

AUDITOR OF PUBLIC ACCOUNTS



ANNUAL REPORT 2020

Auditor of Public Accounts
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www.apa.virginia.gov





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Commonwealth of Virginia

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P.O. Box 1295
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The Honorable Ralph S. Northam
Governor of Virginia

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

I am pleased to submit the **2020 Annual Report of the Auditor of Public Accounts**, which primarily covers audits we completed from July 1, 2019, through June 30, 2020. This Annual Report provides you with an overview of some of the more significant activities and results of audits from the past year. Through the audits we perform and the other activities in which our staff engage, we strive to provide unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds. We utilize a values-based leadership approach, identifying four core values that we believed best represent our Office and staff. We have reflected throughout this report how we believe our Office demonstrated those values during the year. All of our reports are available on our agency website at www.apa.virginia.gov.

I want to thank my staff for their hard work and dedication. They are key to the Office achieving its mission and accomplishing its work plan. For the seventh consecutive year, the Richmond Times-Dispatch recognized the Office as one of Richmond's Top Workplaces due in no small part to the working environment espoused by my management team and staff.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

OUR MISSION & OUR VALUES

The Auditor of Public Accounts serves Virginia citizens and decision makers by providing unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds.



Collaborative

We work together to create greater value.

Engaged

We see what needs to be done and participate or become involved.

Knowledgeable

We are well-informed and insightful.

Professional

We act in a manner that reflects favorably on ourselves, our workers, and the APA.

...2020 *At a Glance*

During 2020, our organization of **120** auditors and support staff:

- Performed annual monitoring process to review for signs of potential **local fiscal distress** and compiled the local government **comparative report**
- Maintained **Commonwealth Data Point** and completed a significant re-design to include more detailed salary data
- Issued **76** reports for audits of state agencies, institutions, and authorities issuing findings for **32**
- Issued **14** letters containing internal control questionnaire review results, including findings for **13**
- Issued **10** special reports
- Reviewed **88** Circuit Courts, issuing findings for **33**
- Reviewed **191** General, Juvenile and Domestic Relations, and Combined District Courts, issuing findings for **39**
- Performed **145** audits of local Constitutional Officers, issuing findings for **29**
- Reviewed **39** General Receivers and Magistrate Districts, issuing findings for **8**



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We are COLLABORATIVE

In addition to our auditing activities, the Office performs a variety of other functions throughout the year to assist in improving accountability and financial management in the Commonwealth. Some of these activities involve assisting the Commonwealth's local governments and include providing guidelines to the auditors of local government financial statements and reviewing the quality of their work. We also annually prepare a Comparative Report of Local Government, which is a compilation of financial information provided by the cities, counties, and certain towns in the Commonwealth, and perform an annual monitoring process to review for signs of potential local fiscal distress. In addition, we coordinate with other legislative and executive branch entities that perform oversight and review functions sharing information and, at times, working together to capitalize on our respective expertise. Further, we maintain Commonwealth Data Point, the Commonwealth's transparency website, provide information and data to General Assembly members and staff, and respond to related inquiries. In addition, we receive and follow up on reports of potential fraud. We highlight these activities in more detail below.

We also serve the Commonwealth by procuring certified public accountant (CPA) firms and performing contract management for annual audits of legislative agencies and several other Commonwealth related entities. Besides the General Assembly and legislative agencies, we manage audit contracts for the Fort Monroe Authority, Hampton Roads Transportation Accountability Commission, Virginia529, Virginia Commercial Space Flight Authority, Virginia Port Authority (including Virginia International Terminals), Virginia Resources Authority, and the Virginia Tobacco Settlement Financing Corporation.

Supporting Local Government

Local Fiscal Distress Monitoring

Results of the 2019 Monitoring Process and Update on Current Year Process

The Virginia Acts of Assembly directs the Office to establish a prioritized early warning system and annually monitor data and information from this system to identify potential fiscal distress within local governments across Virginia. As part of this system, the Office performs a ratio analysis that calculates 12 financial ratios using data from the localities' audited financial reports; then we analyze the results of each locality's ratio performance using a points-based methodology. We apply a threshold of total, cumulative ratio points to determine the need to perform further review of a locality in our additional qualitative analysis, which involves an assessment of demographic and other external, qualitative factors as part of our final evaluation. During the 2019 analysis, we increased the level of total, cumulative points from a 30-point threshold to a 40-point threshold as the indicator to apply our further review. Based on the results of the ratio and qualitative analyses, we classify each locality into either one of two categories: designated as needing further follow-up through our financial assessment questionnaire review process or designated as not needing any further follow-up for the current monitoring process.

