

Internal Audit Report on Employee Home Purchase Assistance Program (EHPAP)

County of Henrico



*Proud of our progress;
Excited about our future*

**Internal Audit Report #297
May 9, 2025**

HENRICO COUNTY INTERNAL AUDIT
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Internal Audit Report on Employee Home Purchase Assistance Program (EHPAP)



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Summary

- Scheduled Audit
- Conclusions on Audit Objectives:
 - Determine that controls exist to ensure approved employees meet the eligibility requirements
 - Determine that controls exist to ensure approved employees are within the income and sales price limits
 - Test expenditures for proper procurement and appropriate documentary support for payments
 - Determine that controls exist to ensure eligible employees are not denied participation in the program
 - Determine that sufficient monitoring controls have been implemented over the third-party administrator
- Exception Oriented
- No reportable Issues or other Observations
- No Management Action Plans required for this audit



Insufficient-Immediate Attention



Improvement Needed



Sufficient

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Contents

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



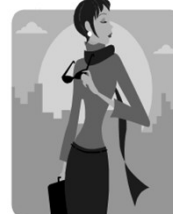
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Introduction

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



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Background

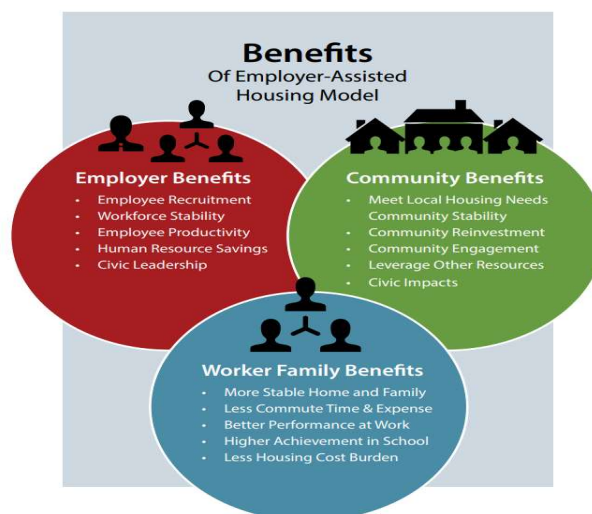
- Henrico has launched a program to help qualifying full-time employees of the county's government, school system and constitutional officers buy a home in Henrico in 2023.
- With \$2 million in initial funding, the Board of Supervisors established the Employee Home Purchase Assistance Program (EHPAP) to help make homeownership accessible to eligible employees who meet income and other requirements.
- Employees are able to apply through the program's vendor.
- The program provides up to \$25,000 in assistance for down payment and closing costs.
- Department of Community Revitalization oversees the program

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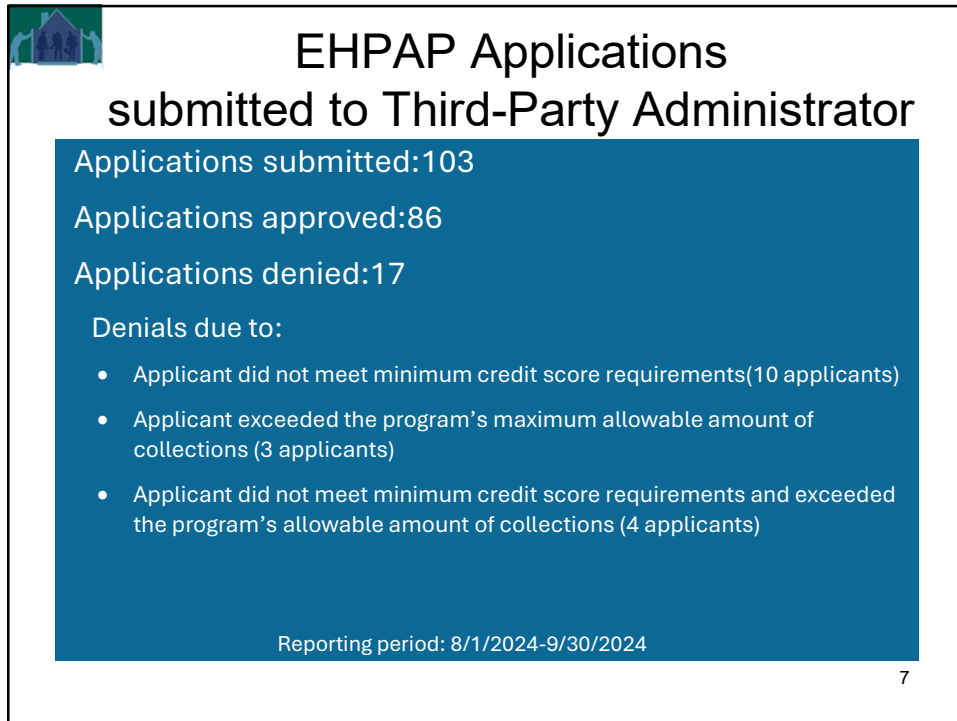


