, School Superintendent, and the Audit and Finance Committee's with a summary of all unresolved comments, recommendations, and management responses on an annual basis. Follow-up was conducted with departments on open audit recommendations from calendar year 2021 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.

- 34% of recommendations issued calendar year 2021 are already closed. This is a decreased clearance rate compared to 67% for calendar 2020.
- For the 139 open items remaining, management estimates completing 94% by December 31, 2022, and 100% by December 31, 2023.

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.

- Eight open recommendations originated prior to calendar year 2017 (i.e. are more than 5 years old). Ongoing management attention is appropriate to resolve these items, which are noted by division and department on the next pages. We reviewed the 8 recommendations older than 5 years and noted budgetary constraints have not prohibited management from completing these recommendations, but some are related to long-term projects. Our FY21 Audit Follow-Up report stated there were 20 open recommendations greater than 5 years old.

FY22 Audit Recommendation Statistics by Division¹

<u>ENTITY / DIVISON</u>	<u>PRIOR</u>	<u>NEW</u>	<u>CLOSED²</u>	<u>OPEN</u>	<u>>5 Years</u>	<u>% > 5Years</u>
County:						
Community Development	22	19	26	15	1	7%
Community Operations	35	5	14	26	5	19%
County Management	8	11	9	10	1	10%
Finance & Administration	9	3	6	6	-	0%
Human Services	12	2	10	4	1	25%
County Subtotal	86	40	65	61	8	13%
Schools:						
Superintendent	-	1	1	-	-	0%
Chief Academic Officer	-	1	1	-	-	0%
Chief Communications & Community Engagement Officer	-	6	4	2	-	0%
Chief Finance Officer	22	6	7	21	-	0%
Chief of Human Resources & Talent Management	16	3	9	10	-	0%
Chief of Schools	1	11	2	10	-	0%
Chief Operations Officer	2	5	3	4	-	0%
Chief Technology Officer	1	28	3	26	-	0%
School Board Attorney	-	1	1	-	-	0%
School Subtotal	42	62	31	73	-	0%
Constitutional Officers:	4	5	4	5	-	0%
TOTAL	132	107	100	139	8	6%
ALGA 2018 Benchmark³	N/A	84	N/A	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 recommendations from prior audits.
- (2) Closed recommendations include those that have been implemented, replacement by repeat recommendations or recommendations no longer valid.
- (3) Association of Local Government Auditors (ALGA) 2018 report using annual new audit recommendations for similar sized audit organizations (6 to 10 auditors).

FY22 Audit Recommendation Statistics by Department

<u>DIVISION / DEPARTMENT</u>	<u>PRIOR</u>	<u>NEW</u>	<u>CLOSED</u>	<u>OPEN</u>	<u>>5 Years</u>	<u>% > 5 Years</u>
County:						
Community Development:						
Building Inspection	1	-	1	-	-	0%
Community Enhancement	-	2	-	2	-	0%
Economic Development	-	6	-	6	-	0%
Environmental Engineering	3	-	2	1	1	100%
Planning	15	-	15	-	-	0%
Transportation	2	-	2	-	-	0%
Utilities	1	11	6	6	-	0%
Subtotal	22	19	26	15	1	7%
Community Operations:						
IST	26	5	10	21	5	24%
Library	5	-	-	5	-	0%
Parks & Recreation	4	-	4	-	-	0%
Subtotal	35	5	14	26	5	19%
County Management:						
Animal Services	1	-	1	-	-	0%
County Management	-	6	2	4	-	0%
Emergency Communications	1	-	-	1	-	0%
Finance & Administration	3	-	3	-	-	0%
Fire	2	1	1	2	1	50%
Human Resources	-	2	1	1	-	0%
Police	1	2	1	2	-	0%
Subtotal	8	11	9	10	1	10%
Finance & Administration:						
Accounting	1	-	-	1	-	0%
Communications & Media	3	-	-	3	-	0%
Learning & Performance Center	-	2	2	-	-	0%
Real Estate Assessments	5	1	4	2	-	0%
Subtotal	9	3	6	6	-	0%
Human Services:						
Community Corrections	5	-	3	2	1	50%
Mental Health Support	-	2	1	1	-	0%
Social Services	7	-	6	1	-	0%
Subtotal	12	2	10	4	1	25%
County Subtotal	86	40	65	61	8	13%

Schools:

Superintendent:	-	1	1	-	-	0%
Chief Academic Officer:	-	1	1	-	-	0%
Chief Communications & Community Engagement Officer:	-	6	4	2	-	0%
Chief Finance Officer:						
Finance	21	6	6	21	-	0%
Management & Budget	1	-	1	-	-	0%
Subtotal	22	6	7	21	-	0%
Chief of Human Resources & Talent Management:						
Compensation & Benefits	5	-	2	3	-	0%
Human Resources	11	3	7	7	-	0%
Subtotal	16	3	9	10	-	0%
Chief of Schools:						
Chief of Schools:	-	9	1	8	-	0%
Elementary Schools	1	1	1	1	-	0%
Middle Schools	-	1	-	1	-	0%
Subtotal	1	11	2	10	-	0%
Chief Operations Officer:						
Chief Operations Officer	-	5	1	4	-	0%
Facilities & Maintenance	1	-	1	-	-	0%
Transportation	1	-	1	-	-	0%
Subtotal	2	5	3	4	-	0%
Chief Technology Officer:	1	28	3	26	-	0%
School Board Attorney:	-	1	1	-	-	0%
Schools Subtotal	42	62	31	73	-	0%
Constitutional Officers:						
General Registrar	2	-	-	2	-	0%
Sheriff	2	4	3	3	-	0%
Treasurer	-	1	1	-	-	0%
Constitutional Officers Subtotal	4	5	4	5	-	0%
TOTAL	132	107	100	139	8	6%

Internal Audit continually addresses open recommendations through correspondence with departments. We appreciate the cooperation and assistance of department directors and management. Cooperation assures that action is taken to resolve all audit recommendations. If you have any questions or require additional information, please contact our office.

Copy: Jesse Smith, Deputy County Administrator for Community Development
Clay Bowles, Deputy County Administrator for Community Operations
Matt Harris, Deputy County Administrator for Finance and Administration
Dr. James Worsley, Deputy County Administrator for Human Services
Dr. Sharon Pope, Chief Academic Officer
Shawn Smith, Chief Communications and Community Engagement Officer
Robert Meister, Chief Financial Officer
Dr. Kim Hough, Chief of Human Resources and Talent Management
Dr. Lisa High, Chief of Schools
Josh Davis, Chief Operations Officer
Dr. Timothy Tillman, Chief Technology Officer
Wendell Roberts, School Board Attorney
Constance Hargrove, General Registrar
Karl Leonard, Sheriff
Rebecca Longnaker, Treasurer