During 2020, we issued our third annual report, [2019 Local Government Fiscal Distress Monitoring Report](#) as of April 2020, to describe the results of our 2019 monitoring process and the ratio analysis based on data from the fiscal year 2018 financial reports for the cities, counties, and towns required to have an audit and annually report to our Office. As noted in our report, based on our review and assessment of total points for the localities evaluated in the 2019 ratio analysis, we did not identify any new localities that exceeded our 40-point threshold or any localities showing significant or unexpected trends or increases in total ratio points; therefore, we determined no further qualitative analysis for a locality was warranted during the 2019 process. Accordingly, the Office did not identify or designate any new locality as needing further review and follow-up with our assessment questionnaire process.

Based on our report issued in 2020 over the 2019 analysis and monitoring process, the Office did not identify or designate any new locality as needing further follow-up with our review and questionnaire process.

During our 2019 process, we continued to qualitatively identify the City of Hopewell as part of our process because the city remains delinquent in completing its annual financial reports, which has impacted our evaluation of the city's financial data in our annual ratio analyses. During 2020, our Office received an updated audit delay notification from Hopewell officials, as posted on the [city's website](#), that their 2018 and 2019 financial audits are still ongoing, with expected completion during December 2020. As soon as Hopewell completes and submits its 2018 and 2019 financial reporting requirements, we will evaluate the city's data in our updated ratio and qualitative analyses as part of our current monitoring process. We will then evaluate Hopewell's need to complete the assessment questionnaire for our further follow-up process and notify City Council and management accordingly.

Additionally, as we reported in April 2020, the Office continued our monitoring and review over the City of Bristol, who was identified in our 2017 analysis as being in a situation of fiscal distress and therefore received Commonwealth assistance in 2018 to help further stabilize their financial situation. Through our annual reviews of the city's audited financial statements and its governing body meetings, we observed that City Council and management implemented various budgetary and financial policies and strategies to continue to monitor and work toward improving the city's financial position. Our Office also continued to monitor the city's progress and improvements as part of subsequent ratio and qualitative analyses performed in our annual monitoring process over the past two years. Of the many improvements, most notably the city received three consecutive bond rating upgrades since 2017; the most recent occurring in 2019 by Moody's Investors Service, who upgraded the city's outstanding general obligation debt to A3 from Baa2. As a result of the city's progress to strengthen its financial position over the past three years, the Office concluded that the City of Bristol is no longer designated in our early warning system as showing signs of being in a situation of fiscal distress that warrants further Commonwealth assistance, oversight, or targeted intervention.

Lastly, we also reported the results of our 2019 analysis that included additional review over the three localities deferred from the 2018 analysis: City of Buena Vista, County of Cumberland, and Town of Big Stone Gap. As described in our [2018 Local Government Fiscal Distress Monitoring Report](#) as of June 2019, the Office deferred the follow-up review process for these three localities that had been previously identified in our 2018 process. Locality officials had responded to our initial inquiries and conveyed their desire to participate in our process; however, various factors contributed to delay with the localities' completion of the financial assessment questionnaires. After further analysis and completion of the 2019 ratio analysis, the Office noted several improvements with various ratio results for the County of Cumberland and the Town of Big Stone Gap. Accordingly, the Office subsequently communicated with the governing body and management for the County of Cumberland and Town of Big Stone Gap regarding our conclusion that they no longer needed to participate in our financial assessment questionnaire and formal follow-up review process, based on the significant improvements we noted.

After further analysis and completion of our 2019 ratio analysis for the City of Buena Vista, the Office observed that the city remained mostly consistent in the ratio results. Therefore, we also similarly communicated during the end of 2019 to the city's governing body and management that it would remain at the city's discretion on whether to participate in our follow-up process. The Office had subsequent discussions with the City Manager in early 2020, regarding the city's continued consideration to participate in our follow-up process when they have available resources to dedicate to our process. During 2020, the city remained focused on managing other priorities specific to the budget season and working through recent finance turnover and other management staffing developments. The Office is currently finishing our review of the city's fiscal year 2019 ratio trends and any other qualitative factors, as we finalize our 2020 monitoring process. We plan to communicate soon with the city's governing body and management regarding the results of our 2020 analysis and whether the city still desires to participate in our follow-up review process during 2021. We are also finishing our 2020 review process over the ratio analysis for the audited fiscal year 2019 financial report data for all localities. Should any new locality be identified as a result of the ratio analysis for our 2020 process, the Office will communicate accordingly with locality management and its governing body about participating in our

follow-up process. The Office expects to then issue a formal report in the early months of 2021 to provide a summary update on the results of the ratio analysis and any other relevant information regarding our analyses for the 2020 monitoring process.

