Audit Schedule
July 1, 2021 through June 30, 2022

Office of the City Auditor
2401 Courthouse Drive, Room 344
Virginia Beach, Virginia 23456
757.385.5870

"Promoting Accountability and Integrity in City Operations"

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The Office of the City Auditor is an independent appraisal function responsible for financial, attestation engagements and performance audits of City programs, functions and activities. Other responsibilities include: oversight and management of the City's external audit contract; coordination of the City's fraud, waste and abuse prevention and reporting program; and, technical and advisory services. The audit services provided by the Office enhance efficiency and effectiveness of City operations, ensure compliance with federal, state and local laws and regulations, and assist in maintaining an internal control framework which reduces the risk of loss to the City.

Mission

The mission of the Office of the City Auditor is to promote accountability and integrity in City operations by providing quality audit services.

Powers and Duties; Scope of Audits (per City Code 2-466)

The City Auditor shall have authority to conduct financial and performance audits of departments, offices, boards, activities, agencies, programs and systems of the entity to independently and objectively determine, depending on the scope and type of audit, whether:

(a)   Activities and programs being implemented have been authorized by government charter or code, state law or applicable federal law or regulations and are being conducted and funds expended in compliance with applicable laws and regulations;

(b)   The department, office, or agency is acquiring, managing, protecting, and using its resources, including public funds, personnel, property, equipment, technology and space, economically, efficiently, and effectively and in a manner consistent with the objectives intended by the authorizing entity or enabling legislation;

(c)   The entity, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices;

(d)   The desired result or benefits are being achieved;

(e)   Financial and other reports are being provided that disclose fairly, accurately, and fully all information required by law, to ascertain the nature and scope of programs and activities, and to establish a proper basis for evaluating the programs and activities including the collection of, accounting for, and depositing of, revenues and other resources;

(f)   Management has established adequate operating and administrative procedures and practices, accounting systems or internal control systems and internal management controls; and

(g)   Indications of fraud, waste and abuse are valid and need further investigation.

Audit Committee

To ensure organizational independence, the City Auditor reports to City Council through an Audit Committee. The Audit Committee consists of five (5) members: two (2) non-voting City Council Members and three (3) voting citizen members who are appointed by City Council. The members of the FY 2022 Audit Committee are:

Vice Mayor Jim Wood

Council Member Louis Jones

Committee Chair Sharon Brown, CPA, CIA, CFE

Karen Hill, CPA, CIA, CISA, CCSA

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Project Planning and Selection

Determining which areas to focus limited audit resources is the key to a successful audit function. With this in mind, the Office of the City Auditor uses a multi-faceted approach to project planning and selection. Our process includes: (1) assessing audit risk; (2) soliciting input from City leadership; and (3) reviewing departmental requests.

The Office has developed an enterprise audit risk model, which provides an in-depth assessment of audit risk based on our evaluation of indicators in the following business risk areas:

Risk Factors	Weight
1. Complexity of Operations	.10
2. Regulatory Compliance	.10
3. Turnover of Key Personnel	.10
4. Time Expired Since Last Audit	.10
5. Council/Management Concern	.15
6. Public Image	.10
7. Rapid Growth	.15
8. Financial Exposure	.20

We organized our model by auditable units (primarily City programs) within departments. Data was collected for each auditable unit in order to evaluate the program's inherent risk. Inherent risk refers to the business or other risks present in an organization or program due to the nature of the services or activities performed. A list of the auditable units is provided in Appendix I.

Our evaluation included gathering and analyzing data from various sources (i.e., management, employee surveys, budgets, financial reports, and the City programs themselves). Then, we used these results, in conjunction with input from City leadership, departmental requests, and audit staff to develop our audit plan for the FY 2022.

Planned Projects

The following provides an overview of the planned projects for the fiscal year ending June 30, 2022. The planned scope of these projects is subject to change based on the results of the audit planning phase.

	Projects	Type
1	**Review of Short Term Rental Program** *[Planning/Various]*	Audit
2	**Review of City Garage Parts Operations** *[Public Works City Garage]*	Audit
3	**Review of Procurement of Sole Source Contracts** *[Various]*	Audit
4	**Review of Cellphone Towers and Reconciliation to Revenue Generated from the Towers** *[Finance]*	Audit
5	**Review of GASB75 Actuarial Valuation of the OPEB liability** *[Consolidated Benefits Office]*	Audit
6	**Follow-up Review of Economic Development Investment Programs Grants Awarded** *[Economic Development **/ V**irginia Beach Development Authority]*	Audit
7	**Surface Water Regulatory Compliance Program - Carryforward** Review of compliance and effectiveness/ efficiency of the program.*[Public Works]*	Audit
8	**Striving for Excellence and Volunteer Resources Reports** Review of the widely distributed Striving for Excellence Report and the Volunteer Resources Report to ensure the reasonableness of data reported in the respective reports. *[City Manager / Volunteer Resource Office]*	Attestation
9	**Healthcare Claims Contingency Audit** Coordinate the annual audit of Optima Healthcare Claims by Healthcare Horizons. *[Consolidated Benefits Office]*	Other
10	**Information Technology General Controls Review** Review of IT general and application controls in coordination with the external auditors. *[Information Technology]*	Other
11	**Oracle Financial Cloud** Provide advisory services and assistance as needed with the new Oracle Financial Cloud. *[Finance and Information Technology]*	Other
12	**VBTime: Time and Attendance Time Management Implementation** Provide advisory services and assistance as needed with implementation of new system. *[Finance and Information Technology]*	Other
13	**Expenditure Analytics** Analytical review of City expenditures to identify possible trends and issues to assist in evaluation of risk and development of future audit plans. *[Various]*	Other
14	**Follow-up on Prior Year Audit Recommendations** *[Various]*	Other
15	**External Audit Contract Administration /RFP Renewal**	Other
16	**Fraud, Waste, and Abuse Prevention and Reporting Hotline**	FWA

Audit Resources

The Office of the City Auditor is comprised of the City Auditor, six professional audit positions and one admininstrative position. A list of the current members and their respective positions is provided below.

