



AUDIT SERVICES DEPARTMENT

ANNUAL STATUS REPORT

JULY 1, 2018 THROUGH JUNE 30, 2019

DATE OF PREPARATION: OCTOBER 23, 2019

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**Audit Services Department
306 Cedar Road
Post Office Box 15225
Chesapeake, Virginia 23328-5225
(757) 382-8511 Fax. (757) 382-8860**

October 29, 2019

The Honorable Rick W. West and
Members of the City Council
City of Chesapeake
City Hall-6th Floor
Chesapeake, Virginia 23320

Dear Mayor West and Members of the City Council:

Enclosed is the Audit Services Department's Annual Status Report for the period July 1, 2018 to June 30, 2019. The following is a summary of some of the report's highlights.

A. Completed Projects

1. Audits and Analytical Reviews

We completed a performance audit of the Parks, Recreation, and Tourism Department, Human Services, and a special audit of Citywide Payroll Cycles. These audits were conducted for the purpose of determining whether services were provided in an economical, efficient, and effective manner, whether the goals and objectives were being achieved, and compliance with applicable City and Departmental procedures. We also completed follow up reviews on audit reports issued in FY 2018. The actual managerial summaries including specific findings, recommendations, and responses, are detailed within this report.

2. Technical Assistance

We provided technical assistance to the City and its affiliated organization on a number of projects including Payroll Changes, the City Manager's Cluster Group, Sick Leave Incentive, O356 Integration, and Fleet Utilization. We also completed 15 fraud hotline investigations.

3. Projects in Progress

Currently, we are working on performance audits of the Police Department, Central Fleet, and special audits of Selected City Hiring and Competiveness Issues and the small purchases policy.

Sincerely,

A handwritten signature in black ink that reads "Jay Poole". The signature is written in a cursive style with a long horizontal stroke at the end.

Jay Poole
City Auditor
City of Chesapeake, Virginia

c: James E. Baker, City Manager

CITY OF CHESAPEAKE, VIRGINIA

**AUDIT SERVICES DEPARTMENT
ANNUAL STATUS REPORT
JULY 1, 2018 TO JUNE 30, 2019**

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A. SUMMARY

AUDITS & ANALYTICAL REVIEWS

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**Audit Services Department
306 Cedar Road
Post Office Box 15225
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(757) 382-8511
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April 1, 2019

The Honorable Rick W. West and
Members of the City Council
City of Chesapeake
City Hall--6th Floor
Chesapeake, Virginia 23328

Dear Mayor West, and Members of the City Council,

We have completed our follow-up review of the Information Technology Department. The review was conducted in February 2019. As of that date, the status of the report's three open recommendations was as follows:

- ___ had been implemented
- 3 was in the process of being implemented
- ___ was planned but not yet implemented
- ___ was partially implemented
- ___ will not be implemented
- ___ is no longer applicable

A copy of each review is included in this report. Please contact us if you have any questions.

Sincerely,



Jay Poole
City Auditor
City of Chesapeake, Virginia

C: James E. Baker, City Manager

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FOLLOW-UP REPORT
INFORMATION TECHNOLOGY DEPARTMENT
PERFORMANCE AUDIT

February 2019

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D2. PeopleSoft Financial Issues

Finding - The PeopleSoft Financial System was purchased but not fully implemented due to budget constraints, resulting in the City paying maintenance fees for software modules that were not being used. In addition, unused modules were supplemented with additional systems creating a need for integration, which increased complexity and decreased efficiency.

Recommendation – DIT should continue to evaluate future enterprise application replacements, and consider whether it is in the City’s best interest to continue to expand the City’s PeopleSoft ERP footprint, use alternative applications, or consider other technologies such as cloud computing (SaaS).

Response - DIT agrees with the audit recommendation. In fact, the formal governance adoption as outlined in issue #1 is a forerunner to resolving this issue. The Department of Information Technology (DIT) will be following the Gartner strategic roadmap to address the following:

- **Enable innovation to take place**
- **Allow for the exploration and discovery of functions, business processes, and technologies**
- **Provide innovative solutions with improved, well-defined, and measurable outcomes**

(Note: The full text of the response is included in the audit report).

2018 Status – This recommendation is in the process of being implemented. Gartner is currently working with the City to define a strategic roadmap for enterprise applications.

2019 Status – Gartner was engaged by the City to analyze enterprise applications and make recommendations. As part of that analysis, in 2018 it was determined that the risks associated with enterprise applications running on the mainframe were significant. Gartner was asked to pause its enterprise application rationalization work and was engaged to take a deep dive into the mainframe applications. The mainframe assessment is nearing completion. Once complete, Gartner will incorporate those findings into its enterprise application rationalization work and submit final recommendations

D6. DIT Staffing Challenges

Finding - There were City employees performing IT functions (referred to as Shadow IT) that were not a part of DIT. However, DIT did not have sufficient staff to support the all of the City’s DIT systems and infrastructure. Thus, the entire comprehensive view of technology support within the City was obscured.

Recommendation - The City should consider bringing DIT staff assigned to other departments under the direct supervision of DIT.

Response - DIT concurs with the audit findings. DIT is currently in discussion with the Fire Administration staff to determine the duplicate IT efforts. DIT has an extremely successful enterprise IT agreement with Public Safety and will continue to evaluate and make recommendation for technical resources as needed. (Note: The full text of the response is included in the audit report).

2018 Status – This recommendation is in the process of being implemented. DIT acknowledges its staffing challenges. There are no quick fixes. DIT will continue to work with City leadership to resolve the staffing and shadow IT concerns.

2019 Status – We will begin with the ITIL structure to address many of these issues addressed in this audit.

D7. DIT Self-Assessment Using COBIT 5 Model

Finding – In 2015 DIT completed a COBIT¹ 5.0 self-assessment. This self-assessment found that the DIT as, on average, an “immature” department and that their systems and processes needed substantial growth to reach what would be considered an optimal level of performance.

Recommendation - DIT should continue to improve its’ process and procedures in order to move from its’ immature state to that of full innovation and optimization. We also recommend that DIT continue to perform its Self-Assessment annually to monitor the maturity levels of DIT processes overall.

Response - DIT agrees with the audit recommendation. In fact, the formal governance adoption as outlined in issue #1 is a forerunner to resolving this issue. The Department of Information Technology (DIT) will be following the Gartner strategic roadmap to address the following:

- **Enable innovation to take place**
- **Allow for the exploration and discovery of functions, business processes, and technologies**
- **Provide innovative solutions with improved, well-defined, and measurable outcomes**

(Note: The full text of the response is included in the audit report).

2018 Status – This recommendation is in the process of being implemented. DIT is continuing its efforts to improve our processes and procedures and benchmark performance. This will be an ongoing effort.

2019 Status – DIT is continuing its efforts to improve our processes and procedures and benchmark performance. This remains a high priority and an ongoing effort. Since the department has incorporated both COBIT and ITIL processes in its continuous improvement and benchmarking efforts since 2015, we believe this finding can be closed.

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FOLLOW-UP REVIEW

PUBLIC LIBRARIES

REPORT ISSUE DATE: AUGUST 2016

FOLLOW-UP REVIEW DATE: FEBRUARY 2019

**CITY OF CHESAPEAKE, VIRGINIA
AUDIT SERVICES DEPARTMENT**

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**Audit Services Department
306 Cedar Road
Post Office Box 15225
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(757) 382-8511
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April 1, 2019

The Honorable Rick W. West and
Members of the City Council
City of Chesapeake
City Hall--6th Floor
Chesapeake, Virginia 23328

Dear Mayor West, and Members of the City Council,

We have completed our follow-up review of the Public Libraries Department. The review was conducted in February 2019. As of that date, the status of the report's seven open recommendation was as follows:

- 6 had been implemented
- was in the process of being implemented
- 1 was planned but not yet implemented
- was partially implemented
- will not be implemented
- is no longer applicable

A copy of each review is included in this report. Please contact us if you have any questions.

Sincerely,



Jay Poole
City Auditor
City of Chesapeake, Virginia

C: James E. Baker, City Manager

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FOLLOW-UP REPORT

PUBLIC LIBRARIES PERFORMANCE AUDIT

February 2019

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C1. CPLF Copier Program

Finding - The City was experiencing numerous control issues with CPLF's Copier and Printer Program (Copier Program). CPL and CPLF were operating the program without a formal agreement identifying the roles and responsibilities of each entity. CPLF relied heavily on CPL resources to operate the copier program, and the absence of a formal Memorandum of Understanding (MOU) created risk for the City.

Recommendation – The City should consider discontinuing CPLF's Copier Program unless a formal MOU is negotiated and placed into effect.

Response – The City and CPLF are currently negotiating a new MOU and preparing to move the entire ownership of the copier and printing equipment and associated responsibilities to the City, effective 12/31/2017. This will end the comingling of City and CPLF funds, as well as eliminate the use of Library staff and staff time to count, process and handle CPLF funds. Funds generated will be deposited to the City's General Fund. The outstanding customer balances on the SAM accounts will be addressed in the MOU negotiations. Once the printers and copiers are under control of the City, patrons will not be able to add money to their accounts if there is a balance on the accounts. Patrons will not be able to add money to their SAM accounts until they have depleted the balance on the account; from that point on, printing and copying will be on a "pay as you go" basis to keep balances from accruing on accounts. The potential conflicts of interest between the City and CPLF will be negotiated. After the library budget was cut by \$1.2M over two years (2009 and 2010), the City was unable to replace the aging equipment used by the public. The Foundation was asked to present a plan to replace the equipment. The plan was presented at a work session and approved by Staff and Council. The Foundation was able to secure a large private donation to cover the cost of the hardware and software needed to implement an updated solution. The components were purchased and installed in 2011. As part of the partnership plan, the City agreed to allow staff to empty the machines, prepare the accounting reports and provide IT support. In exchange, the Foundation agreed to permit staff to use the copiers free of charge for City business and to use the proceeds for library projects and programs.