Collaboration with State and National Groups

In support of our local fiscal distress monitoring process, our Office continued to perform outreach to actively correspond with and educate localities and engage in multiple communication efforts to keep various stakeholders informed of this process. The Office made presentations to multiple state, local, and national groups including various governmental seminars hosted by CPA firms, the Virginia Government Finance Officers' Association, and a national Government Fiscal Sustainability Workgroup hosted by Pew Charitable Trusts and the Michigan State University Extension Center for Local Government Finance and Policy. As a result of this outreach, our Office continues to receive valuable feedback and additional insight to assist our efforts, as we continue to further enhance and develop a more precise model for annually monitoring and identifying potential fiscal distress at Virginia local governments.

In early 2020, our Office met with representatives from the Virginia Institute of Government (Institute), part of the University of Virginia Weldon Cooper Center for Public Service, to share our insights and experiences from the Office's local fiscal distress annual monitoring process. The representatives also conveyed the Institute's desire to further develop its mission and overall goals of assisting Virginia's local governments by building governance capacity and providing professional and technical assistance. To advance these efforts, the representatives discussed the Institute's proposal for funding during the 2020 budget session to create a fiscal health program that would expand on the work of our Office's fiscal distress monitoring process and the local fiscal stress studies published by the Virginia Commission on Local Government. The Institute's proposed program would provide an overall framework that emphasizes improving and fostering the fiscal health of Virginia local governments by developing a model focused on outcome-based metrics and providing the localities more hands-on assistance and tools for maintaining their fiscal health.

Additionally, during 2020, our Office participated in several virtual meetings as part of a national Government Fiscal Sustainability Workgroup hosted by the [Michigan State University Extension Center for Local Government Finance and Policy](#) (Workgroup). The first meeting was hosted on April 3, 2020, and our Office listened to other states share ideas on how they were initially addressing the fiscal impacts of the COVID-19 pandemic on their state and local governments. After this meeting, the Office shared correspondence with certain legislative members and the Deputy Secretary of Finance, as these individuals were directly involved with our Office during the implementation of Virginia's local government fiscal distress monitoring process. Our correspondence provided suggestions of some key ideas that other states were implementing that Virginia's administration could potentially consider for providing non-financial assistance to our local governments during the pandemic. Some of the ideas discussed by other states relate to the following areas: implementing executive orders that allow the local governing bodies to meet remotely; relaxing the timely deposit requirements due to the reduced staffing levels; providing relief by extending the statutory imposed financial reporting deadline; allowing localities to defer loan payments owed to state loan programs; and the state revenue agency providing

additional breakdown and more timely information of sales tax revenues to assist localities in performing a more refined revenue reforecast.

Our Office attended another virtual Workgroup meeting in May 2020 to continue to learn from participating states. As part of this meeting, our Office provided a brief presentation to give an update on Virginia's early warning system and our current monitoring process. We shared ideas on some of the current financial ratios in our system that we plan to review closely as we start to monitor for any financial impact of the COVID-19 pandemic on future fiscal year financial information, along with our thoughts on how we may develop other, useful qualitative factors to consider for upcoming annual monitoring analyses. We also shared with the Workgroup members information about Virginia's response to assist its local governments during 2020. Virginia's counties and cities received a portion of the Commonwealth's share of the federal Coronavirus Relief Funds through two distributions of approximately \$645 million each of CARES Act funding through the Secretary of Finance's allocation plan. We continued to actively participate in Workgroup meetings during July, September, and December of this year to stay engaged and learn from participating states on how each state was further addressing the fiscal impact of the pandemic on both the state and local level.

Comparative Report

Each year the Office prepares a [Comparative Report of Local Government Revenues and Expenditures \(Comparative Report\)](#), which is a compilation of financial information provided by the Commonwealth's cities, counties, and those towns over a 3,500 population threshold or having a separate school system and thus required to have an annual audit. The [Comparative Report of Local Government Revenues and Expenditures for the fiscal year ended June 30, 2019](#) published on our website contains financial data submitted by cities, counties, and certain towns, along with their fiscal year 2019 audited financial reports, which our Office received and reviewed as of May 1, 2020.

