



Audit Schedule FY 24

City of Virginia Beach
Office of the City Auditor
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“Promoting Accountability and Integrity in City Operations”

Contents

- 1 Mission
- 1 Powers and Duties; Scope of Audits
- 2 Audit Committee
- 2 Project Planning and Selection
- 3 Planned Audits
- 3 Audit Resources

Online Reports

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information about
the Office of the City Auditor at
<https://auditor.virginiabeach.gov/>

Our Mission

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.

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:

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;

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;

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

The desired result or benefits are being achieved;

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;

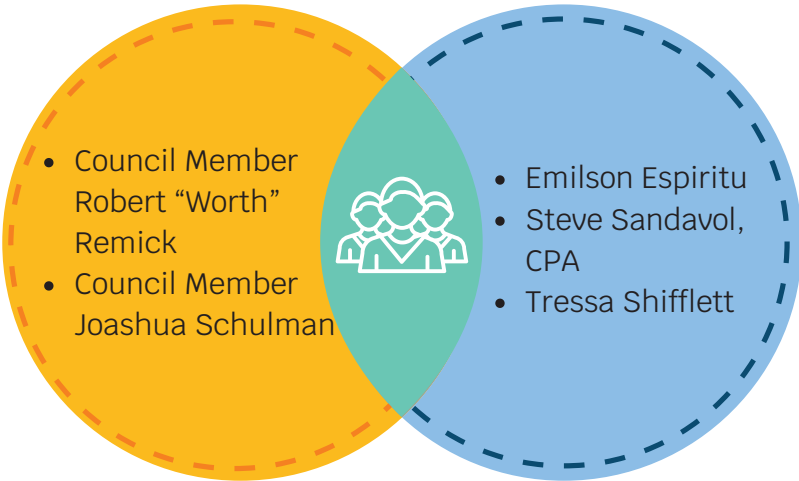
Management has established adequate operating and administrative procedures and practices, accounting systems or internal control systems and internal management controls; and

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 2024 Audit Committee are:

Audit Committee Members



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). We then used these results, in conjunction with input from City leadership, departmental requests, and audit staff to develop our audit plan for FY 2024.

Planned Projects

The following provides an overview of the planned projects for the fiscal year ending June 30, 2024. The planned scope of these projects is subject to change based on the results of the planning phase.

Project	Preliminary Scope
VBTime – Carryforward [Citywide]	Evaluate the adequacy and effectiveness of processes and controls for managing employee time and attendance.
American Rescue Plan Act (ARPA) [Various]	Evaluate the administration and management of ARPA Funds.
CIP – City Hall Construction [Public Works]	Review of costs related to construction of City Hall.
Access Control [Information Technology]	Review of network access administration and management controls.
Something in the Water / Beach It Financial Sponsorship [Convention & Visitors Bureau]	Determine if sponsorship payments were paid in accordance with agreement terms.
Contract Audit – Abacus Corporation [Citywide]	Determine compliance with contract terms.
Virginia Procurement Act – Prompt Payment Requirements [Finance]	Evaluate City's compliance with VA Code Section 2.2-4352. <i>Prompt payment of bills by localities.</i>
Special Events Permit Application and Review Process [Convention & Visitors Bureau]	Review of the special events application and review process.
Virginia Beach National Golf Club [VBDA]	Evaluate adherence with terms of operating agreement.
Revenue Collection – Permits and Inspections [Planning]	Evaluate controls to ensure revenue collected by Permits and Inspections is accurately reported and collected.
Atlantic Park CDA [Economic Development]	Continuous review of Atlantic Park expenditures.
Revenue Collection – Housing [Housing]	Evaluate controls to ensure revenue collected by Housing is accurately reported and collected.
Actuarial Valuation of the OPEB Liability (GASB 75) [Benefits Executive Committee]	Perform agreed upon procedures relating to actuarial valuation.
City Charter [City Attorney's Office]	Perform review of City Charter to identify areas that need to be updated and/or revised.
Continuous Review of Expenditures [Citywide]	Continued analytical review of City expenditures to identify possible trends and issues to assist in evaluation of risk and development of future audit plans.
Volunteer Resources Report [Volunteer Resources]	Review for reasonableness of data reported.
Optima Healthcare Claims (2022) [Benefits Executive Committee]	Coordinate annual audit of City/Schools healthcare claims by third party.
Follow-up on Prior Year Audit Recommendations [Various]	Perform follow up activities to determine whether management has taken appropriate corrective action to address findings and recommendations from previous audits.
Fraud, Waste, and Abuse Prevention and Reporting Hotline	Coordinate the City's Fraud, Waste and Abuse Prevention Program including the investigation of allegations received through the City's Fraud, Waste and Abuse Hotline and other means.
External Audit Contract Administration	Provide oversight and management of the City's annual financial statement audit contract.

Audit Resources

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

Members

Lyndon Remias, CIA, CPA, CRMA	City Auditor
Gretchen Hudome, CIA, CRMA	Deputy City Auditor
Sharon Hayes, CFE	Deputy City Auditor, FID
Antonio Gonzalez, CIA, CPA	Audit Manager
Daniel Rinehart, CFE, CIA	Senior Fraud Investigator
Keith Piper, CIA	Senior Auditor
Jackie Scheller	Auditor
Rosana Clark	Assistant to the City Auditor
