

INDIGENT DEFENSE COMMISSION

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2009**



AUDIT SUMMARY

Our audit of the Indigent Defense Commission found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System and the Integrated Decision Support System;
- one matter involving internal control and its operations 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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AUDIT FINDINGS AND RECOMMENDATIONS

Comply with the Commonwealth's Security Standards

Since the prior audit, the Commission staff has made significant progress to improve its information system security program. However, the Commission staff is still working to improve its information security program to address the concerns noted in the prior audit. Our review determined that the Commission staff has drafted several procedures to address the following areas to further strengthen the information security program.

- Documented risk assessments for all critical systems
- Documented password controls
- Documentation of a continuity of operations and disaster recovery plan
- Documented physical security access policies and procedures
- Documented monitoring procedures for systems, databases, and applications

However, the Commission must approve all draft policies and procedures; and staff need to fully implement and test these policies and procedures before the Commission can meet the minimum statewide security requirements. Management expects to have each of the information security procedures finalized and implemented by April 30, 2010. Management should also document and include all essential business functions performed at field offices and other remote locations in each of the information system security programs.

We recommend the Commission finalize and implement its information security program. Once it is implemented, IDC should test their program and develop a plan for regular updates to ensure the information security program remains current.

COMMISSION HIGHLIGHTS

The Commission provides or oversees attorneys for indigent clients charged with felonies, misdemeanors, or juvenile offenses. The Commission consists of 14 members, five of whom must be attorneys. The Commission hires the Executive Director and authorizes the Executive Director to appoint a public or capital defender as the head of each public defender office. Currently, there are 25 public defender offices, one appellate office, four capital defender offices, and one administration office. During fiscal year 2009, the Commission had 312.5 authorized public defender attorney positions but averaged 304 attorneys, which handled a total of 107,144 non-capital cases.

The Commission's primary funding source is General Fund appropriations. As shown in the following Budget to Actual Expense table for fiscal year 2009, the Commission spent \$42 million. Payroll costs, including fringe benefits, accounted for 89 percent, or \$37.5 million, of the Commission's total expenses. During fiscal year 2009, the Commission spent \$2.4 million, or five percent, on rent and other continuous charges and an additional \$1.7 million, or four percent, on contractual services.

Budget to Actual Expenses for Fiscal Year 2009

<u>Fund</u>	<u>Original Budget</u>	<u>Actual Budget</u>	<u>Actual Expenses</u>
General Fund Appropriations	\$ 43,132,492	\$ 42,299,955	\$ 41,981,964
Special Revenue	167,079	167,079	27,486
Federal Grants	-	29,997	29,997
Total	<u>\$ 43,299,571</u>	<u>\$ 42,497,031</u>	<u>\$ 42,039,447</u>



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

April 1, 2010

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable M. Kirkland Cox
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Indigent Defense Commission** (Commission) for the year ended June 30, 2009. 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 objectives were to evaluate the accuracy of recorded financial transactions on the Commonwealth Accounting and Reporting System and the Integrated Decision Support System, review the adequacy of the Commission's internal controls, test compliance with applicable laws and regulations and review corrective actions of audit findings from prior year reports.

Audit Scope and Methodology

The Commission'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 and regulations.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and control 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.

- Payroll expenses
- Operating expenses
- Appropriations
- System security

We performed audit tests to determine whether the Commission'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 and regulations. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the Commission's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

Conclusions

We found that the Commission properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System and the Integrated Decision Support System. The Commission 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 a certain matter involving internal control and its operation that requires management's attention and corrective action. This matter is described in the section entitled "Audit Findings and Recommendations." The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Commission has taken adequate corrective action with respect to the audit findings reported in the prior year that are not repeated in this letter.

Exit Conference and Report Distribution

We discussed this report with management on April 12, 2010. Management's response has been included at the end of this report.

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

JGF/alh

VIRGINIA INDIGENT DEFENSE COMMISSION

COMMISSION MEMBERS

Judge Alan E. Rosenblatt (ret.), Chair

Delegate David B. Albo

Christopher L. Anderson, Vice Chair

Steven D. Benjamin

John G. Douglass

Senator John S. Edwards

Karl R. Hade

Judge Edward W. Hanson, Jr.

Kristen Howard

Maria D. Jankowski

David R. Lett

David D. Walker

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Carmen B. Williams

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April 12, 2010

DAVID J. JOHNSON

Executive Director

DJ GEIGER

Deputy Director

CARLOS L. HOPKINS

Training & Attorney Certification Director

EDWARD ERNOUF, III

Information Systems Director

AMY WILLIAMS

Human Resources Director

Walter Kucharski
Auditor of Public Accounts
101 North 14th Street
PO Box 1295
Richmond, VA 23218

Dear Mr. Kucharski:

I am in receipt of and have reviewed the APA's Audit Findings and Recommendations Report for the Virginia Indigent Defense Commission (VIDC) and offer the following response.

The VIDC appreciates the recognition by the APA that we have made significant progress over the past year to improve our information security program. We will continue to work toward compliance with the IT security standards utilizing existing staff and appropriations.

As always, we appreciate the recommendations made by the APA and your continued interest in our progress.

Sincerely,



David J. Johnson

INDIGENT DEFENSE COMMISSION

COMMISSION MEMBERS

As of June 30, 2009

The Honorable Alan E. Rosenblatt, Chair

David H. Albo	Edward W. Hanson, Jr.
Christopher L. Anderson	Maria D. Jankowski
Steven D. Benjamin	Terry G. Kilgore
John G. Douglass	David R. Lett
John S. Edwards	David D. Walker
Karl R. Hade	Jo-Ann Wallace
Carmen B. Williams	

OFFICIALS

David J. Johnson
Executive Director

D. J. Geiger
Deputy Executive Director