



AUDIT COMMITTEE ANNUAL REPORT For Fiscal Year Ending June 30, 2016

September 7, 2016

The Audit Committee is one of three permanent committees of the City Council. It serves in an advisory role to the Council and appointed officers on matters related to the City's financial records and activities affecting the financial records. Meetings are typically held quarterly and at the request of any member. The following meetings were held for the fiscal year ending June 30, 2016:

- September 2, 2015
- December 21, 2015
- March 2, 2016
- June 8, 2016

Committee Member	Meetings Attended
Ray Ferris, Chair	4
Anita Price, Vice Chair	4
Court Rosen, Member	4
Mayor Bowers, Ex-Officio	2

The Committee Chair met monthly with the Municipal Auditor to review the status of current audit work, department development work, and investigations. The Audit Committee heard briefings and engaged in discussions related to the following areas:

• Other Post-Employment Benefits	• Clerk of the Circuit Court
• Home Rehabilitation Program	• Purchasing Cards
• CAFR Opinions & Management Letters	• Fraud, Waste and Abuse Investigations
• PLAY After School Program	• APA Audit of State Collections
• City Council Expenditures	• GRTC Revenue Collections
• Virginia Investment Pool	• General and Automobile Liability Claims
• Budget Transfer Ordinance	• Audit Plan for CAFR, APA, A133

The Audit Committee also reviewed the proposed budget for the Auditing department and updates on audit activity during the year. The minutes and reports are accessible online through the Auditing department's webpage. Municipal Auditing's Annual Report for the year ending June 30, 2016 is attached to this report.

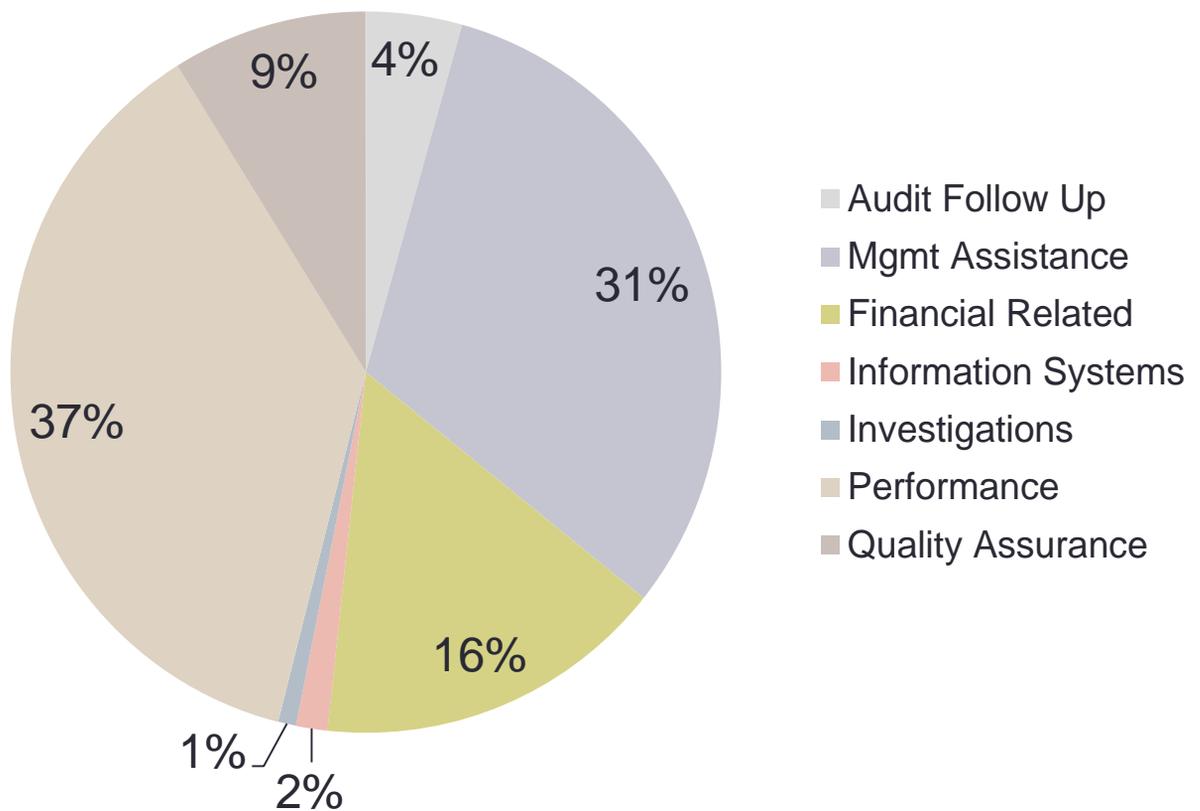
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MUNICIPAL AUDITING ANNUAL REPORT

