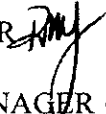



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City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 3, 2014
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
THROUGH: RASHAD M. YOUNG, CITY MANAGER 
FROM: THOMAS GATES, DEPUTY CITY MANAGER 
SUBJECT: SUMMARY OF INTERNAL AUDIT REPORTS - JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

This memorandum is in response to Councilman Wilson's request for information regarding the reports issued by the Office of Internal Audit.

The Office of Internal Audit (OIA) has responsibilities for the following area: audit of City programs and activities (internal audit); monitoring of federal/state grant audits or reviews; and administration of the City's Ethics and Fraud Hot Line (E&FH).

Internal Audit function

OIA was established to provide an independent appraisal function to examine and evaluate City programs and activities as a service to City management. OIA is responsible for (i) improving the economy, efficiency and effectiveness of City programs, activities and functions; (ii) evaluating the adequacy of internal management and financial controls; and (iii) detecting and preventing fraud, waste, and abuse. The results of OIA audits and evaluations are provided to City management as formal reports, which include, when appropriate, recommendations for corrective actions and management improvements. In some instances, OIA utilizes an external contract auditor to perform financial audits.

During Calendar Year (CY) 2013, the following OIA audit assignments were completed and a report was issued:

- Canteen Financial Audit - FY 2012 and FY 2013– Sheriff's Office
- Work Release Audit - FY 2012 and FY 2013 – Sheriff's Office
- Process to Deny VRS Pension for City Employees Convicted of a Felony – Human Resources (required for compliance with Commonwealth)
- Welfare Fraud Case – Recreation, Parks, and Cultural Activities (conducted in support of a District of Columbia investigation)

Monitoring of Federal and State audits or reviews

Federal and State grants are an important funding source for the City. Most grants contain requirements for either compliance (the City is achieving the stated purpose for which grants funds are provided) or financial audits (the City is complying with all financial aspects of the grant requirements.) OIA staff assists City department staff with compliance and audits of federal or state grants.

The Internal Auditor has the responsibility for monitoring all recommendations made in the grant audit or monitoring report. OIA ensures departments undertake any actions required by the granting agency which result from an audit.

The following lists federal and state grant monitoring activities during CY 2013:

- City of Alexandria - DRPT Compliance Review - FY 2010 to FY 2011
- 2013 National Transit Database Report
- SAA- Fire Department - Subgrantee Monitoring Report
- Alexandria Transit Company (DASH) Compliance Review - FY 2009 to FY 2011
- Aging and Adult Services - Report on Program and Financial Compliance Review - February 28, 2013
- Bryne Justice Assistance FY 2009 Recovery Act JAG Local Solicitation program
- Office of Housing - Neighborhood Stabilization Program
- APA Report on Collection of Revenue by Local Constitutional Officers (Director of Finance and Sheriff)
- DCHS - Domestic Violence Program

Administration of the City's Ethics and Fraud Hotline

The OIA has the responsibility for making an initial assessment of all complaints received via the E&FH and for initiating any investigation that may result from a complaint. Details of OIA activities related to the Ethics and Fraud Hotline are provided in a separate memo.