



Office of the City Auditor

FY 2017 ANNUAL REPORT

Promoting Accountability and Integrity
in City Operations

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Mark Johnson, Public Works/Operations/Engineering with Sharon Hayes, Forensic Audit Manager and Lyndon Remias, City Auditor, checking out storm water drains

The Audit Process Helps Everyone

Audits help **create a positive work environment.**

Audits see that **rules apply to all.**

Audits help to **never stop learning or improving.**

Audits **hold others accountable.**

Audits seek **understanding of process or operation.**

Audits **offer solutions and do not blame.**

Audits **consider your input and ideas.**

Audits **do not show favoritism** but more inclusiveness.

Audits do **recognize good work.**

*Think about it ... This mirrors the same input that members
asked for in the*

[2016 Member Satisfaction Survey](#)

THE AUDIT CYCLE



Message from the City Auditor



Lyndon S. Remias
City Auditor

Fiscal year (FY) 2017 was a period of continued productivity for the Office of the City Auditor. We released nine (9) audit reports and several memos. A summary of each audit is included in this annual report. Additionally, City departments agreed and committed to implementation of 100% of our FY 2017 audit recommendations.

During the year, our office participated in the 2016 member satisfaction survey. While it is important to produce high quality, value added audit reports, it is equally important to maintain a workplace where all employees feel valued and are treated fairly. I am pleased that the results of the survey revealed that my employees feel very positive about our work environment.

On a daily basis, we take pride in knowing the services we provide have helped to improve our City. We look forward to continuing to work with City Council, the Audit Committee and City management to find ways to strengthen public accountability, improve the efficiency of City operations, reduce costs, increase revenues and provide information to facilitate decision-making.

The strong support of our function by City leadership ensures our success.

Sincerely,

A handwritten signature in blue ink that reads "Lyndon S. Remias".

Lyndon S. Remias
City Auditor

Office Happenings



Chris Ford, Deputy City Auditor presenting the results of our audit of the Virginia Beach Transit Extension Project to City Council



Lyndon Remias, City Auditor and Tony Gonzalez, Senior Auditor helping during the United Way Day of Caring

All audit reports can be viewed at:
www.vbgov.com/CityAuditor

 Find us on
Facebook

<https://www.facebook.com/VBCityAuditor>

Other Projects & Activities

Healthcare Claims Contingency Audit

Coordinate the annual audit of Optima Healthcare Claims by Healthcare Horizons.

Information Technology Controls Review

Review of general and application controls related to the City's general ledger, payroll and human resources application (InSITE) in coordination with the external auditors.

Follow-up on Prior Year Audit Recommendations

Perform annual follow up activities to determine whether the findings and recommendations from previous audits have been addressed and/or implemented.

External Audit Contract Administration

Provide oversight and management of the City's annual financial statement audit contract.

Looking Ahead – Upcoming Audits

- ✚ Agriculture Reserve Program
- ✚ Building Security Review Assessment
- ✚ City Clerk's Office – Operational/Financial
- ✚ Citywide Cybersecurity
- ✚ Human Services Community Services Performance Contract
- ✚ Joint Use Library Contract
- ✚ Lynnhaven River NOW Grant Agreement
- ✚ Sale/Marketing of City Property
- ✚ Arena Related Costs
- ✚ Police Property and Evidence Unit
- ✚ Procurement Card Transactions
- ✚ City Manager's Striving for Excellence Report
- ✚ Volunteer Resources Report

Some audits placed on the FY 2018 Audit Schedule were based on concerns noted from the Citywide survey sent to all members titled – *Help the City Auditor Determine What to Audit in FY 17/18*.

We greatly appreciate all the input from members. You spoke, and we listened. Thank you.

Congratulations to

Gretchen Hudome



30 Years of Service

Thank you for your many valuable contributions. Your loyal and dedicated service plays an integral role in our success.

Award of External Audit Contract



CliftonLarsonAllen

has been awarded the external audit contract for the City of Virginia Beach as of April 1, 2017.

The new contract is for two years with three one-year renewable options.

Our office will provide oversight and management of the annual financial statement audit.

CliftonLarsonAllen (CLA) offices are located in Arlington, Virginia.

**Welcome
CliftonLarsonAllen!**

Performance Audits

Performance audits are intended to assess the quality of performance by City agencies and functions in carrying out their assigned responsibilities. The scope may include the entire agency or some portion thereof, such as a specific program or function. This year we issued four (4) performance audits.