The City owns the main server, a portion of software, the payment kiosks and the desktop computers. The Foundation owns a portion of the software, the copiers and printers and key ancillary items like the wireless print modules.

Since the copiers and printers were installed in 2011, the project has generated \$443,776 (thru 6/30/17) in net proceeds (after deducting the cost of maintenance, Brinks Security and paper). More than \$574,971 has been returned to the library for projects and programs during that same timeframe. (Note: The full text of the CPLF response is included in the audit report.)

2019 Status – The Library has control over the copiers, and is working with Finance to escheat accounts per state regulations.

C2. Staffing Challenges

Finding - CPL was experiencing significant staff turnover which adversely impacted operations and required ongoing staff training. Also, CPL did not have a Senior Central Library Manager or a Fiscal Administrator function to oversee fiscal responsibilities for all seven (7) library locations.

Recommendation – CPL should take steps to reduce turnover. Also, the City should consider restoring the Senior Central Library Manager position and creating a new Fiscal Administrator position.

Response – Agree. Regarding reducing turnover, the Library will continue to work with local college and university job fairs, job boards and other programs to assist in the recruitment process.

Regarding converting part time positions into full time positions, the high number of part time positions creates the “revolving door” effect, which results in Library staff spending an inordinate amount of time training part-time employees many of whom leave while still in the early training phase. The result is that few of the part time staff are fully trained and able to work independently before they move on to other employment. In addition, long-term, part-time staff who are fully competent leave; they find little incentive to stay because full-time work opportunities are limited at CPL. The Library turnover rate could be decreased and retention rate may increase if staff had more full-time opportunities. The Library will work with Human Resources and Budget offices to convert part-time positions to full-time positions.

Regarding reviewing the need for the Senior Library Manager position, and reviewing the need for a Fiscal Administrator position and increasing the administrative staff to reduce bottlenecks, the Library recognizes:

- The opportunity to review the need for a Central Senior Library Manager, recognizing that the Central Library is the flagship and the largest of our libraries.
- The obligation to review the need for a Fiscal Administrator to streamline the management of complex and numerous funding streams to handle the procurement process, cash and donations for seven (7) different libraries and create comprehensive internal controls for the Library’s funding streams
- The bottlenecks created by limited staff to handle HR onboarding, payroll, and accounting processes

(Note: The full text of the response is included in the audit report.)

2019 Status – The Library hired a Central Manager in August of 2018, and continues to operate with an Accountant II as the main fiscal agent. Plans are underway to add an additional Office Specialist to assist with financial duties. Part time positions continue to present a turnover issue. CPL has been working with HR to create options for success, including plans to create progressive positions, offering branch managers the opportunity to

combine positions, and editing current job descriptions to provide a more accurate representation of the duties necessary to the various positions.

D1. Physical Security Issues

Finding – Library Branch Managers did not have the ability to view real time surveillance video. Additionally, the City did not have a policy to address alarm systems and panic buttons installed throughout the libraries and other City departments. The roles and responsibilities for security as it pertained to the Library, Facilities Management, and security vendors were not clearly defined.

Recommendation – CPL should consider installing closed circuit television (CCTV) security monitoring systems where appropriate to allow people to view real time activity captured by cameras in each library.

Response – Agree. Library Administration commends Library IT for the initiative they have shown in addressing the security system issues and testing the panic buttons. Both Library Administration and Library IT are in agreement that the ability of branch library staff/management to view real time streams of video provided by the existing systems is important. To accomplish this, Library IT will install one flat panel monitor in each Library Manager’s office, or branch workroom and make video available from a local PC. A local PC is required due to restrictions on bandwidth utilization traversing the Library WAN segments. The Library will ensure that Facilities Management is aware of the ALA guidelines for security.

2019 Status – Library managers have the capability to view security cameras. All libraries have panic buttons in working order. The Library is continuing to evaluate security through a library security committee.

D2. IT Backup Operation

Finding - CPL did not have a data processing backup operation that automatically switched to a standby database, server, or network for its mission critical systems if the primary system failed or was temporarily shut down for service.

Recommendation – The City should consider including a failover site for the CPL in future capital improvement plans to prevent the potential loss of critical IT systems in the Central Library.

Response – Agree. CPL and Library IT agree with this recommendation and has submitted a comprehensive plan to achieve a standby data center operation by June 30, 2018, in conjunction with City DIT at the new Public Safety Data Center on Military Highway. This provided is approved and funded in the FY18 Capital Improvement

Budget as Project Number: 09-220; Titled: Library – Data Center Redundancy/DIT Co-location. This project will resolve the issues brought up in the Performance Audit.

2019 Status – The Library has completed all aforementioned projects to establish redundancy and proper backup storage.

D3. Cash Handling Processes

Finding – Cash collected daily was counted at least four times prior to being deposited. The first two counts occurred on the night the register was closed. The third and fourth counts occurred before the deposit was made the next day.

Recommendation – CPL should revise its cash handling processes.

Response – Agree. While the cash handling processes are regularly reviewed, the Library Accountant II concurs with the recommendation that the Library eliminate the counting of the register monies at closing and that the cash and cash register tape be locked in the safe by two people. In the morning, two staff members will validate the cash, reconcile to the cash register tape and prepare the deposit for the Treasurer's office. Morning staff will set up the cash till for the day. Cash register receipts are routinely issued to patrons for all transactions. Void approval level will be assessed and adjusted, if necessary.

2019 Status – No changes have been made due to change in administration and lack of follow through. If still deemed necessary, we can implement changes in the next 3 months.

D4. Condition of Library Facilities

Finding - The Central Library building had numerous unresolved water leaks noticeable on ceiling tiles and carpet in the Collection Management Services Division, where newly delivered books were stored and staged for delivery to the various library branches. In addition, there was evidence of leaks in the ceiling tiles in the Library Administration areas.

Recommendation – CPL should work with Facilities Management to resolve these issues.

Response – Agree. The Library and Facilities Management work closely to address facility issues. Facilities Management has scheduled Central Library for a partial roof replacement in FY17-18 to eliminate leaks. The water damaged carpet and tile have been replaced and/or scheduled for replacement.

2019 Status – Facilities has continued to monitor issues at all library facilities, and has scheduled a roof replacement for Central later this year.

D5. Review of Library Heat Map/ Time and Usage Reports

Finding - A review of usage data from January 30 to March 12, 2017 found that the Cuffee Library was underperforming in patron usage when compared to the other libraries in the CPL system.

Recommendation – CPL should explore methods of improving the Cuffee Library's usage

Response – Agree. The Library has been working diligently in the Campostella community to let the citizens know what the Library offers and create programs, classes and events that attract and benefit the community. Unfortunately, the response has been disappointing. FY18 project planning will include assessment of all branch programs and resources. Time and Usage reports will be scrutinized and assessed in order to offer in-demand programs and, if necessary, reallocate staff for more effective use of human resources.

2019 Status – Cuffee is being redeveloped to host more technology and innovation before any other library location. This, along with proper marketing, should result in increased usage.

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FOLLOW-UP REVIEW

DEVELOPMENT & PERMITS

REPORT ISSUE DATE: JUNE 30, 2016

FOLLOW-UP REVIEW DATE: MARCH 2019

**CITY OF CHESAPEAKE, VIRGINIA
AUDIT SERVICES DEPARTMENT**

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**Audit Services Department
306 Cedar Road
Post Office Box 15225
Chesapeake, Virginia 23328-5225
(757) 382-8511 Fax. (757) 382-8860**

March 30, 2019

The Honorable Rick W. West and
Members of the City Council
City of Chesapeake, City Hall-6th Floor
Chesapeake, Virginia 23328

Dear Mayor West, and Members of the City Council,

We have completed our follow-up review of Development and Permits. The review was conducted in March 2019. As of that date, the status of the report's seven open recommendation was as follows:

- 6 had been implemented
- 1 was in the process of being implemented
- was planned but not yet implemented
- was partially implemented
- will not be implemented
- is no longer applicable

A copy of each review is included in this report. Please contact us if you have any questions.

Sincerely,



Jay Poole
City Auditor
City of Chesapeake, Virginia

C: James E. Baker, City Manager

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**FOLLOW-UP REPORT
DEVELOPMENT & PERMITS
PERFORMANCE AUDIT
MARCH 2019**

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C1. Accela Project

Finding - There were 101 remaining Accela change requests that needed to be resolved and implemented for the Department and 30 for Public Utilities, Planning, and Parks and Recreation. These change requests were related to system enhancements, modifications, creating various system reports, and business process enhancements.

Recommendation - The Department should obtain additional resources to hire third-party vendors to resolve and implement the 131 outstanding change requests that have not been completed. It should also consult with IT to develop a program to automate the invoice and payment process for fee revenue to the Accela interface. In addition, all revenue fee accounts should be reconciled each month.

Response – **The Department agrees with the assessment. This relatively new system had many unknowns when it was procured, particularly the long term resource needs to maintain the system. At this point we know we have three categories of needs for operating Accela; 1) A need to finish the project implementation consistent with the original scope (unfinished components/functions), 2) There is an operating component with trouble shooting system failures, customer assistance (internal and external), and implementation of frequent Accela updates, 3) Development of applications for other key development and permitting functions still done manually, like hauling permits, elevator inspections, capital project review to name a few. This category will continue to be a demand as the City changes policies and procedures as well as seek to improve customer service. The current Business Applications Specialist II staff member spends a significant portion of their time on category 2, which was not anticipated when the project was developed.**

The FY-18 Budget included funding for a special projects Business Applications Specialist I (1-year duration). This position potentially could assist with some aspects of completing the project, depending on the quality of hire and the speed with which they can become familiar with Accela. The Department will request that the City add a second permanent Business Applications Specialist II to address both short term and long term needs of the Accela system.