Fiscal Year Ending
June 30, 2016

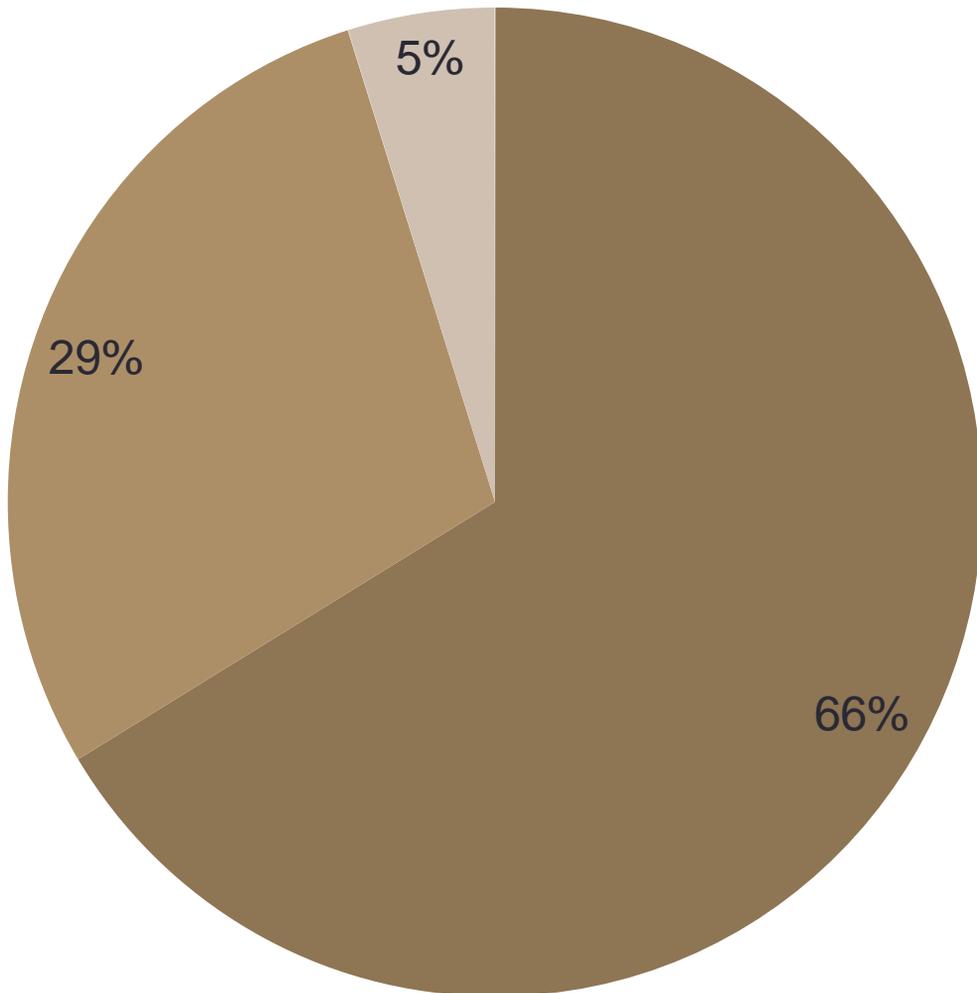
Activity by Service Type

Service

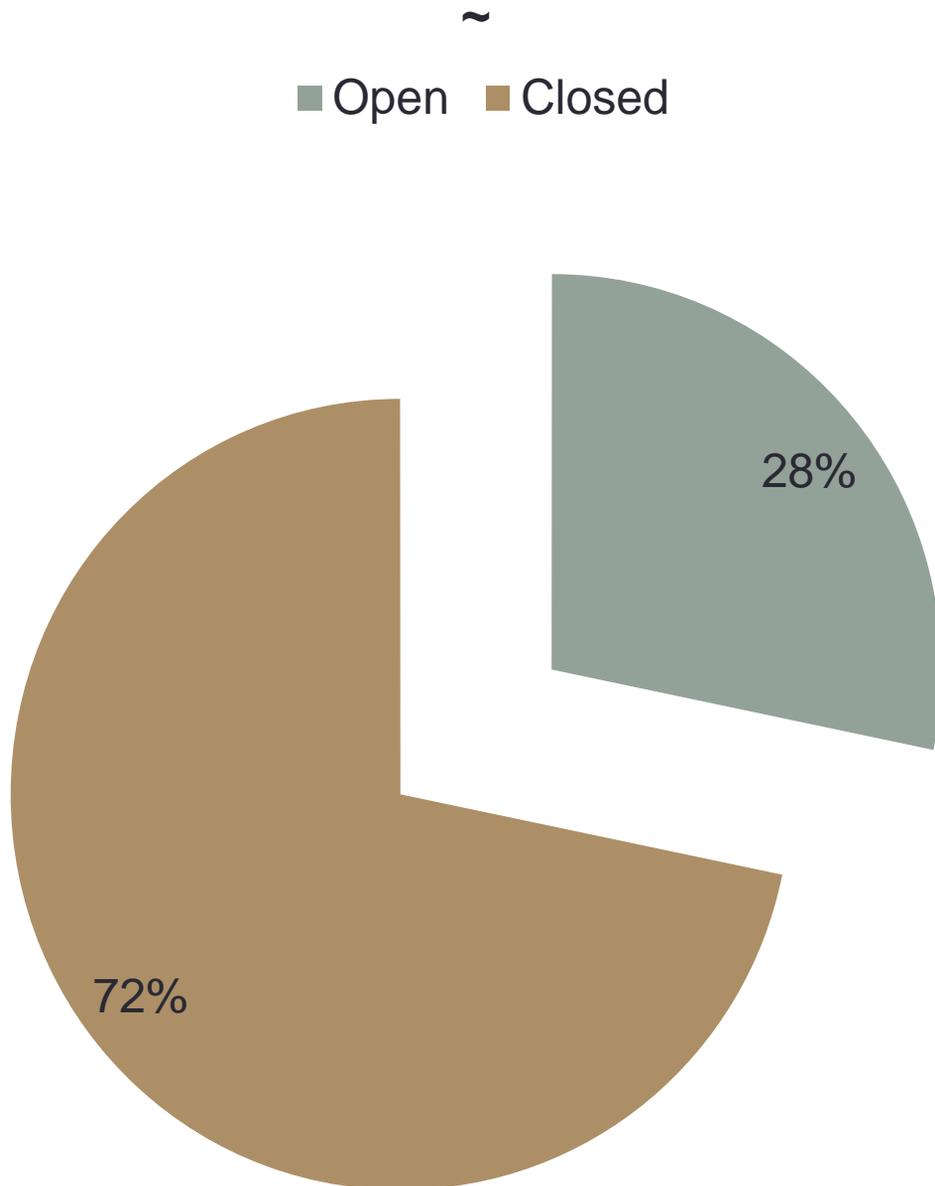


Activity by Entity

■ CITY ■ RCPS ■ GRTC



FY16 Assignment Status



Audit Reports Issued – FY16

Project	Description
External Audit Coordination	Auditor opinions and management letters related to the annual audits of the financial statements for the City, City Pension, School Division, and GRTC
City Council Expenditures	Audit of expenditures by members of City Council and the City Clerk's Office for the fiscal year ending 6/30/15.
Purchasing Cards	Audit of compliance with p-card policies using statistical sampling
PLAY After School Program	Audited processes for managing after school programs held at Grandin Court, Preston Park and Eureka recreation centers
Risk Management Liability Claims	Audited processes for administering general and auto liability claims against the City