For the fiscal year ended June 30, 2019, 25 localities did not submit their required data transmittals and 58 localities did not submit their audited financial report by the statutory deadline.

During our report preparation process, we perform analytical procedures over the localities' data through review of the locality's audited annual financial report and the Office's uniform reporting guidelines to ensure the reliability and material accuracy of the data in our report. Twenty-five localities did not submit their required data transmittals to our Office by the November 30th statutory deadline. Additionally, 58 localities did not submit their fiscal year 2019 audited financial report to our Office by the statutory deadline. The localities' untimely submission of their transmittal data and audited financial reports continues to affect the completion of our analytical review process over the data and further delays the final issuance of our annual Comparative Report. Footnote three of the report contains a list of localities that submitted late transmittal data and audited financial reports and also shows those localities that have had ongoing delays over the years with sending in their required financial information.

At the time of our final report issuance in May 2020, the Cities of Hopewell, Norton, and Petersburg and the Counties of Lee, Prince Edward, and Wise did not provide their auditors financial information in sufficient time to meet the statutory deadline for auditing their annual financial statements and the final transmittal data for our report. Accordingly, we did not include these six localities in our final 2019 report issuance. Our Office has since received and reviewed the fiscal year 2019 audited financial reports and transmittal data for the Counties of Lee and Wise. Additionally, we have received the fiscal year 2019 audited financial reports for the Cities of Norton and Petersburg, and County of Prince Edward; however, the transmittal data for these localities are still pending. The City of Hopewell remains delinquent in completing and submitting its fiscal year 2019 audited financial report and transmittal data. We will include the data for these delayed localities in an amended version of the fiscal year 2019 Comparative Report once we receive all required reporting information.

Auditing Guidelines

While our Office does not audit the financial statements of the Commonwealth's local governments, we do establish guidelines, or audit specifications, that the Certified Public Accountant (CPA) firms must follow when auditing local governments. The specifications assist state agencies in making sure that the auditing firms understand and include audit procedures of state grants and contracts, as well as detail how auditors should perform audit work unique to Virginia local governments. During the current year, the Office continued its efforts to work with the CPA firms that perform local government audits, and applicable state agencies, to enhance audit efficiencies in meeting the overall objectives of the specifications, along with incorporating a new audit area to support a state related program.

Specifically, the Office worked with the Virginia Department of Fire Programs (Fire Programs) to develop new audit procedures to assist in determining compliance with state laws and policies specific to Fire Programs' grants and aid assistance provided to localities. In accordance with the state's Administrative Process Act, the Office initiated a 30-day public comment period for these new procedures during February 2020. Our Office received one public comment from a CPA firm regarding a request to allow the auditors to consider and apply a dollar materiality threshold when determining the necessity to perform the new audit procedures at some of the smaller localities. Given the significant audit findings and results our Office noted from our review last year of Fire Programs at the state level, our Office determined it would be prudent for the CPA firms to apply the new audit procedures to every locality during the first year of implementation to further assist in understanding whether any potential issues may exist with this program pervasively at the local level. After expiration of the comment period, the Office incorporated the new procedures at *Section 3-17 Fire Programs Aid to Localities*, as part of the [audit specifications published this year for the fiscal year 2020 audits of cities, counties, and towns](#). Our office will continue to consider the CPA firm's comment about permitting the auditors to apply a materiality threshold to these procedures, as we review future updates to the audit specifications for subsequent fiscal year audits.

Additionally, as a result of continued efforts from our 2019 audit efficiencies workgroup discussions, the Office incorporated additional updates to the Retirement System section of the audit specifications published this year for the fiscal year 2020 local government audits. Specifically, we created an audit tool supplementary to the audit specifications to assist the CPA firms in developing an alternating testing schedule to gain audit efficiencies by rotating the testing of certain Retirement System audit procedures for the applicable fiscal year under audit. In the updated specifications, the CPA firms are permitted to use this alternating testing schedule if there were no reported findings for the local government in the applicable testing areas in the prior year. Further, the alternating testing schedule may only be used for specific Retirement System audit procedures designated by our Office; these audit procedures include review of member eligibility, reconciliations, and systems access. The CPA firms are not permitted to use the alternating testing schedule for the audit procedures that support testing of the census data for the Virginia Retirement System's pension and other postemployment benefits plans.