2019 Status – The Department was funded for a new Business Application Specialist in the FY-19 budget. This position was difficult to fill because of the unique skillset and experience required to effectively achieve the department needs. This position was filled on, 11/19/2018, after approx. 6 months of recruitment. With this position, the department has already stepped up the pace of addressing long range system enhancements of Accela. The enhancements include converting proffer tracking and reporting systems into the Accela system. It also includes replacement of the outdated/inefficient Elevator Inspection program into the Accela system, with new automated steps and business practice enhancements.

By securing a second business application specialist, the department has provided more system resiliency, the ability to respond to system failures that adversely affect customers and staff, and pursue other application upgrades to outdated City systems.

The Department, working with IT, has also utilized third party vendors to develop multiple system upgrades including automated issuance of subcontractor permits and scheduling routine inspection requests.

The test environment was synched with the production environment in July 2017. The New UI training was provided to all users from January to March, 2018. The master scripts were converted in August/September 2018.

User training is provided to new staff as they come on board for Accela Automation, Accela Mobile Office and new user interface.

C2. Voluntary Developers Proffers

Finding - A review of the proffers offered by developers identified several areas of concern. The Department did not have a means to verify that they were receiving all the approved proffers; the naming and numbering nomenclature was not consistent with other users; and Accela was not used as the primary accounting platform to track the proffers.

Recommendation - The Department should lead other departments in developing a citywide process to ensure that all proffers were tracked through each department and that none had been misplaced.

Response – **The Department agrees that there are potential improvements in the proffer tracking process. We do not believe that there is an unreasonable risk in missing the collection of cash proffers because of existing system redundancy within this Department and the proffer affiliated departments. There have been short term errors in the past, caused in part by proffer complexity and inefficient tracking methods; but each time there was system redundancy that discovered the miss. The single biggest efficiency gain would be the completion of the proffer functions within Accela. There are clearly far too many different disconnected tools/systems used for proffer tracking.**

The Department will continue to make Accela completion a priority effort as resources permit. This matter will also be added to the agenda for the Development Coordination work group (departments involved with development) to address.

2019 Status – With the recent addition of the business application position on 11/18/18, the Department has begun the process of incorporating all proffer tracking and reporting functioning into Accela. This system enhancement is approximately 50% complete. Historical data conversion and reconciliation, and report development

are all underway currently, with anticipated completion this calendar year. With these enhancements the Department will be able to discontinue the use of multiple tracking systems employed by staff inside and outside the Department.

C3. Elevator Inspection Process

Finding – The elevator inspection process needed improvement

Recommendation – The Department should continue to review, analyze and reengineer the elevator inspection process so that it ensures that all commercial and City elevators and other people/equipment moving devices are identified and inspected in accordance with State and City Codes.

Response – This audit identified some written procedures that were not being followed consistently, in addition to the need for enhanced procedures. The zoning/property maintenance division has already started making some changes to address the issues.

The Department will do a comprehensive review of the process used for reviewing and tracking elevator inspections. This will include an effort to modify Accela to address not just billing, but also the tracking and notifications to owners.

2019 Status – Subsequent to the audit the Department immediately implemented various procedural changes to improve system efficiencies that insure all commercial and City elevators are inspected annually in accordance with applicable codes as follows:

- All elevator permits and inspection records have been checked to ensure all are accounted for.
- Every inspection record has been reviewed and updated with the correct status based on inspection reports. Notices are being sent monthly to ensure compliance is achieved.
- Changes have been made to Accela to better track elevators, notices and certificates. All inspection records, notices and certificates are stored in Accela.
- Fees for annual certificates are invoiced in Accela only after receiving a passing report with no deficiencies. Once payment is received the certificate is issued.
- The manual step in the invoicing process was automated in Accela as a result of the identified system failure.

At the end of 2018, the Department also began the process of modifying business practices to improve the administrative steps involving inventory tracking, notification to owner/operators, inspection report review, issuance of certificate to operate and initiation of enforcement action. These functions are all part of a system upgrade that will incorporate the processes into Accela. This upgrade is anticipated to be completed in 2019.

C4. Permit Inspection Process

Finding – The permit inspection process needed to be improved.

Recommendation – The Department should review, analyze and reengineer the inspection process so that it ensures that all inspections of commercial and residential projects are properly documented and reviewed.

Response – **The Department agrees that quality control should be reviewed and enhanced to insure accuracy and timeliness. The Department’s ongoing review of inspector field devices will facilitate resolution of some of the identified concerns.**

The Department is also making completion of the Accela scheduling functions a priority.

2019 Status – The department has provided additional training on the use of the mobile Accela Mobile Office system and the inspector application used for reporting and documenting inspection results. Department customers and permit staff now have accurate records that are reported as each inspection occurs.

The codes enforcement administrator insures consistency with their Quality Control program and review of staff functions. This program was updated in April of 2018.

The auto assignment of inspection is in the process of implementation. It is expected to be initiated in April 2019. This functionality will allow for easy assigned area rotation.

Defined roles and responsibilities for inspectors, supervisors and managers have been created and distributed to each staff member.

C5. Re-inspection Fees

Finding – The process for collecting re-inspection fees was not consistent.

Recommendation – The Department should develop a minimum standard that ensures consistent assessment of the above re-inspection fees.

Response – **The Department’s current written policy will be modified to provide more consistency of application. It should be noted that this fee has been applied as a deterrent to inadequate construction as opposed to a revenue generation tool. As such some degree of flexibility should remain for appropriate customer service reasons.**

2019 Status – The department has modified the policy for assessing re-inspection fees to improve interpretation and consistency among inspection staff. The updated policy also includes Stop Work Orders and Late Fees.

C6. Cash Settlement Process

Finding - The cash settlement process in place for the Department's customer service area was not efficient and was not designed to promote good customer service. In addition, internal controls and the safeguards over assets could be enhanced.

Recommendation – The Department should enhance their cash settlement and verification processes to ensure that customers are serviced in a timely manner and that internal controls are strengthened.

Response – The Department agrees with this recommendation. Steps have already begun to secure additional registers that will allow us to maintain full cashier functions during operating hours (no shutdowns). The Department's new fiscal administrator will develop an action plan to address the remaining identified issues.

2019 Status – The Department secured an additional 9 registers for a total count of 11. This has resulted in less down time and improved cash processing by permit and accounting staff. The Director also required the department's fiscal administrator to perform the daily cash processing functions in an effort to thoroughly review system integrity. As a result of the Director's unusual directive, additional process deficiencies, not detected by Audit Services were identified and enhancements made by department staff. The Department is working with Building Maintenance to obtain one more panic button device, installed to prevent unintentional tripping. Training will be provided to staff by the vendor to ensure all cashiers understand the hardware operational requirements.

C7. Staffing Concerns

Finding - The Department was losing code compliance staff to other localities, most notably Virginia Beach.

Recommendation – The City should evaluate the compensation and staffing levels of the various inspectors and adjust as required

Response – The Department completely agrees with the assessment. The Property Maintenance/Zoning inspectors that share the same classification (Code Compliance Inspector) have a frequency of turnover that effects both the quality and quantity of enforcement, drastically impacting customer service. The current pool of 10 inspector positions has an average tenure of 9 months on the job. The Department loses staff not only to other Cities, but also other departments with higher grade positions for similar experience. The Department has had discussions with Human Resources about this issue, however changes were not included in previous citywide classification range adjustments. The Department has also started doing our, position specific, exit survey to identify potential factors.

We are also considering modifying some administrative job functions that would make the inspectors more efficient. This was one factor identified in the Department exit survey, in addition to the uncompetitive salaries.

2019 Status - The Department/City implemented a Special Pay Adjustment for Code Compliance Inspectors and Construction Inspectors in FY-19 after a comprehensive study by Human Resources of individual Inspector pay.

Many salary adjustments were made to reflect the value of inspector experience, making the City's individual salaries more competitive with other potential employers.

The Department also utilized information secured in exit interviews and employee surveys to determine inspector concerns with various business practices and job functions. As a result of their input, some functions were shifted from inspectors to administrative staff. Property Maintenance/Zoning Inspection organization structure was reorganized to provide smaller inspection zones, by repurposing a specialized work group. These changes have appeared to improve inspector job satisfaction.

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Managerial Summaries Fiscal Year 2019 Audits

Parks & Recreation
Human Services
Citywide Payroll Cycles

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Managerial Summary

A. Objective, Scope, and Methodology

We have completed our review of the City of Chesapeake (City) Department of Parks, Recreation, and Tourism (PR&T) for the period October 1, 2018 to March 31, 2019. Our limited scope review was conducted for the purpose of determining whether PR&T was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City and departmental policies and procedures relative to safety and access controls. Areas of review were the Memorandum of Understanding between the City and the Great Bridge Battlefield & Waterways History Foundation (GGB&WHF), employee time tracking and access controls for both physical and Information Technology (IT) security, and Northwest River Park (Park) (including physical condition, infrastructure upgrades, camp store).

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

PR&T provided both essential and non-essential services for the City and its residents. Its primary services included developing safe and enjoyable leisure activities, promoting year round activities that enhance social interaction, education, creative expression, and developing therapeutic activities for those citizens with disabilities. PR&T was also responsible for municipal grounds, park maintenance, and athletic field maintenance for both City and Chesapeake Public Schools (Schools), operating City parks, and providing housekeeping for City facilities.