Audit Reports Issued – FY16

Project	Description
Follow Up – Home Rehab Program	Verified major home rehabilitation program policies were revised to help ensure projects are consistent with neighborhood plans and larger City goals.
Follow Up – PLAY Program	Verified plans to strengthen staff training, child sign-out, and building assessment processes were completed.
Clerk of the Circuit Court	Verified compliance with State requirements for administering deeds, wills and trusts.
RCPS Student Health Services	Audited controls over medications, medical records, and contract administration for outsourced nurses.
RCPS Time and Attendance	Audited processes for reporting overtime, paid leave, and extra duties.
RCPS Workers Compensation	Audited processes for new employee physicals, safety training, reporting injuries, medical and indemnity claims.

Audit Reports Issued – FY16

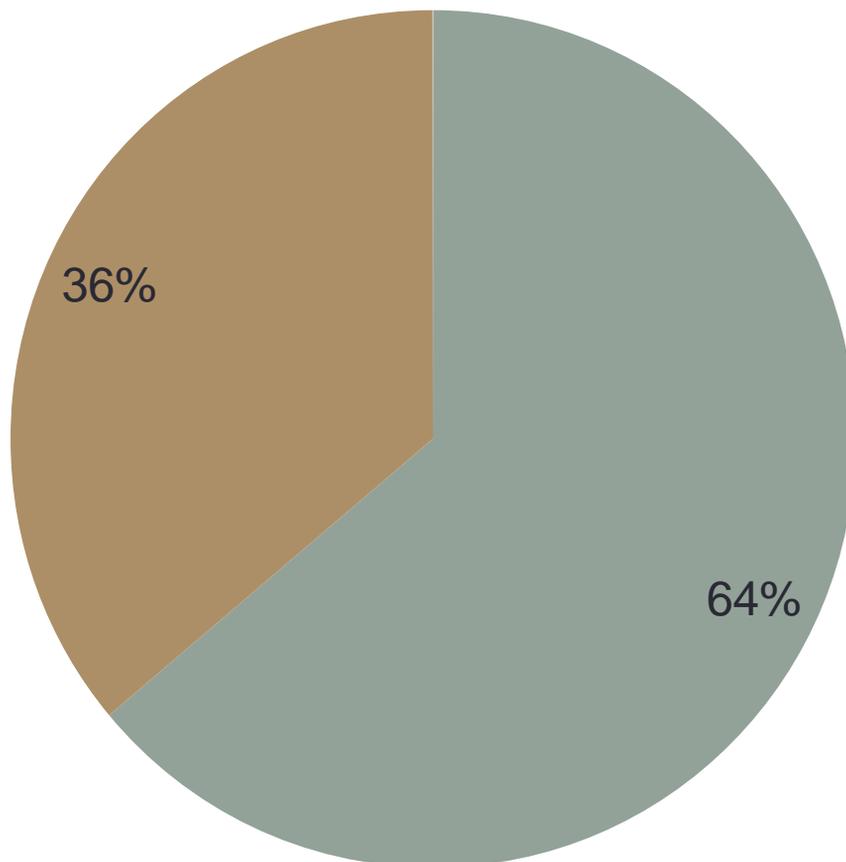
Project	Description
GRTC Revenue Collections	Audit of processes for collecting cash fares on the fixed route buses and payments for passes at the Campbell Court Transfer Center.