As a result of continued efforts from our 2019 audit efficiencies workgroup discussions, the Office incorporated additional updates to the fiscal year 2020 specifications. Specifically, we created a supplementary audit tool to assist the CPA firms in developing an alternating testing schedule to gain audit efficiencies by rotating the testing of certain Retirement System audit procedures.

Quality Control Reviews

The Office is not responsible for procuring a local government's auditing firm nor overseeing its work during the process. However, annually, our Office selects a sample of the CPA firms used by the local governments and other Commonwealth agencies to conduct a post issuance quality control review to ensure the firm's audit work complies with auditing standards and the requirements of the federal government, if the local government receives federal funds, as well as the audit specifications mandated by our Office. Our annual quality control reviews are in addition to the external peer reviews that CPA firms must periodically undergo. Starting with our quality control review process in 2021, the Office will also incorporate review over the annual audits of local authorities, boards, districts, commissions, or other political subdivisions that are required to have an annual audit and follow our audit specifications.

We communicate the results of our reviews in a published report to the firm, and we include the applicable local government or entity whose audit is selected for review, the Virginia Society of Certified Public Accountants, and the Virginia Board of Accountancy on a notification of our issued reports. Firms can receive a rating of pass, pass with deficiencies, or fail. Firms that receive a rating of fail are scheduled for a repeat review in the following year.

During 2020, we completed quality control reviews over three locality audits and two circuit court clerk audits and issued pass ratings for all reports.

For our 2020 review process, the Office selected two circuit court clerk audits and six locality audits for fiscal year 2019 performed by four CPA firms. During 2020, we completed reviews over one CPA firm that performed the two circuit court clerk audits and three of the locality audits selected, and we issued pass ratings for all these reports. As of the date of this report, conclusion of our review and

final report for one CPA firm is pending our final follow up with the firm, which we expect to issue by the end of 2020. For the remaining two locality audits, we will begin our review process through a remote review of the CPA firms' audit documentation during December 2020 and expect to finalize and issue reports in early 2021. These two reviews have been delayed due to the ongoing challenges the CPA firms have faced from the pandemic this year.

Additionally, we monitor compliance with the requirements over federal funds as part of our quality control review process through our analysis of Single Audit reports related to federal funds across 178 Virginia local governments that were required to issue this report for fiscal year 2019. We obtained the local governments' report data for the years 2017 through 2019 from the Federal Audit Clearinghouse and performed various data analytics designed to detect non-compliance with specific federal auditing and reporting requirements. Based on the preliminary results of our analysis over fiscal year 2019 audits, our Office found one discrepancy in the data that may indicate potential non-compliance related to Single Audit testing and reporting for one locality audit. We will finalize the results of this analysis in early 2021, along with our final reviews over the two locality audits noted above, and we will communicate as necessary to the CPA firm if we further determine that a Single Audit reporting issue may exist.

During presentation opportunities to local government groups, as well as in guidance published in our Uniform Financial Reporting Manual, we continue to highlight our recommendation that local governments, in performing due diligence when contracting with a public accounting firm, incorporate the review of our quality control reports issued for prospective auditing firms. We also emphasized that localities should evaluate the quality of the firm by reviewing the American Institute of Certified Public Accountants (AICPA) most recently published peer review results of the firm, which are publicly available on the AICPA's website. To continue assisting local governments with their assessment to ensure they are contracting with a quality CPA firm for their annual audits, we publish on our website the most recently issued quality control reports over CPA firms auditing the Commonwealth's local governments, along with copies of these reports for the last six years of reviews. These reports are available under the [Quality Control Review Reports](#) page on the Local Government section of our website.

Providing Support for Pension and OPEB Standards

As discussed later in the [Pensions and Other Postemployment Benefits](#) section of the report, the Commonwealth and its local governments implemented GASB Statement No. 68 related to pensions beginning in fiscal year 2015 and GASB Statement No. 75 related to other postemployment benefits (OPEB) in fiscal year 2018. Both of these standards continue to have a significant impact on the financial statements of local governments. Throughout 2020, our Office continued to provide essential

information and resources to the local governments and the CPA firms performing their audits to ensure compliance with these standards for their financial statements.

Annually, the Virginia Retirement System (System) provides the actuarial valuation reports, schedules of the applicable pension and OPEB amounts, footnote disclosure information, and other financial reporting guidance to the participating local government employers for their financial statements to support reporting in compliance with GASB Statement Nos. 68 and 75. Likewise, our Office publishes the reports that include our audit opinions over the System's plan schedules and applicable financial amounts for the various pension and OPEB plans in which local governments participate. All of this information is available on the [Pension and OPEB Standards](#) section of our website.