For Fiscal Year (FY) 2018-19, PR&T had an operating budget of just over \$22.1 million. The budget was allocated over four primary service areas – Maintenance and Administration, which was responsible for such things as grounds work, housekeeping, and departmental administration, was budgeted \$8,849,708; Recreational Activities, which was responsible for all recreational programs as well as the Before and After School program was budgeted \$6,853,559; and Park Operations which was responsible for all operations of the Cities' parks, was budgeted \$1,896,156. PR&T had an authorized complement of approximately 237 personnel. PR&T also oversaw a budget of \$4,536,850 for the Conference Center (including a contractual agreement with VenuWorks) and Convention and Visitors Bureau. This function had a complement of seven personnel.

Major Observations and Conclusions

Based on our review, we determined the Department had accomplished its overall mission of providing a variety of services that enhanced the quality of life of the citizens of the City. However, we did identify several areas of concern that needed to be addressed. Those areas included operational concerns at Northwest River Park regarding health and safety, project management, physical and system access control concerns, concerns about the Great Bridge Visitors Center, and cash handling issues.

This report, in draft, was provided to PR&T officials for review and response and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. PR&T concurred with most of the report's recommendations and has either implemented or begun the process of implementing many of them. PR&T management, supervisors, and staff were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

B. Performance Information

PR&T's mission was to provide the citizens of Chesapeake with a variety of year-round leisure activities to promote social interaction, education, creative expressions, physical activity and recreational therapy. This mission was accomplished by providing activities such as classes, special events, clubs, trips, and after-school/evening programs, and therapeutic activities for those with disabilities. The Department had the capability to offer a wide assortment of programs and reached over 575,000 registered participants annually through its' program offerings. In addition to its community centers and structured activities, the Department had a variety of diverse parks situated all over the City. Several of these parks were unique to Chesapeake due to their historic relevance or their unmatched natural conditions.

In 2018, the Department embarked on a six year plan to refurbish the infrastructure at Northwest River Park. The Department had budgeted over \$6 million dollars in capital improvement funds money to replace or repair walkways, maintenance facilities, and the Ranger and activity centers over a six year period.

Also included in the capital improvement budget plans were expansion and resurfacing of parking areas, addition of fitness equipment, improved signage and the addition of more cabins. These improvements will have a far ranging effect on the park. They will enable the park to expand offerings at the camp store, increase camp stays, and provide state of the art facilities for both the campers and the rangers and other camp personnel.

The Department was also working with the Public Works Department to help better coordinate the maintenance requirement for any potential overlapping facility, vacant property, and landscaping and grounds. The 2019 Internal Governance Goals indicated the need to formally designate responsibilities in order to better coordinate, plan, and budget maintenance activities. Also included in the Governance Goals was

that PR&T work with Public Works, Public Utilities, and Development and Permits on the Facility Assessment Survey and the replacement of the Greenbrier maintenance complex.

PR&T, in conjunction with the GBB&WHF, was nearing completion of the Great Bridge Battlefield Visitors Center and Museum. A soft opening was held in December 2018 to open the facility and start increasing the public's awareness of what was going to be offered. According to the GBB&WHF Executive Director, it was expected that a total of \$750,000 which the City understood that the GBB&WHF had or would raise, would be necessary to finish acquiring and preparing the various exhibits for the museum.

Park revenue has gone up in each of the last three years. In 2016 park revenue was a little more than \$186,000 and has grown to \$226,541 in 2018. This increase is a likely reflection of better marketing of the Park as well as the recent entry onto the Reserve America website.

In order to improve its customer service, the Accountant II from PR&T initiated and rolled out a "Single Pay Initiative" in PeopleSoft with the assistance of IT and Finance during the FY 2018-19 fiscal year. This initiative was designed for better customer service to help PR&T process refunds (i.e., such as class cancellations and activity fee corrections) more efficiently. The initiative was expected to reduce processing time and conserve system resources.

PR&T, in response to an employee payroll fraud, has enacted a multilayered time keeping/tracking system to ensure that it does not happen again. The fraud involved a former employee who simultaneously worked at both PR&T and another employer. All these systems were monitored by upper management on a regular basis to assist them in monitoring flexible employee scheduling for a department that operates 365 days a year.

C. Operational Control Issues

Audit Services' observations made on February 25, 2019 of the Park found a number of concerns that needed prompt attention. First, the maintenance facility at the Park needed immediate attention due to a variety of infrastructure issues. Second, several buildings, including the maintenance building, needed attention due to aging infrastructure. Third, the Park Ranger Station/Park Store had exposed wires running all over that needed better placement or removal.

1. Northwest River Park Health and Safety Issues

Finding – Site visits of the Park found that multiple buildings were experiencing either mold or rodent droppings. The Ranger Station/Park Store had exposed electrical wiring. These conditions potentially endangered the health and safety of Park visitors and Park personnel. This situation created a potential financial risk and legal exposure

to the City should either a staff member or a visitor become infected with a mold or a rodent borne illness, or was injured by electrical shock.

Recommendation – We recommend that PR&T take steps to relocate the affected workers and their required park ranger offices, store and sales inventory, as well as maintenance worker tools and equipment to safer OSHA compliant facilities. Beginning July 1, 2019, PR&T will be in year two of its CIP master plan. This will result in new facilities for the Maintenance Building and Ranger Station/Park Store.

Response - At well over 40 years of age and 763 acres, Northwest River Park has been showing the effects of aging infrastructure and heavy usage for quite some time. The buildings, infrastructure, and many of the park amenities have long passed their expected and useful life cycle. Although most of the other larger parks in the City have been upgraded or refurbished over the past few years, the size and complexity of this particular park required substantial resources and study to properly plan, renovate and replace, especially the standing structures. For many years, the philosophy and mindset were to keep the facility up and running even with little dedicated resources and expertise. It should also be noted that many of the buildings and amenities at this park were originally constructed without permits and plans, and some even by volunteers and well-meaning organizations. This has created years of challenges on maintaining facilities that were not only rapidly aging but also not structurally designed for long-term commercial use. (Note: The full text of the response is included in the body of the audit report).

D. Project Management Issues

Audit Services obtained a general understanding of the vendor selection process for the NWR Park capital improvement projects. Contracted project management oversight practices had the potential to drive-up the cost of projects.

1. Project Management

Finding - The City did not have a dedicated project manager experienced in overseeing large construction projects such as the NWR Park CIP projects

Recommendation: PR&T should consider assigning in-house project managers/engineers with experience in engineering and knowledge of building construction and marine engineering to oversee the work of the contractor(s). If the City does not have a dedicated in-house project manager that PR&T can use, then the City should consider hiring a project manager.

Response - The Department feels very comfortable with the current process where park operations staff are handling many of the routine projects that the department faces annually such as playground replacement, sidewalk installations, fence replacement, small bridge renovation, dugout construction, athletic lighting replacement, etc. When larger scaled or unique/specialized

projects are identified, the Department works closely with Public Works for consultation and/or execution. Many projects are handled by Public Works such as the Western Branch Commonwealth Trail project, the Great Bridge Battlefield Waterways Museum and Visitor Center, and the Dismal Swamp Visitor Center Feasibility Study. With the anticipated limited Public Works project management capabilities and workload over the next few years on select PRT projects such as the Northwest River Park Ranger Station and Interpretive Center replacement, the hiring of an outside project manager through the City's procurement process may be necessary as PRT staff is not experienced nor has the expertise in such complex construction.

E. Access Control Issues

The ability to activate, deactivate, or delete an employee's system and/or physical accesses was a manual, three-tiered process involving individual departments, Human Resources, and Information Technology. Any breakdown in communication or follow-through in that process could result in a separated employee's ability to maintain access to both City Systems and City buildings.

Through no fault of the PR&T, our audit found that the three-tiered process did not provide PR&T as well as other departments with routine feedback and a system of proper checks and balances that would allow departments the ability to monitor and confirm the deactivation of IT system and physical building accesses for separated employees. This situation left the City exposed to security breaches.

1. Access Controls

Finding – City processes did not always deactivate systems and physical accesses of PR&T employees who had separated from the City. Failure to terminate separating employees' accesses to City facilities and computer systems puts the City and employees at risk.

Recommendation – The City should consider revisiting the appropriate policies with Human Resources, Information Technology, and all City department to address this situation.

Response - PRT concurs with many of the recommendations presented for this item; however, most of the items mentioned are not within its control. PRT does have a few comments to add. Access into PRT facilities requires designated security codes in addition to access cards to gain entry during non-operational hours, so if someone has a card they still would not have individual access, even if the card was still active. Facilities all have cameras that record at all times as well to identify any unauthorized access. Security codes are tracked by the governing department and many distributed by PRT are only available for a short period of time. Many PRT folks with access cards do not have security codes ever issued to them that would allow them to enter a facility alone. Also, it is our

understanding that the most of the situations noted in Exhibit D were due to a glitch in programming at CIBH in 2012, which may have been the result of multiple people having a single employee number. (Note: The full text of the response is included in the body of the audit report).

F. Great Bridge Battlefield & Waterways History Foundation Issues (GBB&WHF)

Audit Services reviewed the documentation between the GBB&WHF and the PR&T for the purpose of establishing a museum, park, and visitor's center to celebrate and preserve the historic Great Bridge Battlefield site. Audit Services found the documentation to be cumbersome and confusing and not always clear as to designated responsibilities.

1. Memorandum of Understanding (MOU)

Finding – The GBB&WHF and the City have at least nine documents all governing various aspects of the visitors' center and museum. The quantity of these documents made it hard to understand easily who had responsibility for various aspects of the visitors' center and museum.

