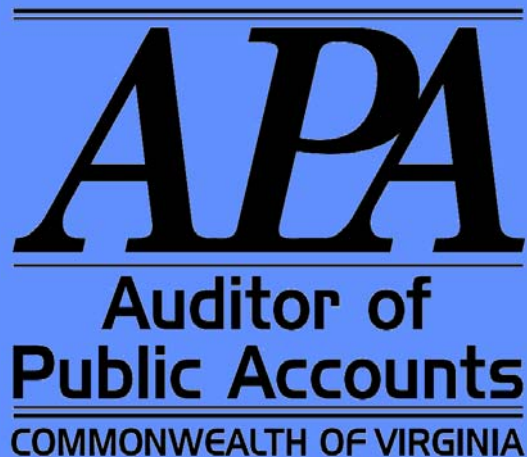


INDIGENT DEFENSE COMMISSION

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2009 THROUGH JUNE 30, 2012**



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;
- 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 or other matters that are required to be reported.

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COMMISSION HIGHLIGHTS

The Indigent Defense Commission (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 him to appoint a public or capital defender as the head of each public defender office. Currently, there are 25 public defender offices, four capital defender offices, and one administration office. During fiscal year 2012, the Commission had 311.5 authorized public defender attorney positions, which handled a total of 102,326 non-capital cases.

The Commission's primary funding source is the General Fund, with appropriations accounting for 99 percent of total funding each fiscal year. As shown in the following Budget to Actual Operating Expense table, the Commission spent \$40 million in fiscal year 2010, \$41 million in fiscal year 2011, and \$43 million in fiscal year 2012. Payroll costs, including fringe benefits, on average accounted for 89 percent of the Commission's total expenses each fiscal year. The remaining expenses for the Commission included items such as contractual services, supplies and materials, equipment, rent, and other continuous charges.

Budgeted to Actual Operating Expenses for Fiscal Years 2010 - 2012

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Original Budget	\$ 43,299,571	\$ 42,607,377	\$ 42,619,377
Final Budget	41,399,686	42,802,429	43,522,609
Actual Expenses	40,652,675	41,451,500	43,255,360



Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 15, 2013

The Honorable Robert F. McDonnell
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 **Indigent Defense Commission** for the years ended June 30, 2010, June 30, 2011, and June 30, 2012. 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 in the Commonwealth Accounting and Reporting 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 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.

- Payroll Expenses
- Operating Expenses
- Appropriations
- Information 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. 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 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.

The Commission has taken adequate corrective action with respect to 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 February 28, 2012.

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

AG/alh

INDIGENT DEFENSE COMISSION

COMMISSION MEMBERS

As of June 30, 2012

The Honorable Alan E. Rosenblatt, Chair

Steven D. Benjamin	David Lett
John G. Douglass	Randall J. Minchew
Karl R. Hade	Kent Smith
Edward W. Hanson	Richard H. Stuart
Kristen Howard	David D. Walker
Maria D. Jankowski	Carmen B. Williams
Kristi Wooten	

OFFICIALS

David J. Johnson, Executive Director

D. J. Geiger, Deputy Executive Director