



VIRGINIA BOARD OF BAR EXAMINERS

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

Our audit of the Virginia Board of Bar Examiners for the fiscal year ended June 30, 2016, 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.

- TABLE OF CONTENTS -

	<u>Pages</u>
AUDIT SUMMARY	
AGENCY HIGHLIGHTS	1
INDEPENDENT AUDITOR'S REPORT	2-3
AGENCY OFFICIALS	4

AGENCY HIGHLIGHTS

The Virginia Board of Bar Examiners (Bar Examiners) is part of the judicial branch of government and administers the bar examination twice every year. Bar Examiners evaluates the character and fitness of applicants and certifies individuals as eligible to practice law in Virginia. Bar Examiners also administers the Law Reader Program that allows approved individuals to study law under an experienced general practice attorney to become eligible to sit for the examination.

In addition, Bar Examiners reviews qualifications of persons applying for admission to the Virginia Bar without taking the examination. Under Section 54.1-3931 of the Code of Virginia, Bar Examiners certifies to the Supreme Court of Virginia those applicants who have satisfied the reciprocity provisions and the Supreme Court's rules for admission on motion.

Bar Examiners operates through a special revenue fund and administers all activities under the Regulation of Professions and Occupation program. Revenues come from the collection of application fees and character and fitness fees from each applicant. Revenue collections for fiscal year 2016 were approximately \$1.57 million.

The following table shows Bar Examiners' original budget, final budget, and actual expenses for fiscal year 2016.

Budget and Actual Expenses for Fiscal Year Ended June 30, 2016

Original Budget	Final Budget	Actual Expenses
\$1,500,328	\$1,569,056	\$1,569,013

The table below summarizes the Bar Examiners' expenses by expenditure account for fiscal year 2016. Personal and contractual services represent approximately 75 percent and 17 percent, respectively, of the Bar Examiners' total expenses. Personal services is comprised of eight full-time staff (including the Secretary), one part-time salaried staff, and two part-time seasonal wage staff that work as needed. Contractual services include costs to administer the exam.

	2016
Personal Services	\$1,180,833
Contractual Services	267,371
Continuous Charges	109,816
Supplies and Materials	10,193
Equipment	800
Total	\$1,569,013

Source: Commonwealth's accounting and financial reporting system



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 6, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Virginia Board of Bar Examiners** (Bar Examiners) for the year ended June 30, 2016. 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 Bar Examiners' internal controls, test compliance with applicable laws, regulations, contracts, and grant agreements, and review corrective actions of audit findings from prior year reports.

Audit Scope and Methodology

Bar Examiners' 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, 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.

Cash receipting and collections of application fees
Expenses (including payroll)
Information system security

We performed audit tests to determine whether Bar Examiners' 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 observation of Bar Examiners' operations. We performed analytical procedures, including budgetary and trend analyses. We also tested details of transactions to achieve our objectives.

A nonstatistical 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 Bar Examiners 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.

Bar Examiners has taken adequate corrective action with respect to the audit finding reported in the prior year.

Exit Conference and Report Distribution

We discussed this report with management on August 2, 2017.

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

HHS/clj

VIRGINIA BOARD OF BAR EXAMINERS

As of June 30, 2016

Stephen M. Quillen, President

Anita O. Poston

Grady K. Carlson

Brian K. Jackson

C. Kailani Memmer

Catherine C. Hill, Secretary and Treasurer