



Providing a FIRST CHOICE
Community through
Excellence in Public Service



CHESTERFIELD COUNTY
Internal Audit

Khara L. Durden, Director
Steve Sanderson, Assistant Director
Ryan Gartin, Audit Manager
Lora Holland, Senior Auditor
Terry Parker, Senior Auditor
Christian Wingfield, Senior Auditor
Aline Bright, Staff Auditor
Audrey Weatherholtz, Staff Auditor
Kristen Ramey, Administrative Analyst

FY23 Internal Audit Plan

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Chesterfield County, Virginia

Internal Audit

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DATE: June 8, 2022

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

SUBJECT: **FY23 Internal Audit Plan**

Policy requires Internal Audit (IA) provide a proposed audit plan for Audit and Finance Committees (AFCs) input and approval. IA provides updates to the AFCs periodically, and policy allows plan amendment when deemed necessary. The FY23 Internal Audit Plan was approved by the County AFC Committee on June 3rd, 2022, and CCPS on June 7th, 2022.

Annually, IA uses an entity-wide risk assessment to recommend potential audit projects and considers submissions received from County and School Administration, department requests, and IA staff input. Audit planning also includes consideration of current IA resources such as staff competency and vacancies.

Recently, IA revised the entity-wide risk assessment to incorporate the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework. This best practice framework assists in designing, implementing, and evaluating internal controls for organizations to provide enterprise risk management. We also updated our County and School department risk assessments using an analysis of external, financial, operations, personnel, and technology factors.

INTRODUCTION

Mission

The IA 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, IA provides an independent function to conduct performance audits, special projects, and investigate reports of fraud, waste, or abuse.

Chesterfield County Charter §6.12 assigns responsibility to the Auditor for providing internal accounting and auditing controls to assure compliance with applicable laws, contractual obligations, and accepted accounting practices to safeguard against loss or inefficiency.

IA reports directly to the governing bodies through the Audit and Finance Committees and the County Administrator for all county matters and the School Superintendent for all school matters.

The IA department follows Generally Accepted Government Auditing Standards (GAGAS) published by the U.S. Comptroller General as well as any applicable laws and policies governing the State of Virginia and Chesterfield County. 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.

Audit Resources

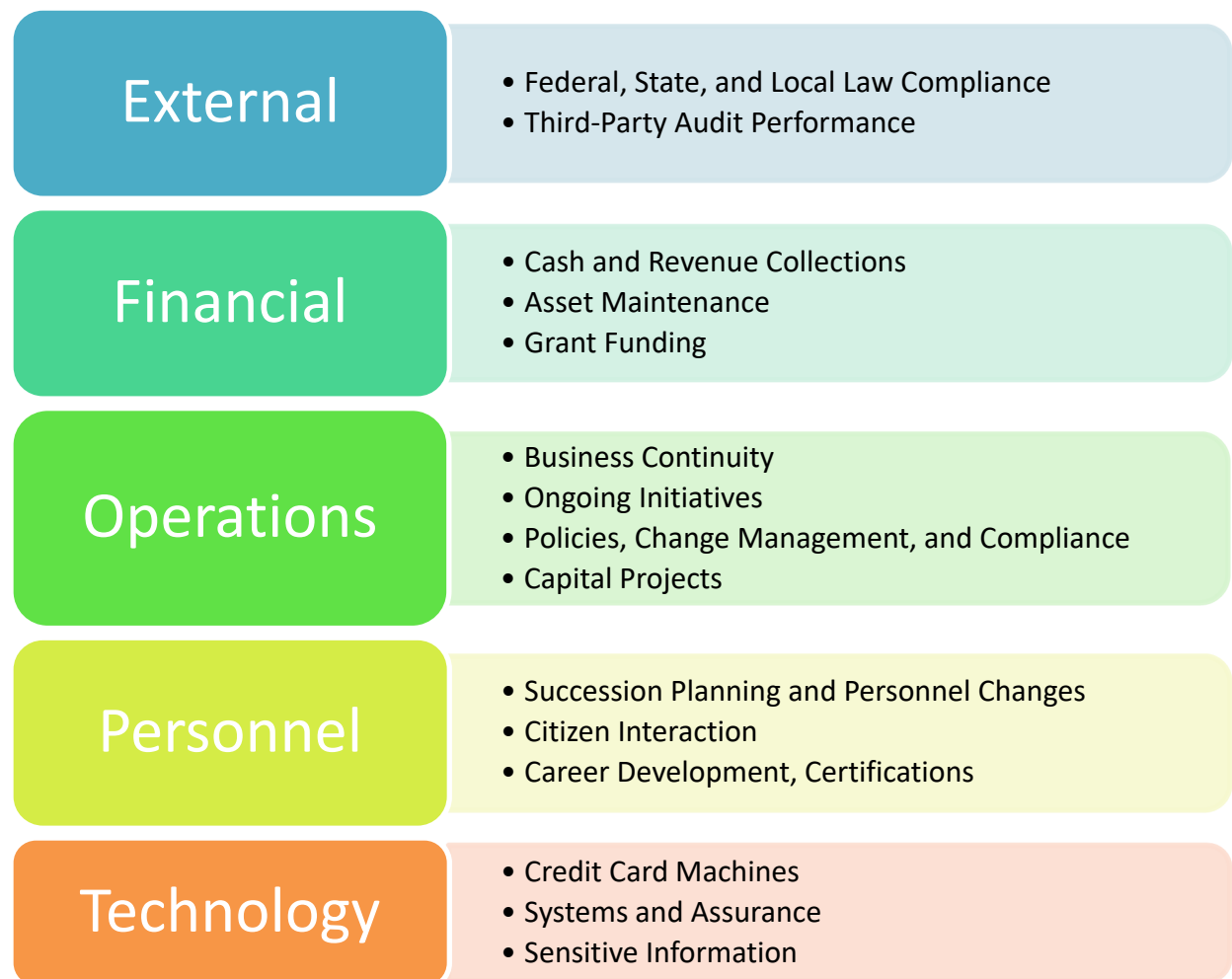
IA is comprised of eleven professional audit positions and one administrative position. A list of current team members is shown below:

Khara L. Durden, CPA, CISA, CFE, Director	Steve Sanderson, CIA, CISA, CFE, Assistant Director	Ryan Gartin, CIA, CISA, Audit Manager	
Lora Holland, CPA, CGMA, Senior Auditor	Terry Parker, CFE, Senior Auditor	Christian Wingfield, CIA, Senior Auditor	Vacant, Senior Auditor
Aline Bright, Staff Auditor	Audrey Weatherholtz, Staff Auditor	Vacant, Staff Auditor	Kristen Ramey, Administrative Analyst

AUDIT UNIVERSE AND RISK ASSESSMENT

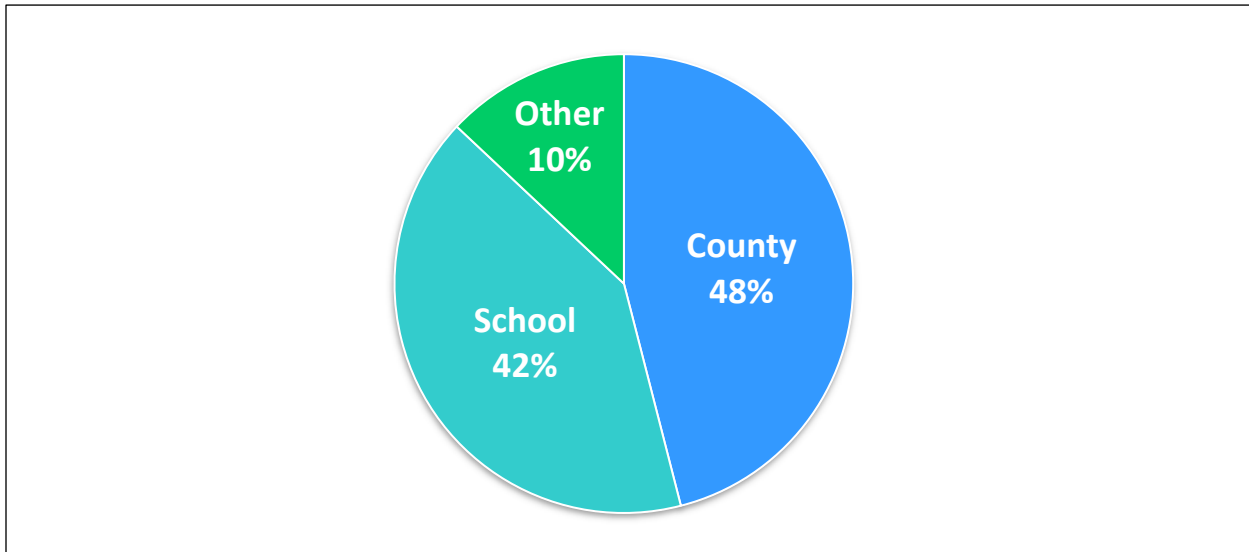
Determining which areas to focus limited audit resources is the key to a successful audit function. IA uses a multi-faceted approach for project planning and selection which includes defining the organization's audit universe and performing a risk assessment. The risk assessment is evaluated when designing the audit plan and considers submissions received from County and School Administration, department requests, and IA staff input. Planning also includes consideration for current department resources such as staff experience and vacancies.