Background



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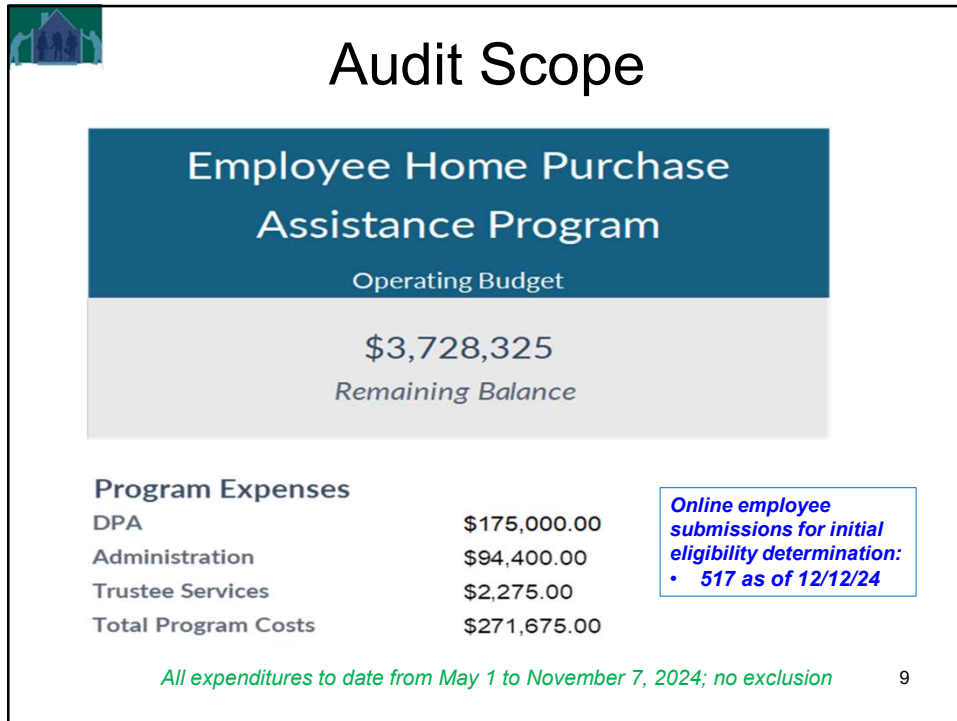
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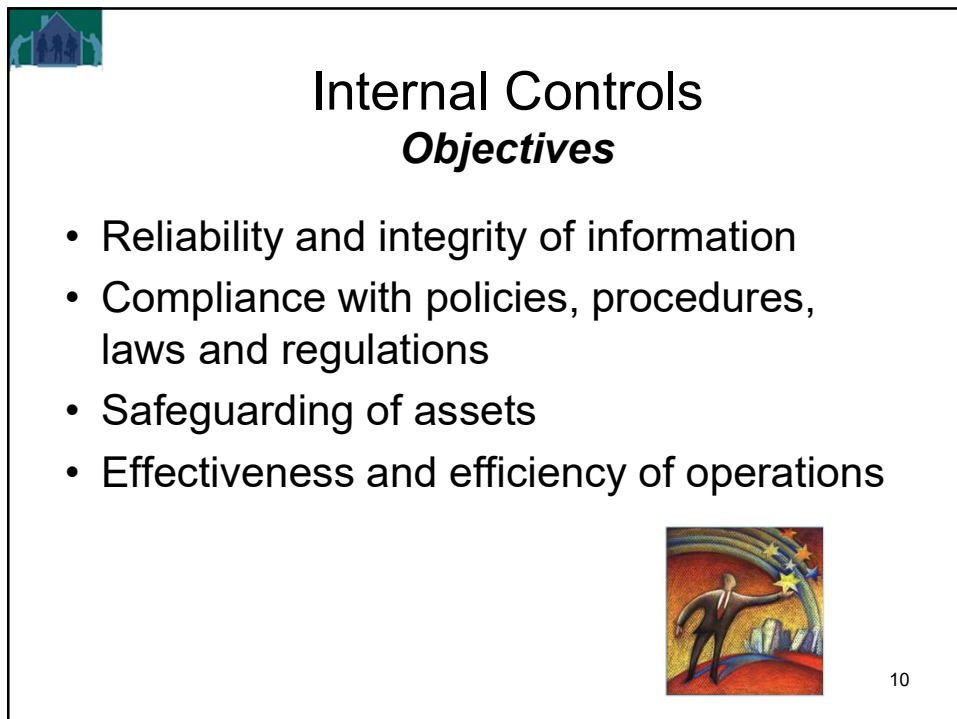
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Internal Controls Cont'd