[Planning and Community Development](#)

Audit of the effectiveness of the Planning and Community Development Department's internal controls over financial operations. This audit was requested by management.



[Resort Management Office](#)

Audit of the effectiveness of the financial and operational controls over non-parking revenues; expenditures and compliance with key provisions of the City's contract with Integrated Management Group (IMG) for citywide entertainment opportunities.



[Public Works/Fleet Management's Procurement Procedure](#)

Audit of the efficiency and effectiveness of internal controls over vehicle procurement to ensure best prices using established contracts, vendor compliance, and departmental involvement in the vehicle procurement process.



[EMS Volunteer Recruitment & Retention Program](#)

Audit of the efficiency and effectiveness of processes and procedures for Emergency Medical Services (EMS) volunteer recruitment and retention.



Attestation Engagements

In an attestation engagement, auditors perform an examination, review or agreed-upon procedures of a subject matter or assertion. Attestation engagements can cover a broad range of financial or non-financial objectives. The scope of an attestation engagement is usually narrower than an audit. This year we performed five (5) attestation engagements.

IT Asset Management Program

Review of proposed changes to the City's IT Asset Management Program (ITAM) to assist management of the Department of Information Technology (IT) with the planned reorganization of the program.



Convention and Visitors Bureau FY 2016 Procurement Card Transactions

Review of FY 2016 procurement card transactions of the Convention and Visitors Bureau (CVB) for compliance with the City's policies and procedures.



Virginia Beach Transit Extension Project

Review of the expenditures for the Virginia Beach Transit Extension Project (Light Rail) from commencement through June 30, 2016.



Human Services' Client Funds Management and Payment Collection Procedures

Review of client funds management and cash collection processes and procedures for all affected Human Services (DHS) programs. This project was requested by City Council.



Police Property and Evidence Unit

Review of cash and evidence handling processes in the Police Property and Evidence Unit to ensure cash/evidence seized and/or found is appropriately recorded and inventoried.



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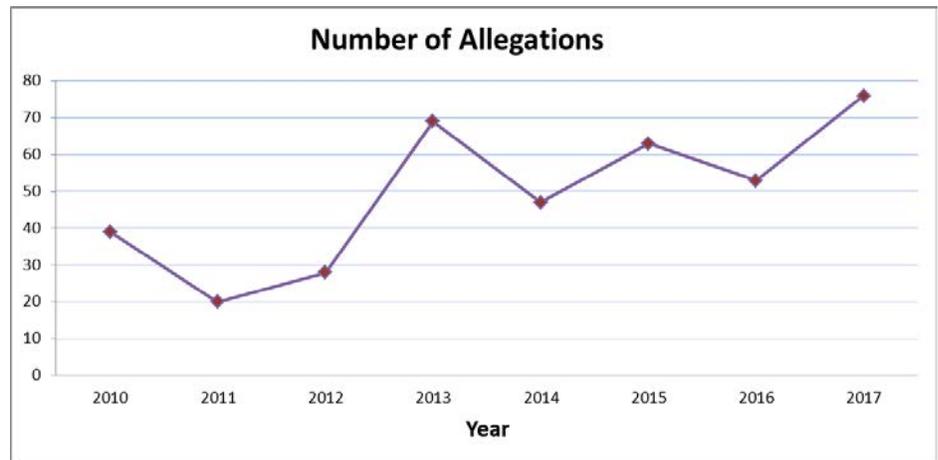
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Fraud, Waste, and Abuse Prevention and Reporting

The City's Fraud, Waste and Abuse (FWA) Prevention Program, coordinated by the Office of the City Auditor, includes the operation and management of the Fraud Hotline; promoting awareness through communication and training; and initiating and coordinating investigations of suspected incidents of fraud, waste and/or abuse within City programs.



To report fraud, waste, or abuse, please call the **HOTLINE** at 757-468-3330 or use your mobile device by downloading the mobile app – VB CONNECT from iTunes.

For more information about the activities of this program, please see the Forensic Audit Division's [FWA FY 17 Annual Report](#).

Office of the City Auditor Workshop and Annual Retreat

Having a blast at the Escape Room for a team building exercise !!!



We were called upon to help retrieve a stolen piece of art from The Con Artist. To do this we had to work together to recover the stolen artwork or else become part of his next piece of art.

Yes, we are still speaking to each other☺. So, as a team we did great.

But the real question is

– Did we solve the puzzles and find the stolen art?

To find out if we solved the mystery, look for the clue in the picture.