



# OFFICE OF THE LIEUTENANT GOVERNOR

## REPORT ON AUDIT FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2019

Auditor of Public Accounts  
Martha S. Mavredes, CPA

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## AUDIT SUMMARY

Our audit of the Office of the Lieutenant Governor for the period July 1, 2017, through June 30, 2019, 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.

The Office of the Lieutenant Governor (Office) 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 2017, 2018, and 2019

	2017	2018	2019
Original budget	\$368,927	\$368,967	\$378,564
Final budget	370,358	443,596	435,381
Actual expenses	304,832	387,417	433,035

Source: Commonwealth's accounting and financial reporting system

### Budget and Expense Analysis for Fiscal Years 2018 and 2019

	2018	2019
Original appropriations	\$368,967	\$378,564
Adjustments:		
Discretionary re-appropriation of prior year unexpended General Fund cash balances	65,525	56,179
Transfer from Central Appropriations for employee salary increases, benefit changes and other amounts	<u>9,104</u>	<u>638</u>
Total adjusted appropriations	<u>443,596</u>	<u>435,381</u>
Expenses:		
Personal services	296,959	365,387
Continuous charges	60,078	51,506
Contractual services	28,377	15,466
Other	<u>2,003</u>	<u>676</u>
Total expenses	<u>387,417</u>	<u>433,035</u>
Unexpended balance	<u>\$ 56,179</u>	<u>\$ 2,346</u>

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

June 26, 2020

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 July 1, 2017, through June 30, 2019. 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, 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.

Expenses, including payroll  
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.

We used a non-statistical sampling approach. Our samples were designed to support conclusions about our audit objectives. We applied an appropriate sampling methodology to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes to test in each sample and, when appropriate, 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 June 26, 2020.

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.

Martha S. Mavredes  
AUDITOR OF PUBLIC ACCOUNTS

LCW/clj

**OFFICE OF THE LIEUTENANT GOVERNOR**

As of June 30, 2019

Justin Fairfax, Lieutenant Governor

**DIVISION OF SELECTED AGENCY SUPPORT SERVICES**

Dennis M. Johnson, Director