Recommendation - The PR&T and the Foundation should consolidate the MOU and its six amendments into one "clean" MOU that incorporates all the necessary operational information.

Response - PRT will be working with the City Attorney's Office and the Foundation on a new MOU between the City and the Foundation prior to the time the Foundation regularly and officially opens the facility for public use. At this time, that date has not been set but will not be any sooner than towards the end of the calendar year. Consolidating all past MOU's has been discussed with the City Attorney's Office but may not be achievable at that time due to obligations and requirements for the park and building with the Army Corps of Engineers.

G. Cash Handling

Audit Services reviewed the NWR Park's cash handling policies and procedures. Audit observed manual receipts which were not accounted for exposing the Park to potential cash shortages due to theft.

1. Cash Handling

Finding - The Park store used manual receipts during periods when systems were down. The Park store did not always ensure that the unused receipt books were properly secured and numbers tracked.

Recommendation - The Park should track all manual receipt books in order to ensure that all the receipts used are accounted for.

Response - To better ensure PRT follows best practices regarding cash collection during system outages, we are in the process of updating our policy and procedure manuals to now include that all point-of-sale locations will be equipped with pre-numbered, three-part receipt books. The receipt books will be recorded and verified by central accounting regularly and staff will be trained on the process. Staff does keep the books in secured locations but will better define that as well in the manuals.

Managerial Summary

A. Objective, Scope, and Methodology

We have completed our review of the City of Chesapeake's (City's) Human Services Department (Human Services) for the period January 1, 2018 to May 31, 2019. Our review was conducted for the purpose of evaluating whether Human Services was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City procedures in its handling of Title IV-E processes, contract administration, and other areas. All divisions of Human Services were subject to evaluation, especially Social Services and Chesapeake Juvenile Services. The audit included review and evaluation of procedures, practices, and controls of the various divisions of Human Services on a selective basis. Samples were taken as appropriate to assist with our evaluation.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Human Services employed a work force of approximately 362 full-time and part-time employees. Their budget for fiscal 2018-19 exceeded \$35.5 million dollars, and accounts for 3.36% of the City's current budget. Areas of operational responsibility included Joint Staff Operations, Service Staff Operations, Eligibility Staff Operations, Bureau of Public Assistance, Human Services-Other, Welfare to Work, and the Fatherhood Program, Juvenile Services, and the Interagency Consortium.

To conduct this audit, we reviewed and evaluated City and Department policies, procedures, operations, documents, and reports, both internal and external. This review included testing and evaluation of the Department's food inventory system, access control, and internal control over case management.

Major Observations and Conclusions

Based on our review, we found that Human Services generally had sound practices and procedures, which complimented its overall mission of their programs. However, it was noted that there were issues with compliance and support to improve communications and internal controls among the staff, especially within the Title IV-E program and the need for a more robust Fraud program to ensuring program integrity in all Human Services. Also, the detention center had numerous areas of concerns

such as P-cards, food inventory, billings, key control, and contracts. Another area of concern was facility and computer access control.

This report, in draft, was provided to Department officials for review, and response, and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Department management, supervisors, and staffs were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

B. Departmental Practices, Procedures, and Performance Measurements

While the scope of this audit was limited, the role of Human Services in Chesapeake was not. The stated Mission of Human Services was “Helping to make people’s lives better by promoting positive change.” The department strived to do this in one of its four main component parts. These parts, Community Programs, Interagency Consortium, Juvenile Services, and Social Services, served the Citizens of Chesapeake across all demographic considerations and touched their lives in one way or another.

1. Community Programs

The mission of the Division of Community Programs was to promote services, coordination, and collaboration in the community for the enhancement of the Quality of Life for Chesapeake residents. There were 30 employees who worked in Community Programs that provided an array of services that enhanced the lives of Chesapeake citizens. There were seven service areas within the Division:

- a. Community Development
- b. Family / Youth Development
- c. Community Outreach
- d. Community Prevention
- e. Community Partnerships
- f. Community Corrections
- g. Community Relations

2. Interagency Consortium

The Interagency Consortium administered the Children’s Services Act (CSA). This act provided for a collaborative system of services that was centered on the child, focused on the family, and community based. The consortium provided services to disabled, troubled, and at-risk youths and their families. These services were provided in partnership with Human Services, Integrated Behavioral Healthcare, Public Schools, Court Services, and the Health Department. This program area had six main services. They were Regular Foster Care, Therapeutic Foster Care, Congregate Care, Non Mandated, Private Day School, and Community Based Care.

3. Juvenile Services

Chesapeake Juvenile Services (CJS) was a 100-bed facility located on Albemarle Drive in Chesapeake in the City's Municipal Complex. CJS was a division of Chesapeake Human Services. The Director of Chesapeake Human Services provided supervision to the Superintendent of CJS.

The facility was subdivided into general purposes areas that included: administrative offices, school administration, kitchen, cafeteria, laundry, housekeeping, maintenance, training room, gymnasium, Y.E.S. (Youth Entertainment Studio), school classrooms, school library, computer lab and offices, social work offices, videoconference room, clinic, intake, control, reception, and eight separate residential housing units that included day rooms and multi-purpose rooms. It should be noted that the maintenance work space and food storage facility was located in a separate annex behind the main facility.

4. Social Services

By far the largest area in Human Services was the Social Services area. This area provided over \$243 million dollars in financial benefits a year to citizens and also determined eligibility for the Supplemental Nutrition Assistance Program (SNAP), Medicaid Services, Energy Assistance and Temporary Assistance to Needy Families (TANF). Over 40,000 unique citizens of the City received the support provided through Public Benefits each year. Child and adult protective services, foster care, adoption and employment services were also components of this division. Community collaborations were very important to help maximize the investments in time, money, and effort being made by the City. These collaborations were also important to help the City determine and plan for emerging issues, respond to emergencies, and build safe communities.

- a. Public Benefits Eligibility was determined and administered by Social Services. These benefit programs assisted families by supplementing or replacing necessities. These programs, such as SNAP, TANF, and Medicaid, assisted low income, elderly and disabled families and individuals.
- b. Prevention Services were a critical part of the Social Services landscape. Social Services staff sought to prevent CPS involvement with at risk families. Social Services staffed both the Baby Care Oversight Team (coordinated by the Health Department) and the Truancy Team (coordinated by Chesapeake Public Schools.) As a part of those teams, Social Services might become involved with those families who were at risk of abusing or neglecting their children.
- c. Child Protective Services (CPS) was responsible for intervening in whatever way was necessary to ensure the child's safety and to prevent further harm from abuse or neglect. Protecting the child, validating sexual abuse, and seeing to the safety of other possible victims, such as siblings or friends, were the priority of the CPS social worker. Each year the City received approximately 2,500

reports of alleged child abuse, approximately 1,500 of those reports required investigation. CPS hotline and emergency intervention services were provided 24 hours a day every day, as required by law. At any time of day or day of the year, at least one investigator and one supervisor was on-call to address CPS issues. The Chief of Child Welfare was also on-call 24 hours a day to support the on-call team and respond to serious injuries, fatalities, and other traumatic reports.

- d. **Foster Care Programs** worked with children ages 0 – 17 who had been removed from the care of their families and placed in the custody of Chesapeake Social Services. Because children did best in families, Federal and State law required that Social Service staff demonstrated that 1) continued placement in the home would be contrary to the welfare of the child, and 2) that reasonable efforts were made to prevent out of home placement. Most of the children in Foster Care come from families who had CPS involvement, and based on those efforts, had been determined that the family was either unable or unwilling to provide a safe and stable home for their child. In certain emergency cases, children were removed from their home during the CPS investigation process because it had been determined that the child was in immediate danger.
- e. **Adoption Services** were also provided by Chesapeake's Human Services' Adoption Services. These services included counseling to birth parents who were considering adoption, placement of children whose parental rights had been terminated, and necessary home studies for prospective adoptive parents. While children were still in the custody of Social Services but were receiving Adoption Services, all of the requirements of Foster Care workers remained. In addition, the worker must have also completed all of the required services related to adoption including assessing adoptive families, initiating and following through with JDRC, screening the child, and working with the Virginia Department of Social Services to negotiate adoption assistance.
- f. **Social Services** staff were responsible for the recruitment, monitoring, and training for Resource Homes (formerly known as Foster Homes). In order to ensure that the children entering Foster Care had safe homes with families where they were able to reside temporarily, the Resource Home staff was required to recruit for families who were willing and able to be Resource Families. Because most of the children in Foster Care had been victims of abuse or neglect, and many times were facing additional issues such as disabilities, it was critical that the Resource Families were provided with the training and support needed to address these issues. Also, since many of the Resource Families chose to adopt the children they had fostered, or for other reasons chose to end their service as Resource Families, the process of recruitment was constant. The Resource Staff also conducted the initial Mutual Family Assessments (formerly known as Home Studies), and the addendums as family circumstances changed.

- g. Interstate Compact for the Protection of Children (ICPC) services were provided when children in Foster Care were being assessed for movement across state lines. Chesapeake (through the Virginia Department of Social Services' ICPC Office) both received and referred out cases for ICPC consideration. If a case was received and approved in Chesapeake, ICPC staff provided ongoing monitoring and support to those children and reported back to the sending state regarding progress in the case. For receiving cases, a full Mutual Family Assessment was completed and recommendations for or against ICPC placement were sent back to the referring state.
- h. Adult Protective Services (APS) provided a wide variety of services to stop and prevent future acts of abuse, neglect or exploitation of incapacitated adults age 18 and over, and to any person age 60, or over, by persons who were responsible for their care. Services included:
 - 1. Receipt and investigation of reports that an adult was abused, neglected or exploited, or was at risk of abuse, neglect or exploitation.
 - 2. Assessment of needs and connection with health, housing, social and legal services.
 - 3. Legal intervention to provide essential protection in emergency situations for those who lacked the capacity to consent to services.
- i. Adult Services provided services that allowed adults to remain in the least restrictive setting and function as independently as possible by providing supportive services. Adult Services were provided to adults age 18 or over who had a disability.
- j. An additional program that is run by Social Services was the FIND (Fathers in New Directions) Program which was a fatherhood program designed to lead fathers to self-sufficiency, active involvement in the lives of their children, to secure gainful employment, and to meet their financial obligations to their children.

