

Internal Audit Report on Commonwealth's Attorney Expenditures FY13

County of Henrico



*Proud of our progress;
Excited about our future*

**Internal Audit Report #241
August 2, 2013**

HENRICO COUNTY INTERNAL AUDIT

<http://www.co.henrico.va.us/audit>

4301 EAST PARHAM ROAD

P.O. BOX 90775, RICHMOND, VIRGINIA 23273-7032

Internal Audit Report on Commonwealth's Attorney Expenditures FY2013



Report #241
August 2, 2013

1



Summary

- Scheduled Audit
- Conclusions on Audit Objectives:
 - ▲ Determine controls exist and are operating effectively to ensure compliance with policies and procedures for non-personnel expenditures including travel
 - Determine that controls exist and are operating effectively to ensure Agency Head transactions are properly approved
 - Determine that adequate controls exist and are operating effectively to ensure compliance with policies for personnel expenditures including overtime
 - Determine adequate controls exist over fixed assets
 - Determine adequate controls exist over inter-departmental transfers
- Exception Oriented
- No Reportable Issues and 2 Other Observations
- Management Action Plans have been developed to address all risks identified.

■ Insufficient-Immediate Attention

▲ Improvement Needed

■ Sufficient

2



Contents

- Introduction and Background
- Scope, Objectives and Methodology
- Conclusions on Audit Objectives
- Issues and Management Action Plans
- Closing and Report Distribution



3



Introduction

- Auditor III Joyce Aikor-Richardson performed audit work
- Used professional auditing standards
- Examined controls & tested for selective compliance
- All exceptions given to Agency
- Reported control design issues & significant test exceptions
- Work for same Government we audit



4



Background

- The Commonwealth's Attorney is a Constitutional Officer elected for a term of four years.
- The Commonwealth's Attorney is responsible for prosecuting criminal offenses that occur in Henrico County.
- Trials and hearings occur in the Circuit Courts, General District Courts and the Juvenile and Domestic Relations Courts.
- Additionally, the Commonwealth's Attorney's Office provides legal advice and training to the Division of Police as well as other law enforcement agencies, including the Virginia State Police and the Richmond Airport Police.

5



Objectives

- To enforce criminal laws in Henrico County
- To operate the Victim-Witness program
- To cooperate on behalf of Henrico County in the operation of two investigative multijurisdictional grand juries.
- To promote a better understanding of the criminal justice system among citizens.
- To proactively investigate and prosecute drug dealers
- To prosecute criminal cases.
- To work with other criminal justice agencies to strengthen juvenile prosecutions and crime prevention.
- To make the public aware of Virginia Exile laws and enforce them appropriately.
- To train local law enforcement agencies in criminal law and Criminal procedures

Excerpt from FY2012-13 Approved Annual Fiscal Plan

6



Other Highlights

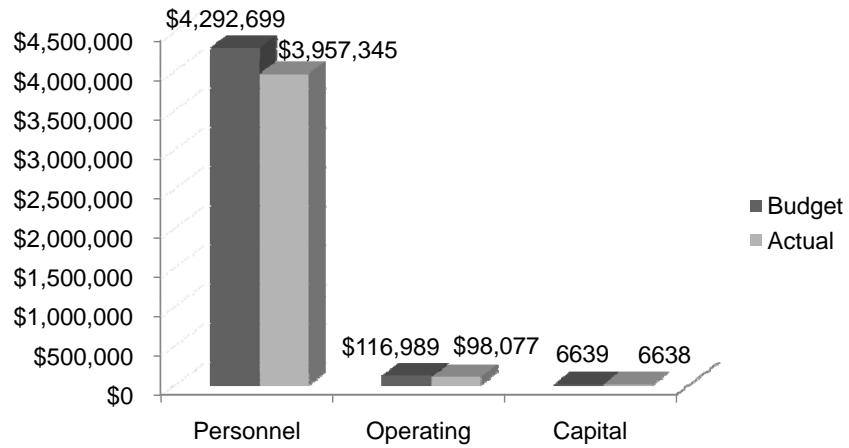
- 51 positions for the Commonwealth's Attorney, 2 positions in Special Drug Prosecutor, and 3 positions in the Victim-Witness Assistance Program (1 complement I, and 2 complement II positions).
- The two positions added in FY12 were vacant positions within the Department of Finance that were reallocated to the Victim-Witness Program, and replaced 2 complement III positions that were eliminated.

