

**OFFICE OF THE LIEUTENANT GOVERNOR**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2007**



## **AUDIT SUMMARY**

Our audit of the Office of the Lieutenant Governor for the year ended June 30, 2007, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving internal control and its operation necessary to bring to management's attention; and
- no instances of noncompliance with applicable laws and regulations.

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## AGENCY BACKGROUND AND FINANCIAL INFORMATION

The Lieutenant Governor's major activities include: serving as the President of the Senate, representing the Commonwealth at ceremonial functions, serving on boards and commissions, serving as liaison between federal and local governments on specific projects at the request of local officials, and responding to inquiries from constituents. The Division of Select Agency Support Services in the Office of the Secretary of Administration provides administrative support to the Lieutenant Governor.

The Office of the Lieutenant Governor receives its funding from General Fund appropriations. The following tables summarize budget and expense information for the Office. The majority of the Office's expenses are payroll expenses for the Lieutenant Governor and his support staff.

### Budget Analysis for Fiscal Years 2006 and 2007

	<u>2006</u>	<u>2007</u>
Original budget	\$ 312,685	\$339,551
Final budget	\$ 350,160	\$384,528
Actual expenses	\$ 306,022	\$342,314

### Budget and Expense Analysis for Fiscal Year 2007

Original appropriations per Chapter 3	<u>\$ 339,551</u>
Adjustments:	
Adjustment for salary and benefit increases	11,630
Adjustment for July 3, 2006 payroll paid in FY2006	(10,790)
Re-Appropriation of prior year's balance	<u>44,137</u>
Total adjusted appropriations	<u>384,528</u>
Expenses:	
Personal services	269,189
Contractual services	18,825
Supplies and materials	648
Continuous charges	53,244
Equipment	<u>408</u>
Total expenses	<u>342,314</u>
Unexpended balance	<u>\$ 42,214</u>

There is unexpended balance of approximately \$42,000 dollars at the end of fiscal year 2007. This amount represents the re-appropriation from the prior year that the Lt. Governor did not spend.



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

October 29, 2007

The Honorable Timothy M. Kaine  
Governor of Virginia  
State Capitol  
Richmond, VA

The Honorable Thomas K. Norment, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission  
General Assembly Building  
Richmond, VA

We have audited the financial records and operations of the **Office of the Lieutenant Governor** for the year ended June 30, 2007. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

## Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recording financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the Office's internal controls, and test compliance with applicable laws and regulations.

## 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 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.

Expenditures  
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 and regulations. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, 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 financial 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 internal control and its operation that we consider necessary to be reported to management. 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.

## Exit Conference and Report Distribution

We discussed this report with management on October 31, 2007.

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 public record.

AUDITOR OF PUBLIC ACCOUNTS

LCW:wdh

OFFICE OF THE LIEUTENANT GOVERNOR

As of June 30, 2007

William T Bolling, Lieutenant Governor

DIVISION OF SELECTED AGENCY SUPPORT SERVICES

Dennis M. Johnson, Director