FY16 Projects – Pending

Project	Description
Tax and Treasury	Facilitating reorganization of responsibilities for tax administration and collections, and implementation of a new comprehensive revenue system.
Police Cash FYE 12-31-15	Audit to determine if the Police Department is properly assessing, collecting and reporting fees; properly managing cash funds.
Right Of Way Maintenance	Audit to determine if right of way maintenance is performed safely and timely.
Berglund Center Maintenance	Audit to determine if the management company is maintaining the facilities in accordance with the City contract.
RCPS Fixed Assets	Audit to determine if the Division is effectively safeguarding assets costing \$500 or more.
Records Storage Services	Audit to verify that the vendor responsible for providing offsite storage of City records has complied with the terms of its contract.

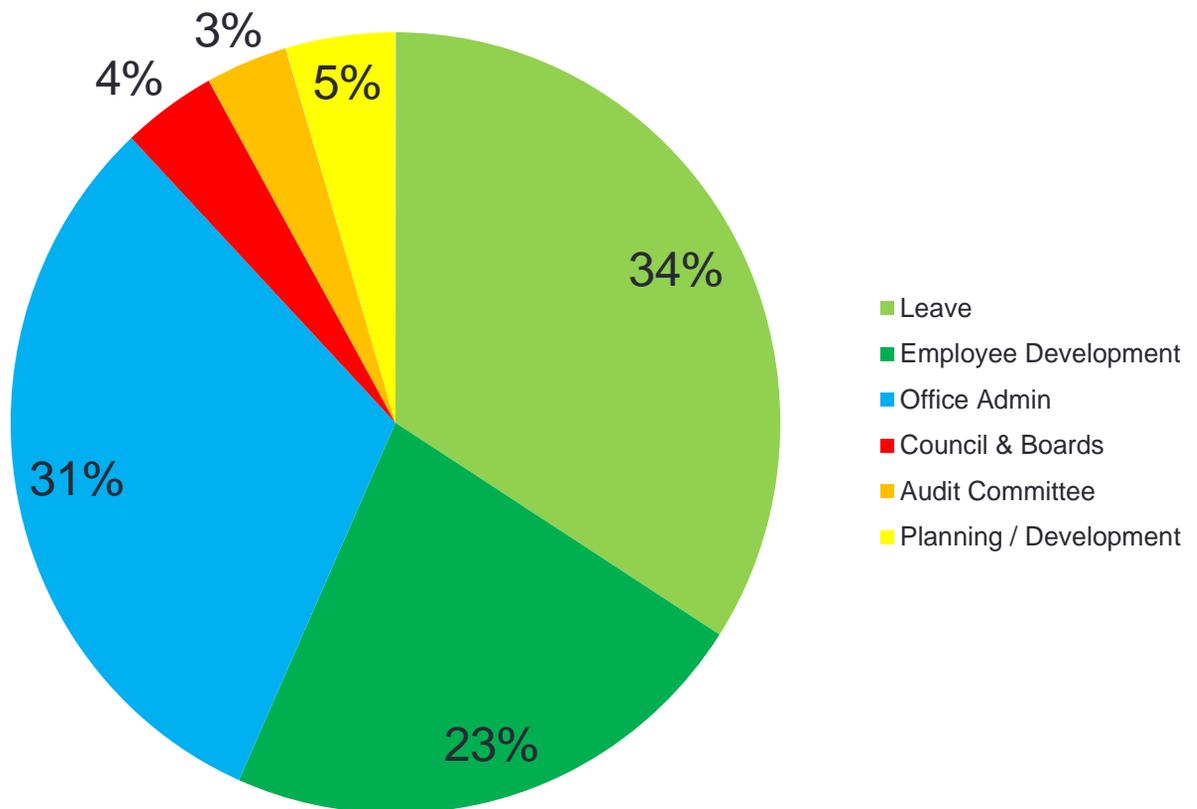
Direct and Indirect Time

■ Direct ■ Indirect



Benchmark = 61% Direct Time

Indirect Time



Performance Measures

Measure	Target	Actual	Delta
Assignments Completed / FTE	8	5.5	(2.5)
Client Satisfaction [1 to 5]	4	4.8	+0.8
Client Action Plans Completed	80%	75%	(5%)

End of Report