Excerpt from FY2012-13 Approved Annual Fiscal Plan

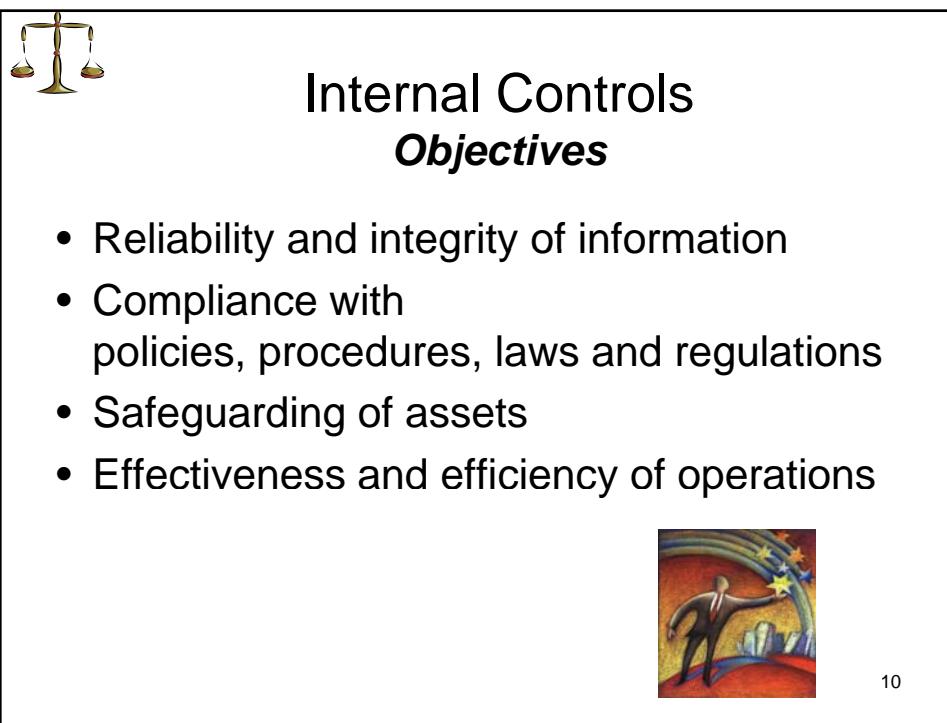
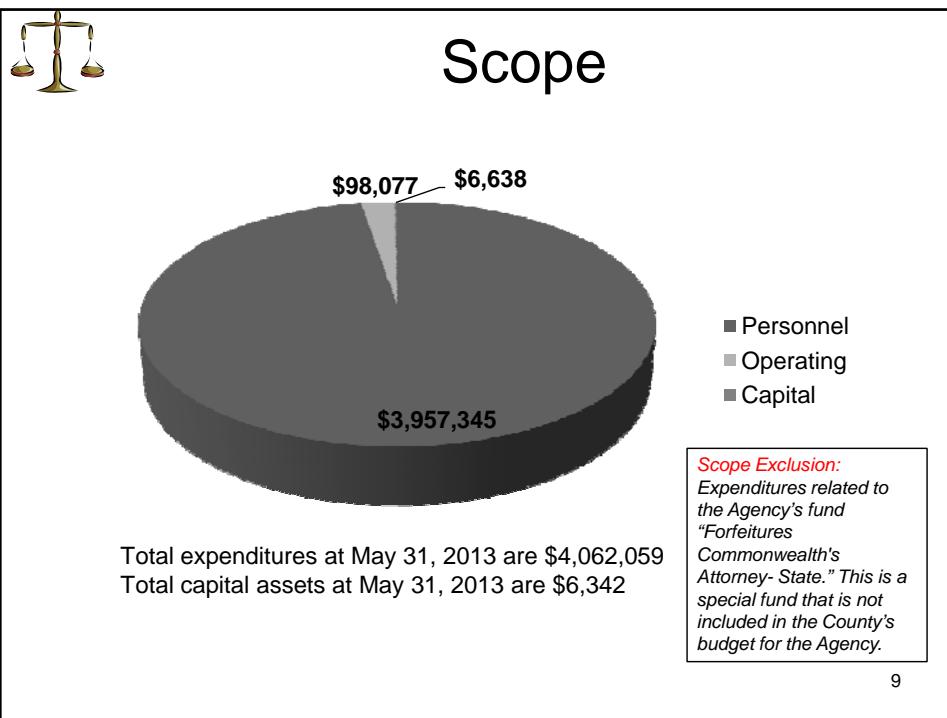
7



