



**VIRGINIA OFFICE FOR
PROTECTION AND ADVOCACY**

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2011 THROUGH DECEMBER 31, 2013**

AUDIT SUMMARY

Effective December 31, 2013, the Virginia Office for Protection and Advocacy (Office) ceased operations as a state agency. The former Office transitioned to a non-profit entity to serve as the Commonwealth's protection and advocacy system and was renamed the disAbility Law Center of Virginia. Our audit's primary objective was to ensure financial activity that occurred for the audit period July 1, 2011, through December 31, 2013, when the Office ceased operations, was appropriate. We found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving the internal controls used in processing the financial activity during the audit period that we consider necessary to bring to management's attention; and
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported.

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AGENCY HIGHLIGHTS

The Office

The Virginia Office for Protection and Advocacy (Office) is an independent state agency that provides assistance for disabled individuals in dealing with the legal system. The Office's mission is to protect and advance legal, human, and civil rights of persons with disabilities; combat and prevent abuse, neglect, and discrimination; and promote independence, choice, and self-determination by persons with disabilities.

The Office provides advocacy services and legal representation for persons with disabilities. Because the Office has limited resources, it selects specific areas in which to focus its work after obtaining public input, guidance from two advisory councils, and approval from the Board of Directors (Board). The Office uses these areas of focus to develop selection criteria for accepting or declining cases. The Office may pursue cases outside of the stated criteria with the approval of the Executive Director, who serves at the pleasure of the Board.

Board of Directors

The Board of Directors, comprised of eleven non-legislative citizen members, governs the Office. The Speaker of the House appoints five members, the Senate Privileges and Elections Committee appoints three members, and the Governor appoints three members. The Code of Virginia requires all Board members to be disabled or to be a parent, family member, guardian, advocate, or authorized representative of a disabled individual. Additionally, the chairs of the Office's two advisory councils serve as ex-officio members of the Board.

The Code of Virginia outlines the powers and duties of the Board. The Board appoints an Executive Director and annually evaluates the Director's performance. The Executive Director cannot be a member of the Board, and must be an attorney in good standing with the Commonwealth and capable of administering and directing the provision of protection and advocacy for persons with disabilities. Additionally, the Board must prepare and submit budgets to the General Assembly, establish general policies for the Office, advise and assist the Executive Director in developing annual program priorities, and monitor and evaluate the operations of the Office.

Financial Information

The following schedule provides information on the original and final operating budget and actual expenses for fiscal years 2012, 2013, and 2014, through December 31, 2013.

<u>Analysis of Budget and Actual Expenses for Fiscal Years 2012, 2013, and 2014</u>			
<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
2012	\$2,945,625	\$2,945,625	\$2,289,174
2013	\$2,962,491	\$2,962,491	\$2,362,332
2014, as of Dec. 31, 2013	\$2,962,491	\$2,962,491	\$1,149,403

Source: Commonwealth Accounting and Reporting System

The Office receives funding primarily from federal grants, accounting for roughly 90 percent of the total final budget during fiscal years 2012, 2013, and 2014, through December 31, 2013. The Office's remaining funds are received through appropriated indirect cost recoveries.

As illustrated in the following table, the Office's largest expense is personal services. Personal services accounted for roughly 80 percent of total expenses for fiscal years 2012, 2013, and 2014 through December 31, 2013.

<u>Expenses by Type by Fiscal Year</u>			
	<u>2012</u>	<u>2013</u>	<u>2014*</u>
Personal Services	\$1,822,313	\$1,842,672	\$ 931,275
Continuous Charges	160,610	162,519	57,975
Contractual Services	132,214	143,090	82,910
Transfer Payments	127,188	197,079	41,341
Equipment	34,735	5,260	23,213
Supplies and Materials	<u>12,114</u>	<u>11,712</u>	<u>12,689</u>
Total	<u>\$2,289,174</u>	<u>\$2,362,332</u>	<u>\$1,149,403</u>

Source: Commonwealth Accounting and Reporting System

** FY 2014 only includes activity through December 31, 2013.*

Effective December 31, 2013, the Virginia Office for Protection and Advocacy ceased operations as a state agency. The former Office transitioned to a non-profit entity to serve as the Commonwealth's protection and advocacy system. The Office was renamed the disAbility Law Center of Virginia.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 31, 2014

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable John M. O'Bannon, III
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Virginia Office of Protection and Advocacy** (Office) for the period of July 1, 2011, through December 31, 2013. 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 conclusions 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.

Audit Objectives

Our audit's primary objective was to ensure financial activity that occurred through December 31, 2013, when the Office ceased operations as a state agency, was appropriate by evaluating the accuracy of recorded financial transactions in the Commonwealth Accounting and Reporting System, determining whether the Office processed the financial transactions using adequate internal controls, and testing compliance with applicable laws, regulations, contracts and grant agreements.

Audit Scope and Methodology

The Office's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

- Contractual services expenses
- Federal grant revenues and expenses
- Payroll expenses
- Appropriations

We performed audit tests to determine whether the Office's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and observation of the Office's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

Conclusions

We found that the Office properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System. The Office records its financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting System.

We noted no matters involving the internal controls used in processing financial transactions during the audit period that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Exit Conference and Report Distribution

We discussed this report with management on April 9, 2014

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

LJH/clj

VIRGINIA OFFICE FOR PROTECTION AND ADVOCACY

BOARD MEMBERS

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Jennifer Krajewski

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Linda Van Aken
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EX OFFICIO BOARD MEMBER

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V. Colleen Miller
Executive Director

LaToya Blizzard
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