5. Chesapeake Resource Center

In June 2019, Human Services received approval for a service center for the homeless or those at risk of becoming homeless. The center would assist the target population with housing, employment, benefits, mental health access, laundry, showers, and other daily needs. The Day Service Center also supported the U.S. Department of Housing and Urban Development (HUD) Continuum of Care planning goal that "homelessness will be rare, brief, and nonrecurring."

C. Operational Issues -- Human Services-Virginia Dept. of Social Services (VDSS)

There were two major issues that surfaced that impacted the efficiency and effectiveness of Human Service-VDSS processes. The first was the need for more compliance and support to improve communications and internal controls among the staff, especially within the Title IV-E program. The second was the need for a more robust Fraud program to ensuring program integrity in all Human Services programs.

1. Human Services Compliance and Information Technology Support Issues

Finding - Human Services did not have processes in place to effectively and efficiently ensure compliance with Federal Title IV-E eligibility requirements for Foster Care and did not have adequate controls in place to prevent or detect Title IV-E payment errors.

Recommendation – Human Services should continue to develop, establish and implement a Quality Assurance, and Payment Accuracy teams to diminish the number of payment and documentation errors that currently exist. Management oversight and communications needs to be improved.

Response - In October 2018, CDHS began to build an Administrative Fiscal Support Team, mirroring best practices in other Human Service agencies. With focus on this process and more appropriately centralizing this function under the Fiscal team, rather than asking each Family Services Specialist (Social Worker) to be responsible for the accounting and fiscal responsibilities, made sense and in practice will reduce IV-E funding program errors. We have seen positive outcomes in the last IV-E review completed by the Regional State Office in preparation for the Federal Audit on September 23-27, 2019. The results of the April 2019 IV-E review showed no fiscal errors and some minor programming errors. We will continue to put in processes to minimize these errors. In addition to the fiscal team's oversight, we have recently hired a Quality Assurance Supervisor to review all processes and cases in the child welfare programs, recommend efficiencies and conduct on-going training. It is anticipated this team will be fully functional by August 1, 2019. We will continue to track the audit outcomes for IV-E funding.

2. Fraud Program

Finding - Human Services had 61 overdue fraud investigations as of May 31, 2019, of which the majority were cases were received and started in 2017 & 2018. The Fraud Division was not getting the management support and oversight needed and had not been fully staffed for extended periods of time. In addition, Virginia Case Management System (VaCMS) reports contained data that was inaccurate and unreliable.

Recommendation - Efforts should be made to reduce the investigation backlog and new cases should be investigated timely as required. Management support and oversight over the fraud program needs to be improved.

Response - Effective June 1, 2019, the Fraud team has been moved under a senior level leader for more direct oversight and processes are being reviewed for greater efficiency. We are hiring an additional Fraud Investigator as part of a recent request for reclassification and staffing review. We have hired a Quality Assurance Supervisor for all Benefit programs, including the Fraud team, to review processes and cases for increased efficiencies, error reduction and training.

D. Operational Issues – Chesapeake Juvenile Services

A review of Chesapeake Juvenile Services found several areas that impacted the functionality and efficient control over the detention home. These areas included holding employee P-Cards, keeping cash that should have been returned, and lack of control over the food inventories. Other areas included slow billings for services rendered, control over keys, and failure in verifying contract prices to invoices.

1. Safeguarding of Assets

Finding – Chesapeake Juvenile Services (CJS) was holding active employee P-Cards. Also, since 2015, CJS had been holding cash that should have been returned to the owner or escheated to the State.

Recommendation – CJS management should review their controls involving safeguarding assets and establish, document and implement proper controls over the assets held by CJS, including P-Cards and cash.

Response – CJS administration will order the necessary drop box safe with two keys to hold all assets. The safe will be a pre-drilled safe in order to assure bolting it to the floor, wall, or furniture will allow its placement to be a permanent fixture. Both Assistant Superintendents will be authorized to have the two different keys to the safe and both keys must be used in order to have entry as needed. Administration will create a log that will list date and time safe is opened, item(s) removed, or added, both authorized persons initials, and the same steps when the safe is locked.

Administration will distribute the written procedures that have been in place but not practiced that address safeguarding assets and will adjust procedures if necessary.

2. Food Inventory

Finding - There were no documented procedures established for the handling of the food inventory. Perpetual food inventory records were not being kept for the food inventory maintained by CJS. There was no independent count of the food inventory on a monthly basis. A food inventory general ledger account was not set up on the PeopleSoft system. In addition, USDA revenue reimbursement funds had not been

applied to offset food expenses. Security over the food inventory area needed to be enhanced.

Recommendation - CJS management should develop and document food inventory procedures and implement the food inventory process established therein. Food inventory should be counted at the end of each month by an independent person. Also, CJS management should consult with the Finance Department to determine the proper accounting for food inventory on the general ledger. CJS should also attempt to access the USDA grant funds to help offset food expenses on an ongoing basis. Further, access to the food inventory area needs to be restricted to the extent practical.

Response - In February 2019, a new acting Food Services Manager was promoted from within the food service staff. Prior to the new acting food manager, there were no instruments used to track inventory. Since that time, the food service manager has put in place inventory controls to ensure all food and new inventory are tracked and accounted for. Monthly inventory audits are conducted.

As of February 2019, there have been no vendor samples, gifts or USDA bonuses accepted and policies are in place to prohibit this.

All vendors must now report to the main entrance to CJS to check in prior to driving to the rear of the building to off load supplies.

Administration has researched and discussed with Purchasing and Finance the possibility of adding inventory software. Currently we use PeopleSoft as a financial managing system, but not the expanded Inventory Module.

3. Detention Home Service Billing

Finding - The billing process for detention home services for localities needed improvement. There were no signed Memorandum of Understanding (MOU) agreements for the localities receiving detention home services from CJS. Monthly billing for services rendered were not being sent out timely. Manual records for tracking payments were not kept current and did not indicate the total delinquent outstanding balances for the various localities.

Recommendation - CJS management should obtain signed MOU agreements for each locality that receives detention home services from CJS. Monthly billing should be prepared and mailed by the end of the first week of each month. Manual spreadsheets for tracking payments should be updated when payments are received and any payment that remains delinquent over 30 days should be followed up for payment. In addition, CJS management should monitor the billing process to ensure billing is completed timely and that delinquent accounts are followed up for payment.

Response - Memorandums of Understanding are being developed with each locality to address payment for services. Administration will use the State Department of Juvenile Justice BADGE system with the information needed to avoid further late billings of miscellaneous invoices to all localities receiving services for residents at CJS. Administration will be responsible for following up on delinquent payments. Manual records kept by administration are posted with up to date information showing: Current, 30-59 days, 60-89 days, and over 90 days. Administration will work with the Department of Social Services Fiscal Administrator to review other City fiscal reporting systems in order to follow up on delinquent outstanding payments.

4. Facility Keys

Finding- Control over the master key box which housed facility keys for all units needed to be improved.

Recommendation - Consideration should be given to upgrade the existing key control process by obtaining digital access control key box. This would streamline the key control process and free up supervisory time each day. Consideration should be given to install a camera in the receiving area.

Response - The doors on the facility's master key control box have been adjusted and properly aligned by maintenance personnel. Access to the master key, which permits access to the Facility's master key control box, will be limited to essential staff. CJS is in the process of purchasing a combination safe for the specific purpose of securing the master key control box key. Key box access will be limited to Operations Coordinators, Control Staff, Maintenance Supervisor, and Administration. The facility key box will remain locked at all times when not in use.

5. Contracts

Finding – CJS did not verify that the prices on invoices were in agreement with the negotiated contract prices for purchases they made before invoices were paid. In addition, CJS did not have copies of the contracts for all of the vendors for which they did business.

Recommendation – CJS should coordinate with Purchasing to obtain access to any City contracts used, other approved entity's contract, or cooperative agreement. Additionally, CJS should ensure pricing schedules are detailed in requisitions.

Response - Discussed with Purchasing and beginning in FY 2019-20 all contracts/POs will be provided for administration. This will allow the department to verify invoice amounts are correct based on the negotiated contract prices before payments are made. Currently all vendor payments are made through the PeopleSoft Financial payment system (PO payments & non-PO payments). All

one-time payments (those that are not a monthly repetitive expense) will continue to be paid as non-PO vouchers.

E. Access Control Issues

The ability to activate, deactivate, or delete an employee's physical accesses was a manual, three-tiered process involving individual departments, Human Resources, and Information Technology. Any breakdown in communication or follow-through in that process could result in a separated employee's ability to maintain access to City facilities.

Through no fault of Human Services, our audit found that the three-tiered process did not provide Human Services as well as other departments with routine feedback and a system of proper checks and balances that would allow departments the ability to monitor and confirm the deactivation of physical building accesses for separated employees. This situation left the City exposed to security breaches.

1. Access Controls

Finding – City processes did not always deactivate physical accesses of Human Services employees who had separated from the City. Failure to terminate separating employees' accesses to City facilities and computer systems puts the City and employees at risk.

