

INTRODUCED: September 24, 2018

Expedited Consideration

A RESOLUTION No. 2018-R087

To express the Council's support for a financial and compliance audit of the School Board of the City of Richmond's Capital Improvement Plan allocations and an overview of the processes used to develop, track and report such allocations for the City.

Patrons – Ms. Larson, Ms. Gray, President Hilbert,
Mr. Agelasto, Ms. Trammell, Mr. Jones and Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEPT 24 2018 AT 6 P.M.

WHEREAS, during the Council's discussions concerning the City's Capital Improvement Plan for the fiscal year beginning July 1, 2018, and for the four fiscal years thereafter, questions were raised in regards to amounts available for maintenance of facilities occupied by the School Board of the City of Richmond; and

WHEREAS, subsequent to the adoption of Ordinance No. 2018-059 on May 14, 2018, which adopted the Capital Budget for the fiscal year beginning July 1, 2018, a reconciliation was performed by City's Administration and staff of the School Board of the City of Richmond identifying a total of \$22,300,000 available across several categories of funding; and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: SEP 24 2018 REJECTED: _____ STRICKEN: _____

WHEREAS, in accordance with section 2-184 of the Code of the City of Richmond (2015), as amended, concerning City Auditor requests for audits and projects, the two City Council members on the Audit Committee approved a request for a financial and compliance audit of the School Board of the City of Richmond's Capital Improvement Plan allocations and an overview of the processes used to develop, track and report such allocations for the City; and

WHEREAS, the Council believes that it is in the best interests of the citizens of the City of Richmond that the Council support a financial and compliance audit of the School Board of the City of Richmond's Capital Improvement Plan allocations, appropriations, and expenditures to determine the basis for the discrepancies identified by the City's Administration and the staff of the School Board of the City of Richmond and develop confidence in the City's Capital Improvement Plan process moving forward.

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council supports a financial and compliance audit of the City's Capital Improvement Plan allocations, appropriations, and expenditures for the School Board of the City of Richmond.

BE IT FURTHER RESOLVED:

That the Council hereby requests that the City Auditor include in such audit the analysis as may be necessary to determine the basis for the discrepancies identified by the City's Administration and the staff of the School Board of the City of Richmond and an overview of the processes used to develop, track, and report all Capital Improvement Plan funds for the City.

BE IT FURTHER RESOLVED:

That the Council hereby requests that the City Auditor complete the audit for which this resolution calls and provide the Council with a report concerning the audit findings as soon as practical.



Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown Ali
Council Chief of Staff

Office of the Council Chief of Staff

RECEIVED

Ordinance/Resolution Request

SEP 19 2018

TO Allen Jackson, City Attorney **OFFICE OF CITY ATTORNEY**

THROUGH Lou Brown Ali, Council Chief of Staff *LBa*

FROM Meghan Brown, Deputy Council Chief of Staff *MKB*

COPY Kristen N. Larson, 4th District Council Member
 Kimberly B. Gray, 2nd District Council Member
 Chris A. Hilbert, 3rd District Council Member
 Parker C. Agelasto, 5th District Council Member
 Bryce H. Lyle, 4th District Council Liaison
 Craig K. Bieber, 2nd District Council Liaison
 Lisa F. Townes, 3rd District Council Liaison
 Amy E. Robins, 5th District Council Liaison
 Haskell Brown, Deputy City Attorney
 Louis G. Lassiter, City Auditor

DATE September 12, 2018

PAGE/s 1 of 2

TITLE To Express Council's Support for an Audit

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Councilwoman Larson
Councilwoman Gray
Councilman Hilbert
Councilman Agelasto

SUGGESTED STANDING COMMITTEE

Expedited Consideration

ORDINANCE/RESOLUTION SUMMARY

A resolution to express Council's support that the City Auditor conduct a financial and compliance audit on the Richmond Public Schools Capital Improvement Plan (CIP) allocations and reconciliation. The audit shall also include an overview of the processes used to develop, track and report all CIP funds for the City of Richmond.

BACKGROUND

Back during the budget deliberations for the fiscal year 2019 budget, there were discrepancies reported as to the balances believed to be available within the Richmond Public School capital improvement plan appropriations. The City Administration and the Richmond Public School Superintendent believe that there were different amounts available for use, based on past and current appropriations, which ultimately led to a request for a full reconciliation of the

accounts. In August 2018, the City Administration announced the results of the reconciliation. The patrons concerns relate to a lack of routine reconciliations on a monthly basis, which in the past has also led to the delay of timely financial reporting and completion of annual audits. In addition to routine reconciliations there should be a data validation mechanisms in place to ensure the data is accurate and reliable. The patrons believe to ensure full accountability and transparency that the City Auditor's Office should conduct a full financial and compliance audit of the Richmond Public Schools CIP funds allocations, appropriations, and expenditures and to include a complete review of the completed reconciliation. Furthermore, the patrons also believe it is in the best interest, as part of the financial and compliance audit, for the Auditor's Office to also conduct a review and provide an overview of the entire CIP process to include, but not limited to, how the Administration develops, tracks and reports on all CIP funds for the City.

In accordance with City Code §2-184(a), both City Council Members on the Audit Committee have approved the request for an audit and this resolution is to express Council's support for the audit.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact: N/A

Fiscal Summary:

The City Auditor's Office has indicated that they can accomplish the requested financial and compliance audit along with a full overview of the CIP process within existing audit staff resources. The Office has allocated some special project hours as part of their annual audit plan which can be used for this request. If adopted, and based on existing projects, could anticipate the start of this audit and overview by mid-October. Other scheduled audits may be delayed in being started; however, the Office believes they should be able to get to them as the fiscal year progresses especially if successful in filing a position that is currently being recruited.

Attachment/s Yes No