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




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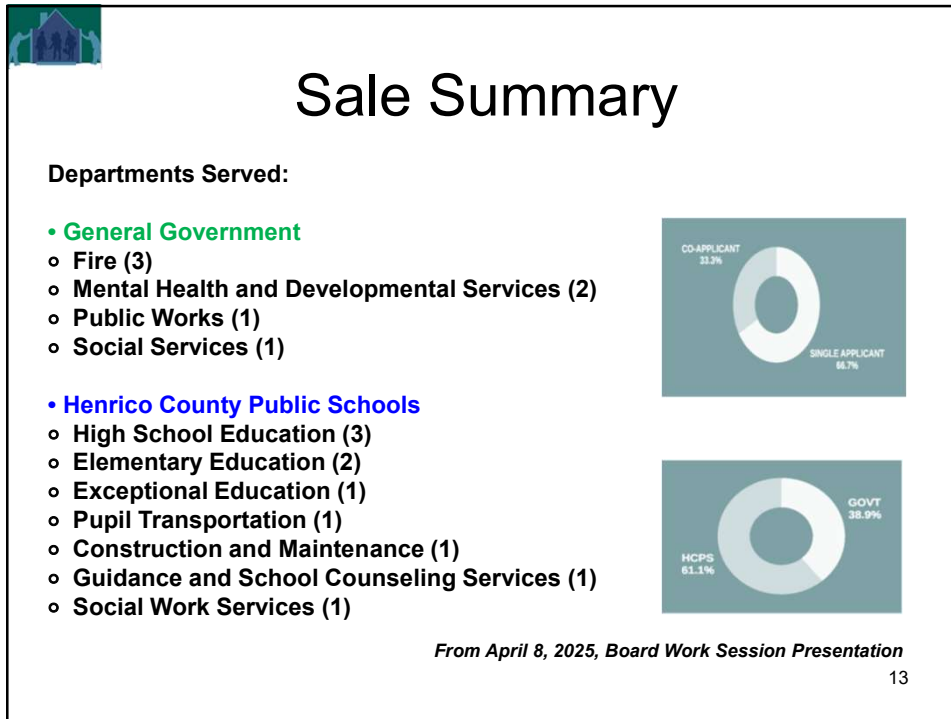
Audit Methodology

- Determined Program processes and control procedures
- Evaluated strengths and weaknesses of control procedures
- Randomly sampled recorded transactions and traced to supporting documents for accuracy and compliance with policy
- Randomly sampled online employee submissions for initial eligibility determination and traced to support for accuracy
- Worked with Agency on a survey of Applicants to get feedback on the process/experience

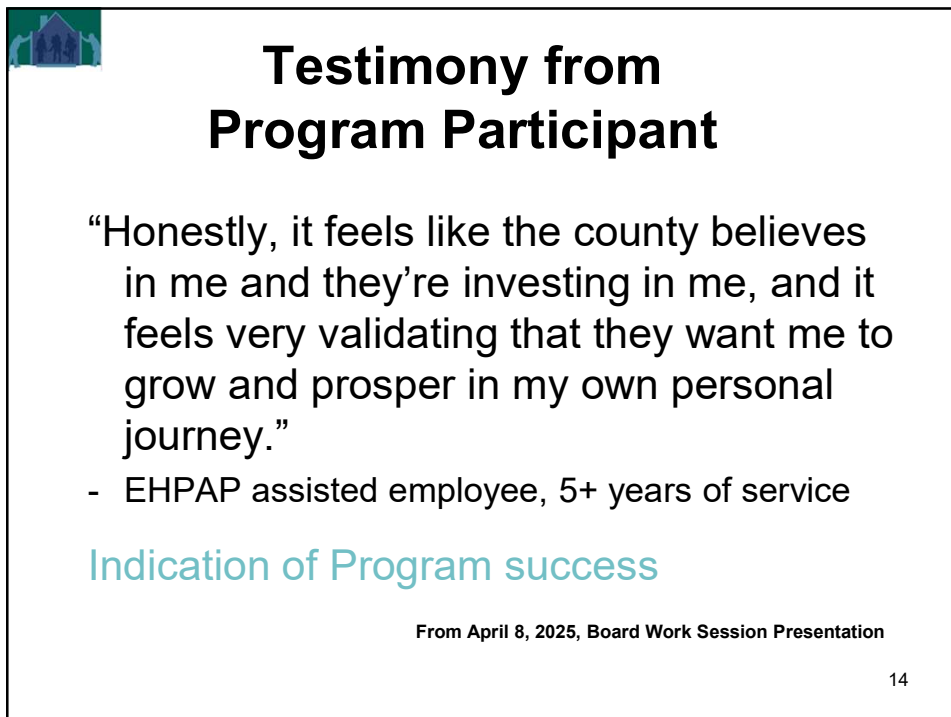


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Conclusions on Audit Objectives

- Determine that controls exist to ensure approved employees meet the eligibility requirements
- Determine that controls exist to ensure approved employees are within the income and sales price limits
- Test expenditures for proper procurement and appropriate documentary support for payments
- Determine that controls exist to ensure eligible employees are not denied participation in the program.
- Determine that sufficient monitoring controls have been implemented over the third-party administrator

■ Insufficient-Immediate Attention ▲ Improvement Needed ■ Sufficient


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Major Issues

None



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Other Observations

None

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Closing

- Appreciate Agency's cooperation
- Thank you for your effort during the audit



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<h2>Report Distribution</h2>	
Audit Committee (Mr. Cooper, Mr. Schmitt, County Manager)	Board of Supervisors, Non-Committee Members
Director of Community Revitalization Director of Human Resources Chief Human Resources Officer, Schools	Deputy County Manager for Public Safety
Internal Audit Staff	

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