Recently, IA updated the enterprise risk assessment using the COSO Framework which evaluates five organizational principles: Risk Assessment, Control Activities, Information and Communications, Control Environment and Monitoring Activities. This best practice framework assists in designing, implementing, and evaluating internal controls for organizations to provide enterprise risk management. Additionally, we updated County and School department specific risk assessments by evaluating five areas:

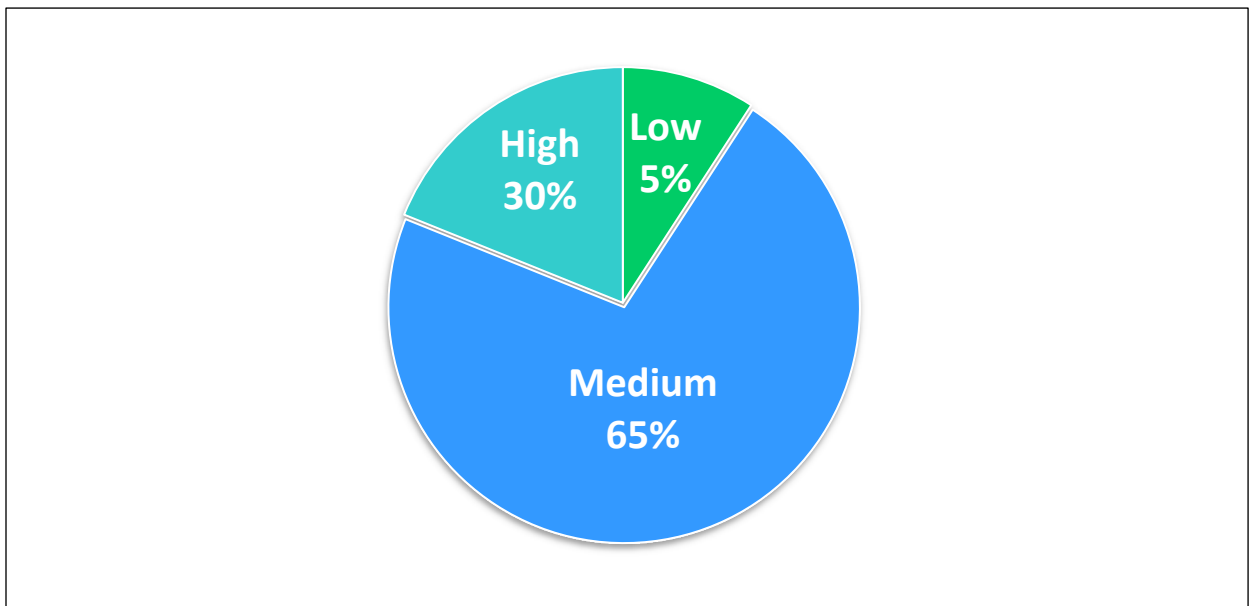


Recently, IA streamlined the entity-wide audit universe and updated for organizational changes in governance resulting in 60 audit units. The audit universe is defined by audit units using both County and Schools divisions/departments. Additionally, an “other” category includes units which IA’s access is subject to those entities’ authorization.

The figure below illustrates entity-wide audit unit distribution. Each audit unit may have multiple audit areas based on the size and complexity of the unit. See audit unit detail starting on page 8.



The results of our risk assessment procedures categorized the entity-wide audit units by risk level as follows:



INTERNAL AUDIT FY23 AUDIT PLAN

Annual Recurring Projects

- APA Comparative Report
- Third Party Audits
- Annual Follow-Up
- Annual Report
- Annual Entity-wide Risk Assessment
- Annual Audit Plan
- Annual External Audit Support
- Annual Third Party Project Administration
- Peer Review
- County Hotline and Special Projects
- Schools Hotline and Special Projects
- Fraud, Waste, and Abuse Hotline Annual Report

FY22 Audit Projects in Progress

- Accounting, Payroll Pay Study Results
- FY22 Continuous Auditing Results
- Schools, Athletic Programs
- Transportation, Project Management

