



Chesterfield County, Virginia

Memorandum

DATE: June 7, 2017

TO: Joseph P. Casey, PhD. Dr. James Lane
County Administrator School Superintendent

FROM: Greg L. Akers *GA*
Director of Internal Audit

SUBJECT: FY2017 Audit Follow-Up

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 2016 and prior. 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. The County Administrator and School Superintendent receive a full summary for County and Schools respectively. Summary reports for their respective divisions are provided to division management copied on this memorandum. Meetings will be scheduled with County and School division and department management if desired. Please note certain listed recommendations on attached reports may be identified as 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 where applicable. Others have been CLOSED as evidenced by department responses, supporting documentation, and auditor review.

- 78% of the 120 new recommendations issued in calendar year 2016 are closed.
- Of the remaining 74 cumulative open items, management estimates completing 89% by December 31, 2017, and 97% by December 31, 2018.

2016 Audit Recommendation Statistics by Division

ENTITY / DIVISION	PRIOR	NEW	CLOSED	OPEN
County:				
Management Services	27	8	14	21
Human Services	5	4	7	2
Finance and Administration	1	2	2	1
Community Development	23	3	12	14
Fire	8	-	1	7
Police	3	4	4	3
Human Resources	-	-	-	-
County Subtotal	67	21	40	48
Schools:				
Leadership and Support Services	1	-	-	1
Student Learning and Organizational Development	5	5	10	-
Business and Finance	-	57	44	13
Human Relations	1	10	11	-
Operations	-	27	15	12
School Subtotal	7	99	80	26
TOTAL	74	120	120	74
ALGA 2016 Benchmark ⁽¹⁾	N/A	140	N/A	N/A

(1) 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 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: Scott Zaremba, Deputy County Administrator
 Sarah Snead, Deputy County Administrator for Human Services
 Bill Dupler, Deputy County Administrator for Community Development
 Lou Lassiter, Deputy County Administrator for Finance and Administration
 Edward Loy Senter, Jr, Fire & EMS Chief
 Thierry Dupuis, Chief of Police
 Mary Martin Selby, Director of Human Resources
 Dr. Thomas Taylor, Executive Director of School Administration
 Donna Dalton, Chief Academic Officer
 Chris Sorensen, Assistant Superintendent for Business and Finance
 Donald Fairheart, Chief of Staff
 Nita Mensia-Joseph, Chief Operating Officer

Highlights

Internal Audit Report to the Board of Supervisors/School Board

Why We Did This Review

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.

Summary reports have been provided and meetings will be scheduled with County and School division and department management if desired. Please note certain recommendations may be identified as 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.

The Office of Internal Audit will continue to address open recommendations through correspondence with departments and future audit work.



For more information, please contact
Greg L. Akers, at 804-748-1240 or
akersg@chesterfield.gov

FY2017 Audit Follow-up

What We Found

Audit Follow-up

Follow-up was conducted on open audit recommendations from prior years as well as those issued during the 2016 calendar year. Departments continued to make progress addressing audit recommendations. 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.

- 78% of the 120 new recommendations issued in calendar year 2016 are closed.
- Of the remaining 74 cumulative open items, management estimates completing 89% by December 31, 2017, and 97% by December 31, 2018.

ENTITY / DIVISION	PRIOR	NEW	CLOSED	OPEN
County:				
Management Services	27	8	14	21
Human Services	5	4	7	2
Finance and Administration	1	2	2	1
Community Development	23	3	12	14
Fire	8	-	1	7
Police	3	4	4	3
Human Resources	-	-	-	-
County Subtotal	67	21	40	48
Schools:				
Leadership and Support Services	1	-	-	1
Student Learning and Organizational Development	5	5	10	-
Business and Finance	-	57	44	13
Human Relations	1	10	11	-
Operations	-	27	15	12
School Subtotal	7	99	80	26
TOTAL	74	120	120	74
ALGA 2016 Benchmark ⁽¹⁾	N/A	140	N/A	N/A

(1) Association of Local Government Auditors (ALGA), annual new audit recommendations for similar sized audit organizations (6 to 10 auditors).

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.

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