Name	Title
Lyndon Remias, CPA, CIA	City Auditor
Gretchen Hudome, CIA, CRMA	Deputy City Auditor
Sharon Hayes, CFE	Forensic Audit Manager
Antonio Gonzalez, CPA, CIA	Audit Manager
Daniel Rinehart, CFE, CIA	Senior Forensic Investigator
Vacant	Auditor III
Vacant	Auditor II
Rosana Clark	Administrative Specialist

List of Auditable Entities

Agriculture
- Administration
- Agricultural Reserve Program
- Cooperative Extension Program
- Farmer's Market

Aquarium
- Aquarium
- Aquarium Stores

Budget and Management Services
City Auditor
City Attorney
City Clerk
City Council
City Manager
City Real Estate Assessor
- Administration
- Board of Equalization

City Treasurer
- Investment Management
- Receipts

Commissioner of the Revenue
Commonwealth's Attorney
Communications
Convention and Visitors Bureau
- Convention Promotion and Facility Management
- Resort Programs and Special Events
- Tourism and Sports Marketing Promotion
- Tourism Promotion and Advertising

Courts and Court Support
- Circuit Court
- Clerk of the Circuit Court
- Court Services Unit (Juvenile Probation)
- General District Court
- Juvenile and Domestic Relations Court
- Magistrate's Office

Cultural Affairs
- Administration
- Sandler Center
- Contemporary Arts Center Grant
- Arts and Humanities Commission
- History Museums

Economic Development
- Administration
- Workforce Development

Emergency Communications and Citizen Services
- Administration
- VB 3-1-1 Citizen Services
- VB 9-1-1 Emergency Communications

Emergency Management
Emergency Medical Services
- Administration and Support
- EMS Operations and Training
- Lifeguard Services
- Regulation and Enforcement

Finance
- Accounting and Reporting
- Accounts Payable
- Capital Assets Inventory
- Debt Management
- Financial Services
- Payroll
- Petty Cash/Travel Advances
- Procurement/Travel Cards
- Purchasing
- Risk Management

Fire
- Administration
- Fire Operations
- Fire Personnel and Development
- Fire Prevention Bureau
- Fire Program Grants

Housing and Neighborhood Preservation
- Administration
- Code Enforcement
- Housing Development
- Rental Housing
- Homeless Services

Human Resources
- Administration
- Employee Relations
- Human Rights Commission
- Learning and Development
- HR/Police Services
- Learning and Development
- Member Communications
- Occupational Safety and Health Services
- Staffing and Compensation

Human Services
- Administration
- Behavioral Health/Mental Health/Developmental Services
- Child Welfare/Adult and Family Services
- Continuous Quality Improvement
- CSA Administration
- Developmental Services
- Financial Assistance Services
- Human Services Grants
- Juvenile Detention Center

List of Auditable Entities

Information Technology
- Application Support
- Business Center and Mail Services
- Center for GIS
- Data and Information Management
- IT Security
- Strategy and Architecture
- Systems Support/Infrastructure and Operations
- Technology Services
- Telecommunications

Library
- Administration
- Libraries
- Online Services
- Records Management
- Support Services
- Youth and Family Services

Parks and Recreation
- Administration and Business Systems
- Landscape Management
- Planning, Design and Development
- Programing and Operations

Planning and Community Development
- Administration
- Development Services
- Parking Management
- Permits and Inspections
- Planning Services
- Strategic Growth Areas
- Transportation Planning
- Zoning Administration

Police
- Administration
- Animal Control
- Community Engagement
- Operations
- Special Investigations
- Support Division

Public Health

Public Utilities
- Administration
- Business Operations
- Engineering and Capital Construction
- Operations and Maintenance
- Technical Services

Public Works
- Administration
- Contracts
- Energy Management
- Engineering and Construction
- Facilities Management
- Fleet Management
- Infrastructure Maintenance, Repairs and Asset Management
- Operations Management
- Real Estate
- Stormwater Utility Enterprise Fund
- Waste Management

Sheriff
- Administration
- Central Booking
- Correctional Operations
- Court Support
- Inmate Services
- Sheriff's Care Mart
- Workforce Services
- Work Release Program

Strategy, Transparency, Innovation & Resiliency Office (STiR)

Volunteer Resources

Voter Registration and Elections

Non-Departmental
- Benefits Administration
- Organizational and Community Organization Grants
- Computer Replacement Program
- Employee Special Benefits
- Independent Financial Services
- Leases
- Regional Participation
- Revenue Reimbursements
- Town Center Parking Operations
- Vehicle Replacements
- Virginia Beach Living River Trust

Other Areas
- Capital Projects
- Contingencies
- Contracts
- DEA Seized Assets
- Debt Service
- Fund Transfers
- Grants
- Special Financing Districts and Funds