Recommendation – The City should consider revisiting the appropriate policies with Human Resources, Information Technology, and all City departments to address this situation. The City should consider revising the three-tiered process to provide Human Services as well as other departments with routine feedback through a system designed with proper checks and balances that would allow departments the ability to monitor and confirm the *timely deactivation* of physical building accesses for separated employees.

Response – (Note: Human Services concurs with the recommendation.)

Managerial Summary

A. Objectives, Scope, and Methodology

We have completed our review of the City of Chesapeake's (City's) Payroll Cycles for the period January 1, 2017 to August 31, 2018. Our review was conducted for the purpose of assessing the impact the City's June 2017 change to nine-day arrears was having on citywide payroll processing, and whether there was a need to also change the City's pay cycles as recommended in a June 2014 Audit Services report.

We conducted this special audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The City's payroll system was designed to collect accurate and timely records of employee work and provide accurate and timely payment for that work. Prior to June 2017, the City paid either weekly with five days arrears, or semi-monthly in current time. The City included approximately \$3.6 million in the Fiscal Year 2017 budget to transition to arrears for semi-monthly employees. Payroll was paid current until the June 15, 2017 payday. The City then went to nine days arrears for semimonthly employees. As of February 2018, the City had 52 weekly and 24 semi-monthly payrolls for 3,800 employees. 837 employees were paid weekly and 2,963 were paid semi-monthly.

To conduct this audit, we reviewed and evaluated City and Department policies and procedures, and operations documents and reports, both internal and external. We held discussions with the Department Heads, Fiscal Administrators and Payroll Clerks in the City's ten largest departments, as well as the Finance Director and the Payroll Division of Finance. We reviewed historical corrections, pay cycle, FLSA status, and pay rule information. We also gathered benchmark data from other cities.

Major Observations and Conclusions

Based on our review, we determined that the City's change to arrears had provided several benefits to the City, including a reduction in payout errors for certain types of payments such as final separation payments and overtime. However, these benefits were largely offset by an increase in historical edits that occurred because 1) the turnaround time provided departments prior to payroll submission was insufficient, and 2) the constant changes in the pay period end date during the week often created

situations where employee time records needed historical edits to correct them. For this reason, we are recommending that the City consider changing to a bi-weekly payroll cycle, although it may also consider a weekly payroll cycle as an alternative. We are also recommending ongoing Kronos training for supervisors and payroll clerks.

This report, in draft, was provided to management for review and response. Their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Management, Department Heads, Fiscal Administrators, Payroll Clerks, Information Technology (IT), and Finance were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

B. Performance Information

The City's payroll system was designed to collect accurate and timely records of employee work and provide accurate and timely payment for that work. Prior to June 2017, the City paid either weekly with five days arrears, or semi-monthly in current time. The City included approximately \$3.6 million in the Fiscal Year 2017 budget to transition to arrears for semi-monthly employees. Payroll was paid current until the June 15, 2017 payday. The City then went to nine days arrears for semi-monthly employees. As of February 2018, the City had 52 weekly and 24 semi-monthly payrolls for 3,800 employees. 837 employees were paid weekly and 2,963 were paid semi-monthly.

1. Arrears and Transition to Arrears.

City Council approved the Fiscal Year (FY) 2016-2017 Budget with approximately \$3.6 million dollars to transition semi-monthly employees to nine days arrears. The City Manager also directed that employee information training sessions be held, and training materials were provided.

Semi-monthly employees (the vast majority accepted) signed an agreement with the City that the City would forgive 20% of the advance for each additional year of employment completed by the employee. Separation from the City (whether voluntary or involuntary) would require the former employee to repay the remainder of the advance. Departmental payroll clerks were required to calculate the unpaid balance and report it to Finance.

2. Existing Conditions

a. Fair Labor Standards Act Requirements

The federal overtime provisions were contained in the Fair Labor Standards Act (FLSA). Unless exempt, employees covered by the Act must receive overtime pay for hours worked over 40 in a workweek at a rate not less than time and one-half their regular rates of pay. The Act did not require overtime pay for work on Saturdays, Sundays, holidays, or regular days of rest, unless overtime was worked on such days.

b. Shift Schedules

Departments had many shift cycles and several workweek periods and employees were moved from one shift to another to ensure adequate staffing to minimize overtime and to render services as required. The employee's work time was captured by Kronos time clocks (located at various places), computer login, or by supervisors entering their employee's time because of special events or schedules. Employees were required to review and approve their timecard at least weekly. Supervisors also were required to review the timecard. Department Heads (or their designees) were required to approve their employees' timecard at the end of the pay period.

c. Concerns Expressed by Departments

Some of the concerns noted during interviews were as follows:

- There was insufficient time allotted to departments for review and approval of payroll. Department Heads and payroll clerks sometimes had four hours or less to verify and ensure the accuracy of timecard information.
- Supervisors and employees faced challenges with the shifting end dates during the week for pay periods, which often created errors in time reporting.

d. Processing Issues

After Department Heads approved payroll and Finance accepted the data, payroll clerks verified Kronos data against the Munis Time and Detail payroll report. Payroll clerks then submitted a printed copy of this report to Finance/Payroll. Any differences were documented as exceptions.

All exception sheets were not truly exceptions. For example, one time pay advances exception sheets were not true exceptions. Payroll clerks submitted them for new hires and terminations. Payroll Clerks were not able to see regular hours they sent to Finance on exception sheets because they were not certain what Munis would calculate as Regular Pay. Munis calculated the pay based on the dates of the hire or termination. Finance/Payroll normally did not have to make any manual adjustments in Munis Time Entry for these items.

3. Smoothing

The semimonthly pay cycle required smoothing since regular hours worked did not coincide with the semi-monthly payment. Therefore, employees pay was calculated on an annual basis then divided into 24 payments equal to 86.6666 hours pay, not actual work during a regular work week. Overtime and other adjustments might or might not appear in the pay day immediately following the regular work week (including the special exemptions for public safety). The City's semi-monthly pay cycle payments did not reflect the actual hours worked during the previous pay period because none of the City's schedules matched the 86.6666 hours paid on the semi-monthly pay schedule.

4. Previous Audit – Citywide Kronos/Munis

A special audit Citywide Kronos/Munis was presented to City Council on July 8, 2014. The report included the following recommendations and responses.

a. Recommendation 1 – Payroll Schedule

Recommendation – To reduce workarounds, errors, and adjustments, the City should evaluate whether the time is appropriate to consider 1) moving to arrears, and 2) implementing a bi-weekly payroll schedule.

Response – Although using a bi-weekly payroll in arrears could eliminate workarounds the City currently performs each semi-monthly pay period, alternative work schedules that do not align exactly with the proposed pay schedule will require further discussion across departments in the City to provide greater understanding of advantages and disadvantages. Once the budget process is complete, a committee comprised of both administrative and operational departments under the direction of the City Manager, including those with unique alternative work schedules, will create a task force to evaluate the feasibility and practicality of moving the City to a bi-weekly payroll in arrears. The City Attorney’s office will be asked to provide guidance on alternative work schedules as they relate to the Fair Labor Standards Act (FLSA) that govern work schedules and overtime calculations for Public Safety and those that operate 24 hours seven days a week.

b. Recommendation 5 – Training

Recommendation - The City should explore methods of increasing the frequency of HRIS system-related training.

Response – We currently offer training to all departmental payroll clerks on a quarterly basis. These training sessions focus on a variety of payroll and HR issues and include HRIS-related topics such as how to process sick leave repayments in Kronos and how to enter performance evaluation scores and address changes in MUNIS. In January 2014, Human Resources began offering monthly Kronos training sessions and providing hands on computer assistance to all supervisors. Monthly training sessions will be offered for approximately 6 months to meet current demand, and then a regular schedule of quarterly Kronos training will be established. We will continue to monitor the demand for training and work to address the needs identified.

5. Actions and Status of Other Cities.

Since our 2014 special audit, some of the surrounding cities took action to change their pay schedules. Norfolk, Virginia Beach and Hampton shifted from semi-monthly to bi-weekly and/or arrears. These changes are highlighted in Exhibit C below.

**Exhibit C
Surrounding Cities Payroll Cycles**

CITY	PAYROLL CYCLE	NOTES
Virginia Beach	Bi-weekly	Full-time employees paid 9 days arrears; Part-time/seasonal paid 16 days arrears
Norfolk	Bi-weekly	Employees paid 9 days arrears
Hampton	Bi-weekly	Full-time employees paid current; Part-time paid 2 weeks arrears
Suffolk	Semi-monthly	All employees paid current
Newport News	Bi-weekly	All employees paid current
Portsmouth	Bi-weekly	All employees paid current

We also surveyed the 200 largest cities in the U.S. to identify their payroll schedules. The overwhelming majority (179 or 89.5%) paid employees on a Bi-weekly Only schedule. Less popular were Weekly/Bi-weekly (4%), Semi-monthly Only (4%), and Semi-monthly/Bi-weekly (1%). None of the Cities had a standalone Weekly payroll, although Dallas paid a portion of its workforce one week and the remainder the next week, resulting in 52 payrolls processed per year. Chesapeake was the lone City with a Semi-monthly/Weekly payroll. One other City besides Chesapeake had both a semi-monthly and weekly payroll (Worcester, MA), but they also had a bi-weekly payroll.

C. Operational Findings

Based on our review, we determined that the City's change to arrears had provided several benefits to the City, including a reduction in payout errors for certain types of payments such as final separation payments and overtime. However, these benefits were largely offset by an increase in historical edits that occurred because 1) the turnaround time provided departments prior to payroll submission was insufficient, and 2) the constant changes in the pay period end date during the week often created situations where employee time records needed historical edits to correct them. For this reason, we are recommending that the City consider changing to a bi-weekly payroll cycle, although it may also consider a weekly payroll cycle as an alternative. We are also recommending ongoing Kronos training for supervisors and payroll clerks.

