



OFFICE OF THE LIEUTENANT GOVERNOR

REPORT ON AUDIT

FOR THE PERIOD

JULY 1, 2019 THROUGH JUNE 30, 2021

Auditor of Public Accounts

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AUDIT SUMMARY

Our audit of the Office of the Lieutenant Governor for the period July 1, 2019, through June 30, 2021, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial 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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AGENCY HIGHLIGHTS

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 Selected Agency Support Services in the Office of the Secretary of Administration provides administrative support to the Lieutenant Governor's office.

The Office of the Lieutenant Governor (Office) receives funding from General Fund appropriations and the majority of their expenses are payroll and fringe benefit expenses for the Lieutenant Governor and his staff. Tables 1 and 2 report budget and expense information for the Office over the last few fiscal years. In 2019, the Office prepaid a significant portion of its building rental charges and experienced some staffing changes. This resulted in a decrease in expenses in fiscal years 2020 and 2021 as shown below in Table 1.

Budget and Expense Summary for Fiscal Years 2019 - 2021

Table 1

	2019	2020	2021
Original budget	\$378,564	\$378,564	\$389,229
Final budget	435,381	388,419	388,271
Actual expenses	433,035	387,345	377,876

Source: Commonwealth's accounting and financial reporting system

Budget and Expense Analysis for Fiscal Years 2020 and 2021

Table 2

	2020	2021
Original appropriations	\$378,564	\$389,229
Adjustments:		
Transfer to/from Central Appropriations for employee salary and benefit changes	7,509	(958)
Discretionary re-appropriation of prior year unexpended General Fund cash balances	2,346	-
Total adjusted appropriations	<u>388,419</u>	<u>388,271</u>
Expenses:		
Personal services	331,004	281,247
Continuous charges	24,634	90,374
Contractual services	20,315	6,255
Other	11,392	-
Total expenses	<u>387,345</u>	<u>377,876</u>
Unexpended balance	<u>\$ 1,074</u>	<u>\$ 10,395</u>

Source: Commonwealth's accounting and financial reporting system



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 13, 2021

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Kenneth R. Plum
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Office of the Lieutenant Governor** for the period of July 1, 2019, through June 30, 2021. 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's accounting and financial reporting system, review the adequacy of the Office's internal controls, and test 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, regulations, contracts, and grant agreements. 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, and contracts.

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.

Expenses, including payroll
System access controls
General Fund 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 contracts, and observation of the Office's operations. We performed analytical procedures, including budgetary and trend analyses. We also tested details of transactions to achieve our objectives.

A non-statistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusions

We found that the Office properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system. The financial information presented in this report came directly from the Commonwealth's accounting and financial 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, 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 August 17, 2021.

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.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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AGENCY OFFICIALS

OFFICE OF THE LIEUTENANT GOVERNOR
As of June 30, 2021

Justin Fairfax, Lieutenant Governor

DIVISION OF SELECTED AGENCY SUPPORT SERVICES

Dennis M. Johnson, Director