



**Audit Report No. 2007-01**  
**FOLLOW-UP AUDIT**  
**OF**  
**OUTSTANDING AUDIT COMMENTS**  
**As of December 31, 2005**

**Prepared by**  
CITY AUDITOR  
Richmond, Virginia

Submitted to  
The Honorable Members of City Council  
August 18, 2006

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The Honorable Members of City Council  
City of Richmond, Virginia

**Subject: Annual Follow-up Audit**

The City Auditor's Office has completed the Annual Follow-up Audit. The objective was to determine whether (and to what extent) appropriate and timely corrective actions had been taken to implement outstanding audit recommendations. The Follow-Up Audit is important because it reports the efforts made by City agencies to implement audit recommendations.

***Background:***

To help ensure the financial integrity and operational efficiency of the City, the City Auditor's Office reviews the actions taken by department administration in regard to recommendations made in prior audits. Auditors reviewed all the audit reports the City Auditor issued through December 31, 2005, that had open recommendations with an implementation date of December 31, 2005 or prior, also under evaluation were the items still open from our earlier Follow-Up Audit report dated October 31, 2005.

***Methodology:***

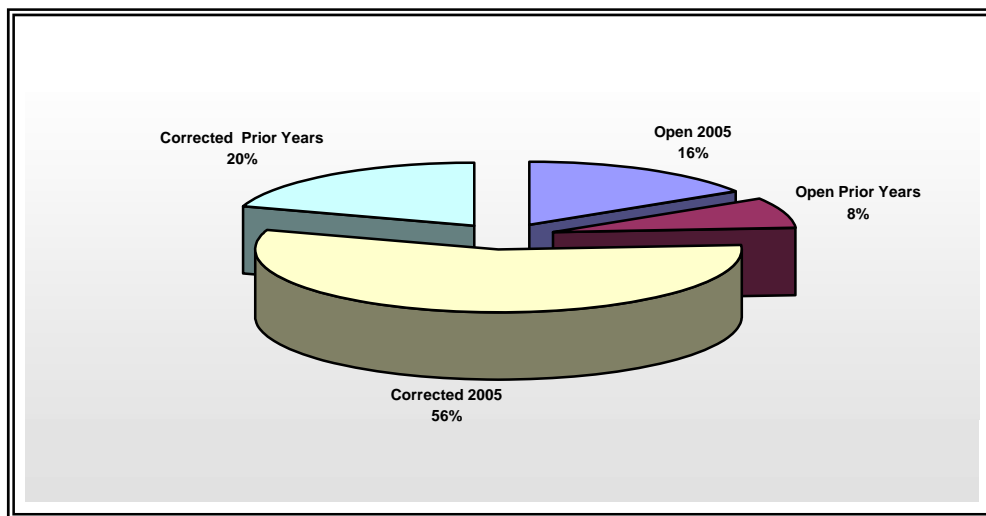
During this review Auditors interviewed the management personnel associated with each recommendation and tested the results of the actions they had taken. The audit was conducted in accordance with Generally Accepted Government Auditing Standards.

***Conclusions:***

- The auditors reviewed 130 outstanding comments, 94 from reports issued in fiscal year 2005 and 36 from prior years' reports.
- A total of 99 of the 130 recommendations were corrected.
- Auditors could not determine if there was progress on three of the remaining 31 open recommendations.
- The following schedule compares the results noted in the Follow-Up Reports for the last four years:

<b>STATUS OF RECOMMENDATIONS</b> <b>FISCAL YR ENDED</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
OPEN	31	42	56	32
CORRECTED	99	63	50	66
<b>TOTAL</b> <b>RECOMMENDATIONS OUTSTANDING</b>	130	105	106	98
% Corrected in current year that had been carried forward from prior years	72%	55%	39%	43%
% Corrected in first year after the audit	78%	65%	51%	75%

The current year's results are depicted in the following pie-chart:



***Impact:***

City management continues to be responsive to our audit comments, as Department Directors have either implemented most recommendations or have planned corrective action within a reasonable amount of time. The City benefits from increased efficiencies and dollar savings as a result of most audits. For example, the Finance Department implemented our towing contract recommendations (audit report 2004-02) and recovered \$27,932 from the towing vendor in FY06. Finance also instituted vendor-offset procedures that resulted in \$230,383 in FY06 recoveries (audit report 2000-05).