1. Impact of Change to Arrears

Finding - The City's change to arrears, while generating some anticipated benefits, was also creating some unanticipated burdens. The benefits included a reduced number of certain payroll corrections, such as overtime. The burdens included an increase in the number of historical edits citywide.

Recommendation – The City should consider implementing the 2014 recommendation to adjust the City's pay schedule. Based upon all of the options, the City should consider moving to a bi-weekly payroll, with two weeks arrears. However, the City may also consider a weekly payroll as an alternative to maintain employee morale.

Response – This Special Audit was initiated in response to a request from the City Manager’s Office. Specifically, the Auditor was asked to evaluate the impact of the April 2017 change in the City’s semi-monthly payroll processing from a current basis to one that is nine days in arrears. In addition, we asked the Auditor to re-evaluate and assess the potential incremental benefits that may still be available should the City make an additional change from its current predominant payroll cycle (semi-monthly) to either a weekly or a bi-weekly one.

In retrospect, this request was far more challenging and fraught with considerably more complications than initially anticipated. Given the number and variety of Chesapeake’s 7, 15, 21, 24, and 28 day overtime cycles coupled with the multiple “smoothing” protocols currently in place, it may not be realistically possible to isolate and compare the specific impacts of using a semi-monthly payroll cycle as opposed to either a bi-weekly or weekly one. (Note: The full text of the response is included in the body of the audit report.)

2. Kronos Training

Finding – Departmental Users expressed a desire for ongoing Kronos training

Recommendation – The City should develop an ongoing Kronos training program for departmental supervisors and payroll clerks.

Response – Finance has begun the process of creating and piloting a multi-tiered, role based instructional program. Training of the Payroll Clerks through intensive one-on-one sessions will be continued; supervisors and other employees will in turn be trained by Payroll Clerks in a “train the trainer” model. This will reinforce standardizing timekeeping Best Practices throughout the City, with the goal of reducing questions and errors. (Note: The full text of the response is included in the body of the audit report.)

A. SUMMARY

AUDITS IN PROGRESS, TECHNICAL ASSISTANCE & TRAINING

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AUDITS IN PROGRESS, TECHNICAL ASSISTANCE, & TRAINING

Technical Assistance Projects

Munis/Kronos – We continued to provide advice related to Munis and Kronos systems.

I/T Modernization - We have provided advice on the City's IT Modernization project.

PeopleSoft 9.3 Upgrade - We provided advice on the PeopleSoft 9.2 upgrade.

ECC – Two members of Audit Services have participated in Employee Communications Committee.

Customer Service – We have attended meetings and provided feedback on the City's U-Care/Customer Service Initiative.

Public Procurement Task Force Committee – We attended meetings to act as a conduit between Purchasing and Finance and provide advice on the improvements in procurement processes.

Fleet Utilization – We have attended meetings and provided assistance on the City's Fleet Utilization Project.

I/T Accela (eBuild) – We reviewed information on costs associated with the Accela program implementation.

I/T Steering Committee – We attended meetings to provide feedback on external consultants (Gardner) for the Information Technology department.

Cluster Management Group (and Process Improvement Committee) – We provided assistance to executive management on the City's strategic plan

Employee Sick Leave Incentive – We provided feedback to the committee that evaluated the City incentive for employees to use accrued sick leave reasonably with the possibility of earning \$500 each year for maintaining a certain amount of leave.

Internal Governance Cluster Group – We attended meetings to provide input and feedback with regards to efficiency of operations within City departments.

Training & Other

July 2018

Training - Staff completed various on-line continuing education exercises.

August 2018

Training –Staff participated in on-line continuing education courses.

September 2018

Training –. The team attended the Virginia Local Government Auditors Association (VLGAA) Fall Conference. In addition, the staff completed various on-line continuing education exercises.

October 2018

Training – Staff attended the Institute of Internal Auditors (IIA) District Training Conference, and one staff member attended the Virginia State Society of CPA's Specialized Knowledge Day. Staff also completed various on-line continuing education exercises.

November 2018

Training – Some staff attended IIA/Association of Certified Fraud Examiners (ACFE) Fraud Day training; and others participated in web based training.

December 2018

Training –Staff completed various on-line continuing education exercises.

January 2019

Training – Staff completed various on-line continuing education exercises. A staff member also attended the 2019 IIA Annual Tax Update.

February 2019

Training – Staff completed various on-line continuing education exercises. One staff member attended the Specialized Knowledge and Application training.

March 2019

Training–Team members participated in various webinars for continuing education. One staff member participated in Information Technology Training Day.

April 2019

Training – The entire team attended the 2019 Cherry Bekaert annual Government seminar and completed various continuing education courses.

May 2019

Training – The entire team attended the VLGAA 2019 Spring Conference; a two-day 2019 Annual Williamsburg Fraud Conference, and the 219 Cherry Bekaert Annual Government Conference and completed. The City Auditor attended the ALGA Annual Conference in Kansas City, MO.

June 2019

Training –One team member attended the Mid-Atlantic District 1 Workshop Personal Development Conference; and members participated in various webinars.

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C. FRAUD HOTLINE

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FRAUD, WASTE, AND ABUSE HOTLINE REPORT

During Fiscal Year 2019 we received eight complaints through the City's Fraud, Waste, and Abuse Hotline (Hotline). The Hotline was created by the City in Fiscal Year 2006 utilizing the City's Customer Contact Center and its 382-CITY telephone number. In July of 2006, a State Law took effect that required the City Auditor to authenticate (i.e., evaluate the validity of) all complaints received on the Hotline and provide an annual report on the status of complaints received to the City Council. These complaints were as follows:

Compliant #1 – This complaint was related to debris removal on private property. It was referred to Public Works for resolution.

Complaint #2 – This complaint was related to an expired contact for the Police PhotoSafe program. It was referred to the Police, who provided an updated contact.

Compliant #3 – This complaint was related to departmental expenditures that turned out to be allowable under City guidelines. Therefore, we did not pursue the complaint further.

Complaint #4 – This complaint was related to a personnel issue within a department. After evaluating the situation, we shared the information with the City Manager's Office to be resolved.

Complaint #5 – This complaint reiterated complaints #3 and #4. After evaluating the situation, we shared the information with the City Manager's Office to be resolved.

Complaint #6 – This complaint concerned School buses starting early in winter. It was referred to School administration which provided a satisfactory explanation.

Complaint #7 – This complaint was related to debris removal on private property. It was referred to Public Works for resolution.

Complaint #8 – This complaint was related to alleged employee misconduct. Although we could not substantiate the complaint, it was referred to the police out of caution.

Complaint #9 – This complaint was made by a citizen about rental conditions at an apartment. It was referred to Development and Permits.

Complaint #10 – This complaint was related to the City's handling of a bid. It was jointly investigated by the City Attorney's Office and Audit Services and found to have merit. The related procurement was reissued, and the City revised its small procurement policy.

Complaint #11 – This complaint was about an alleged City employee phishing a citizen. We attempted to get additional information from the submitter without success,

Complaint #12 – Complaint from same citizen who again failed to respond despite numerous contact attempts.

Complaint #13 – Complaint submitted by a citizen who was concerned that City copiers were being sent to a non-City facility. We determined that the facility in question had in fact been purchased by the City and was being used to assemble copiers.

Complaint #14 – Complaint was related to inappropriate copier usage by a City employee. The department investigated the complaint but was unable to substantiate it.

Complaint #15 – Complaint was related to a take home car assigned to Chesapeake Schools. The car was part of their take home program, and the employee was charged the appropriated imputed income.

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E. SUMMARY

TIME (HOURS) EXPENDED

JULY 1, 2018 TO JUNE 30, 2019

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**YEAR TO DATE SUMMARY REPORT
JULY 1, 2018 - JUNE 30, 2019**

A. Time (HRS) Expended During FY 19

1. Audits and Analytical Reviews

Parks & Recreation – Admin	383.00
Parks & Recreation – Planning	725.00
Parks & Recreation – Testwork	549.00
Parks & Recreation – Report	284.00
Human Services - Admin	36.00
Human Services - Planning	439.00
Human Services - Testwork	636.00
Human Services - Report	166.00
Public Works- Report	282.00
Citywide Payroll Cycles - Admin	71.00
Citywide Payroll Cycles – Planning	71.50
Citywide Payroll Cycles - Testwork	253.50
Citywide Payroll Implementation - Report	91.00
Compensation Study – Admin	41.00
Compensation Study - Planning	84.50
Compensation Study - Testwork	28.00
Compensation Study Report	0.00

Total Hours Audits & Analytical Reviews **4,140.50**

B. Time (HRS) Expended During FY 19 – Technical Assistance/Other Projects

2. Technical Assistance:

PeopleSoft 9.2	17.00
Audit Follow-Up	2.00
Security & Safety	4.50
Accela	4.50
Payroll Changes	6.50
Fraud Hotline	200.75
Automated Workpapers	11.00
Other Technical Assistance	20.00
Total Technical Assistance	266.25

3. Other:

Administrative	4348.75
Holiday	758.50
Leave – Annual	873.25
Leave – Sick	630.00
Leave – OT	2.00
Meetings	159.50
Miscellaneous	240.00
Professional Organizations	428.00
Training	592.75
Inclement Weather	100.00

Total Other **8,132.75**

Total Hours – Technical Assistance/Other **8,399.00**

Total Hours **12,539.50**