



Richmond City Council

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Richmond, Virginia

OFFICE OF THE CITY AUDITOR

AUDIT REPORT # 2009-08
on the

City of Richmond, Virginia Annual Follow-Up Audit Through 12/31/08

June 2009

OFFICIAL GOVERNMENT REPORT

Richmond City Council

OFFICE OF THE CITY AUDITOR

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*Committed to increasing government efficiency, effectiveness,
and accountability on behalf of the Citizens of Richmond.*



City of Richmond
City Auditor

June 23, 2009

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, 2008 that had open recommendations with an implementation date through December 31, 2008. Fiscal Year 2009 Follow Up also included recommendations from the Accounts Payable and Procurement Audits that had implementation dates after December 31, 2008.

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:

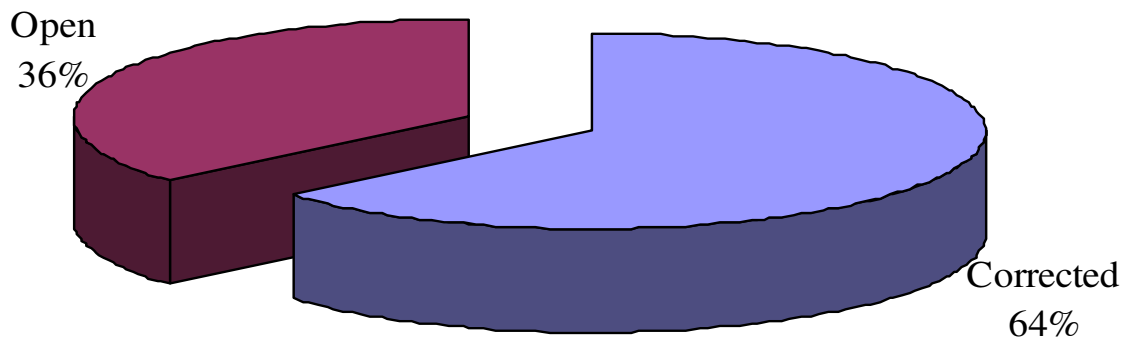
- The auditors reviewed 266 outstanding recommendations including 144 from reports issued in fiscal year 2008 and 122 from prior years' reports.
- A total of 169 of the 266 recommendations were corrected and 97 recommendations remain open.

The following schedule compares the results noted in the Follow-Up Reports for the last four years:

STATUS OF RECOMMENDATIONS FISCAL YR ENDED	2008	2007	2006	2005
TOTAL RECOMMENDATIONS OUTSTANDING	266	187	115	130
CORRECTED	169	83	85	99
OPEN	97	104	30	31
Total Implementation Rate	64%	44%	74%	76%
% Corrected in current year that had been carried forward from prior years	48%	46%	82%	72%
% Corrected in first year after the audit	73%	44%	70%	78%

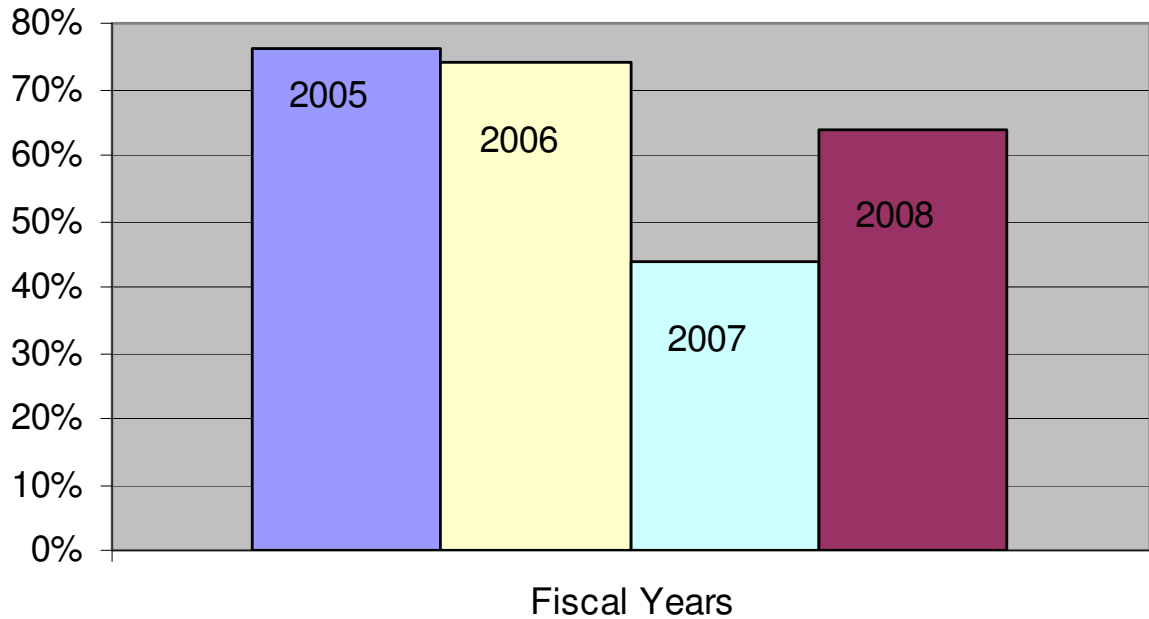
The current year's results are depicted in the following pie-chart:

2008 Implementation Rate



The departments and agencies have made great strides implementing their recommendations. The chart below depicts the overall implementation history over the last four years:

Total Implementation Rates



Impact:

City management continues to be responsive to our audit comments, as Department Directors have either implemented most recommendations or have planned corrective actions within a reasonable amount of time. 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

Report Number	Audit Report	Recommendations		
		Total	Open	Corrected
<u>Reports Before</u>				
<u>FY2008</u>				
03-06	DPU Payment Arrangements	1	0	1
04-02	Procurement – Vendor Files	2	2	0
04-03	Finance - Tax Audit Unit	1	1	0
04-07	Finance - License Assessment Unit	1	1	0
05-14	DPW - Custodial Services Unit	1	1	0
06-10	Procurement - City Hall Reclad	1	1	0
06-13	Finance – BPOL & Parking Tickets	5	4	1
07-03	Park & Recreation Comm Facilities - Cemeteries	3	1	2
07-04	Microsoft Windows Security Audit	10	3	7
07-05	DPU – Natural Gas Hedging	1	0	1
07-06	Richmond Public Schools	36	19	17
07-07	DIT Software Licensing	6	0	6
07-08	DIT Help Desk Audit	9	1	8
07-09	Radio Shop	1	0	1
07-10	Fleet Audit	44	29	15
TOTAL		122	63	59
PERCENT OF TOTAL		100%	52%	48%
<u>Reports During</u>				
<u>FY2008</u>				
08-02	Grants Administration - Parks	12	1	11
08-04	Finance – Purchasing/Accounts Payable	37	12	25
08-05	RPS- Procurement/ Accounts Payable	77	21	56
TOTAL		126	34	92
PERCENT OF TOTAL		100%	27%	73%
<u>Reports During</u>				
<u>FY2008^a</u>				
08-04	City – Purchasing/Accounts Payable	7	0	7
08-05	RPS- Procurement/ Accounts Payable	11	0	11
TOTAL		18	0	18
PERCENT OF TOTAL		100%		100%
 GRAND TOTAL ALL REPORTS^b		266	97	169
PERCENT OF GRAND TOTAL		100%	36%	64%

^a Implementation dates were due after 12/31/08.

^b Totals include recommendations with implementation dates after 12/31/08.