Data at May 31, 2013



8





Internal Controls Cont'd

General Limitations of any Controls

- Errors and irregularities may go undetected
- Inherent limitations in any control structure
- Limitations include resource constraints, legislative restrictions, etc.
- Projection to future subject to risk of change in effectiveness
- Compliance may deteriorate

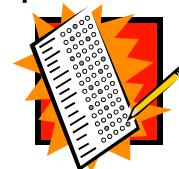


11



Audit Methodology

- Evaluated control procedures
- Evaluated strength & weakness of control procedures
- Randomly sampled supporting documents
- Reviewed documents for compliance
- Report of findings



12



Conclusions on Audit Objectives

- ▲ Determine controls exist and are operating effectively to ensure compliance with policies and procedures for non-personnel expenditures including travel (“Other Observations” 1 and 2.)
- Determine that controls exist and are operating effectively to ensure Agency Head transactions are properly approved
- Determine that adequate controls exist and are operating effectively to ensure compliance with policies for personnel expenditures including overtime
- Determine adequate controls exist over fixed assets
- Determine adequate controls exist over inter-departmental transfers

● Insufficient-Immediate Attention

▲ Improvement Needed

■ Sufficient

13



Reportable Issues

No significant reportable issues related to the audit objectives.



Other Observations

1. Ensure all travel is settled within 14 days of return
2. Indicate review for goods and services received prior to payment

14



Other Observations

The following slides include additional observations noted during our audit which were considered less critical in reaching our conclusions on our audit objectives.

15



Issue 1

Ensure all travel is settled within 14 days of return

- 12 of 12 (100%) employee travel expenditures exceeding \$300 were settled more than 14 days after return
- 2 of 2 (100%) Agency Head travel expenditures exceeding \$300 were settled more than 14 days after return

This is the required timeframe per County policy designed, in part, to help ensure any advanced travel funds not spent are returned timely. Funds were to be returned to the County in 3 of the 12 instances of employee travel.

Recommendation

Ensure all travel is settled within 14 days of return

16



Issue 1

Management Action Plan

Best efforts will be made to settle travel per the policy by communicating to all applicable employees the importance of abiding by the County policy.

Action Plan Owner: Business Supervisor

Completion date: August 15, 2013

17



Issue 2

Indicate review for goods and services received prior to payment

- 70 of 78 (90%) purchase order expenditure invoices sampled were not initialed but were dated to indicate review for goods and services received prior to payment
- 67 of 78 (86%) direct pay expenditure invoices sampled were not initialed but were dated to indicate review for goods and services received prior to payment.



Recommendation

Ensure invoices are initialed and dated to indicate review and accountability for goods and services received prior to payment.

18



Issue 2

Management Action Plan

It will be communicated to all applicable employees the importance of having written approval and date stamp received for all invoices.

Action Plan Owner: Business Supervisor

Completion date: August 15, 2013

19



Closing

- Appreciate Agency's cooperation
- Follow up on open Action Plans will be performed 6 months to a year after completion dates to allow sufficient time to ensure the implementation of the actions taken was effective.



20



Report Distribution

Audit Committee (Mr. Glover, Mrs. O'Bannon, County Manager)	Board of Supervisors, Non-Committee Members
Deputy County Manager for Administration	Commonwealth's Attorney
Internal Audit Staff	

21



Audit Contact Information

Joyce Aikor-Richardson, Auditor III

Phone: 804-501-4493

E-Mail: aik11@co.henrico.va.us

Vaughan Crawley, Director of Internal Audit

Phone: 804-501-4292

E-Mail: cra85@co.henrico.va.us

22