FY23 Audit Projects

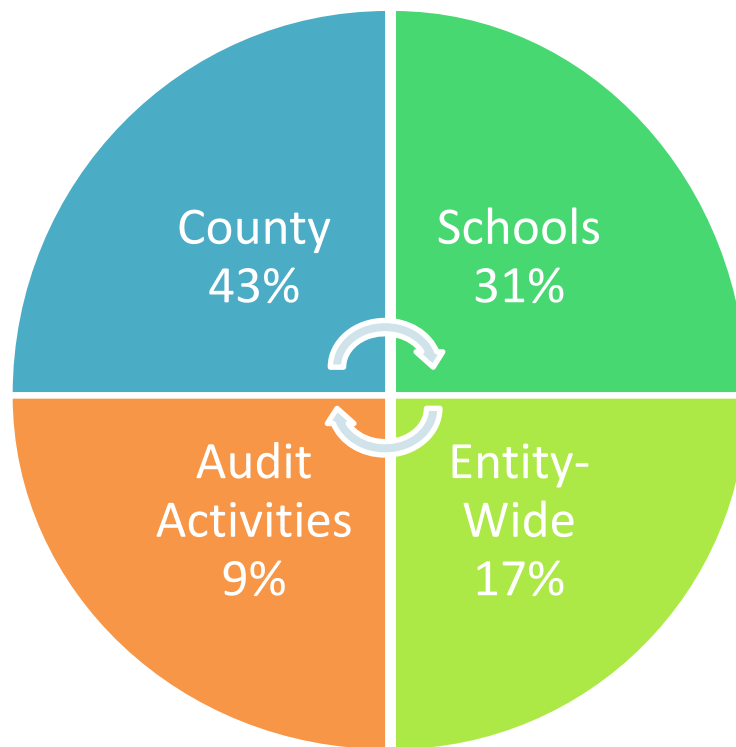
- FY23 Continuous Auditing Results
- General Services, Energy Management
- IST, Records Management
- Schools, Payroll Pay Study Results
- Schools, Physical Security Assessment
- Schools, Technology Hardware Management
- Sheriff, Jail Canteen and Inmate Trust Fund (External Audit Support)

Additional Projects when Fully Staffed

- Accounting, Change Funds
- Citizen Information & Resources, Mobility Services
- Fire & EMS, PassPort/Ambulance Program
- Planning, Site Plan Review

- **Annual Recurring Projects:** projects not included in our audit universe analysis or risk assessment procedures. Annual recurring projects include non-audit reporting, required projects and fraud, waste and abuse program administration.
- **FY22 Audit Projects in Progress:** projects that were part of prior year’s approved audit plan. One project, Accounting, County Payroll was placed on hold due to a payroll study being conducted during FY22. IA will communicate with management on a regular basis to determine when this project will resume. Because all planned projects are in progress, none were considered for removal in FY23.
- **FY23 Audit Projects:** planned performance audits we plan to complete using current resources. The Sheriff, Jail Canteen and Inmate Trust Fund audit is performed annually as part of our external audit support services.
- **Additional Projects when Fully Staffed:** projects we plan to perform when current staff vacancies have been filled.

The FY23 annual audit plan allocates resources to the following areas:



Audit Unit Detail – County and Other

Community Development (10%)

- Building Inspection^M
- Community Enhancement^M
- Environmental Engineering^M
- Planning^M
- Transportation^M
- Utilities^H

Other (10%)

- Circuit Court Clerk^H
- Commissioner of Revenue^M
- Commonwealth's Attorney^M
- Registrar/Electoral Board^M
- Sheriff^H
- Treasurer^M

Community Operations (8%)

- General Services^H
- Information System Technology^M
- Libraries^H
- Parks and Recreation^H
- Risk Management^M

County Management (8%)

- County Attorney^M
- Economic Development^M
- Fire and EMS^M
- Human Resources^M
- Police^H

Finance and Administration (12%)

- Accounting^M
- Budget and Management^M
- Communications and Media^L
- Constituent Services^L
- Learning & Performance Center^M
- Procurement^M
- Real Estate Assessments^M

Human Services (10%)

- Citizen Information and Resources^M
- Community Corrections Services^M
- Drug Court^H
- Juvenile Justice Services^H
- Mental Health Support Services^H
- Social Services^H

Audit Unit Detail – Schools

Academics (7%)

- Career and Technical Education^M
- Curriculum Development and Support^M
- Exceptional Education^M
- Instructional Innovation^H

Communications & Community Engagement (5%)

- Constituent Services^M
- Family & Community Engagement^M
- Government, Policy, and Media Relations^M

Finance (5%)

- Budget^M
- Finance^M
- Food Nutrition Services^H

Human Resources & Talent Management (3%)

- Compensation and Benefits^M
- Staffing and Employee Relations^M

Operations (5%)

- Construction^M
- Facilities and Maintenance^M
- Student Transportation^M

Schools (11%)

- Elementary School Leadership^H
- Elementary School Leadership^H
- Elementary School Leadership – Title I^H
- Equity & Student Support Services^M
- High School Leadership^H
- Middle School Leadership^H
- School Improvement^M

School Board Attorney^M (2%)

School Management^L (2%)

Technology^M (2%)

Notes:

(1) Risk ratings are listed for audit units: H – High; M – Medium; L – Low.

(2) Division percentage indicates proportion of total audit universe.

(3) “Other” category includes units included in the entity-wide risk assessment which IA’s access is subject to those entities’ authorization.

Chesterfield County Mission Statement

Providing a FIRST CHOICE Community Through Excellence in Public Service

blueprint
CHESTERFIELD