If you have any questions related to this report, please contact the City Auditor's Office.

Umesh Dalal, CPA, CIA, CA  
City Auditor

# STATUS OF OUTSTANDING AUDIT COMMENTS

## Statistical Summary

<u>REPORT NUMBER</u> <u>REPORTS BEFORE</u>	<u>AUDIT REPORT</u>	<u>TOTAL</u>	<u>OPEN</u>	<u>CORRECTED</u>
<b><u>FY2005</u></b>				
00-05	City Towing Contract*	2	0	2
01-03	Finance - Payroll	1	0	1
02-04	Finance - Disbursements	1	1	0
02-05	HSIS	2	0	2
02-13	City-Wide Revenue	4	0	4
03-04	Police Emergency Communications	1	0	1
03-05	Fleet Management	3	2	1
03-06	DPU – Payment Arrangements	1	0	1
03-10	Finance-Collections: Returned Checks	3	1	2
03-11	Richmond Redevelopment Housing Authority (RRHA)	3	0	3
04-02	Finance/Procurement – Vendor file	2	2	0
04-05	Police – Training & Recertification	1	0	1
04-06	DPU - Disbursements	1	0	1
04-07	Finance – License Assessment Unit	7	3	4
04-08	Parks/Rec–Summer Food Program	1	0	1
04-13	Economic Development	2	0	2
<b><u>Major Items – Reports before</u></b>				
<b><u>FY2005</u></b>				
04-02	Finance – Vendor Files*	1	1	0
<b>TOTAL</b>		<b>36</b>	<b>10</b>	<b>26</b>
<b>PERCENT OF TOTAL</b>		<b>100%</b>	<b>28%</b>	<b>72%</b>
<b><u>FY2005 REPORTS<sup>a</sup></u></b>				
05-03	DPW - Maintenance	2	0	2
05-05	City-wide Grants Process	24	10	14
05-06	DCD – Code Compliance Programs	13	2	11
05-08	Assessor – Tax Rehabilitation	8	2	6
05-10	Social Services – Child Day Care	3	2	1
05-11	DPU – Capitalization Policy	4	0	4
05-12	CDA	2	1	1
05-13	City Clerk – Council Discretionary Accts	4	0	4
05-14	DPW Custodial Services Unit	3	2	1
06-01	Library	10	1	9
06-03	Juvenile Justice Services	6	0	6
06-04	RHA - Expenditures	4	0	4
06-06	City-wide Analysis - Financial Skills	2	0	2
06-07	Parks & Rec – Coliseum Interior Renovations	2	0	2
06-08	DPU – Metro Care Program	5	0	5
<b><u>Major Items – FY2005<sup>a</sup></u></b>				
05-06	DCD – Code Compliance Program	1	0	1
06-03	Juvenile Justice Services – Administration	1	1	0
<b>TOTAL</b>		<b>94</b>	<b>21</b>	<b>73</b>
<b>PERCENT OF TOTAL</b>		<b>100%</b>	<b>22%</b>	<b>78%</b>
<b>TOTAL: ALL REPORTS</b>		<b>130</b>	<b>31</b>	<b>99</b>
<b>PERCENT OF TOTAL</b>		<b>100%</b>	<b>24%</b>	<b>76%</b>

\* See Executive Summary “Impact”

<sup>a</sup> Includes all FY2006 audit recommendations that had an implementation date by December 31, 2005.



## City Auditor Report Evaluation Form

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Your feedback helps us do a better job. If you would please take a few minutes to fill out the following information for us, it will help us assess and improve our work.

Please rate the following elements of this report by checking the appropriate box.

	<b>Too Little</b>	<b>Just Right</b>	<b>Too Much</b>
Details	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of Writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential Impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Suggestions for our report format: \_\_\_\_\_

\_\_\_\_\_

Suggestions for future studies: \_\_\_\_\_

\_\_\_\_\_

Other comments, ideas, thoughts: \_\_\_\_\_

\_\_\_\_\_

Name (Optional): \_\_\_\_\_

**Thanks for taking the time to help us.**

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Email: [askcityauditor@ci.richmond.va.us](mailto:askcityauditor@ci.richmond.va.us)

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