Our Office continued to provide hands-on support to assist the local governments in understanding the substantial changes involved with these standards by providing technical guidance and outreach to keep the local governments, political subdivisions, and the CPA firms updated on important pension and OPEB information. Also, since local governments can administer their own plans or participate in other plans not administered by the System, our outreach has continued to highlight the importance of the localities proactively communicating with the other plan administrators and external auditors to inquire about audit assurances and ensure they receive important financial reporting information timely for their financial statements.

Local Report Information on Our Website

The Local Government section of our website provides the audited financial statements and the internal control and compliance reports for the 171 localities required to report annually to the Office. As part of our continued efforts to increase transparency and provide valuable information for the Commonwealth and its constituents, the Office publishes additional local government information and reports on our website each year.

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In addition to the locality's audited financial statements and reports on internal control and compliance, a locality may receive a written management letter from its auditor. A separate letter may be issued to emphasize other reporting matters that the auditing firm judges to be important enough to bring to management's attention but not at a significant level for inclusion in the locality's audit report. The Virginia Acts of Assembly requires that our audit specifications include the requirement that any auditor communication related to other internal control deficiencies or financial matters, which merit the attention of locality management and the governing body, must be communicated in the form of an official, written management letter. Because this letter may provide additional insight regarding internal control deficiencies over financial matters, we believe that making the management letters available on our website provides useful information alongside the local governments' audited financial reports.

Our Office also continues to publish on our website the audited financial reports that we receive annually from a local authority, board, district, commission, or other political subdivision in accordance with § 30-140 of the Code of Virginia. Further, if an applicable locality has a stormwater utility program pursuant to § 15.2-2114 of the Code of Virginia, the locality is required to file an annual stormwater utility report with our Office. Accordingly, we provide these annual reports on our website along with the other local government required annual reporting.

Working with Other Oversight Entities

Throughout the year, we coordinate with other legislative and executive branch entities that perform oversight and review functions sharing information and, at times, working together to capitalize on our respective expertise. We also annually meet with select members of the Governor’s cabinet to provide information about the audits we have performed over the last year as well as gather information to assist us in assessing risk related to future audits.

The Office of the State Inspector General (OSIG) and Joint Legislative Audit and Review Commission (JLARC) are two entities with which we have regular communication. We frequently share information with them concerning the scope and results of specific audits when they are beginning reviews of agencies or programs that we have recently covered in our work plan. Examples of our collaboration with these two entities, as well as other oversight entities, are included in other sections of this report.

Maintaining Commonwealth Data Point

Section 30-133 of the Code of Virginia requires our Office to compile and maintain a searchable database on our website that contains certain state expenditure, revenue, and demographic information. We meet this Code of Virginia requirement through our operation and maintenance of [Commonwealth Data Point](#). We update Commonwealth Data Point quarterly with data obtained from agencies, higher education institutions, and other sources, as needed. We also include information about local government financial activity that we obtain from our Comparative Report on Local Government. In addition, we research and respond to citizen’s inquiries about information on Commonwealth Data Point.

The site currently includes over three years of expenditures, revenues, budgets, and salaries; clear, concise visualizations; and contact information for each agency, all built upon a platform that complies with modern web standards.

The 2019 General Assembly passed legislation to change what we are required to display on Commonwealth Data Point related to salaries. The new requirement, which will include actual salaries, bonuses, and total compensation for all state employees, was effective July 1, 2019. This legislation also ensured we could exclude all sensitive information from the site.

During 2020, we revised Data Point to include the new salary information. Employee salaries for fiscal year 2020 and onward will be listed with the employee ID, agency of employment, state salary, bonuses, and total salary. Salary information prior to fiscal year 2020 will still be listed using employee job titles and salary amounts. During 2020, we also implemented several additional demographic dashboards, including licensed drivers, college savings plans, and state food assistance.

To access information relating to fiscal years prior to 2017, users can visit the archived version of Data Point, now known as Legacy Data Point. Commonwealth Data Point can be found at datapoint.apa.virginia.gov and Legacy Data Point can be found at legacydatapoint.apa.virginia.gov.

Investigating Fraud

Throughout the year, in accordance with § 30-138 of the Code of Virginia, we receive reports of circumstances indicating a reasonable possibility of fraudulent transactions. This Office conducts an initial review of all reports and based on the nature and circumstances of each report determines how best to proceed. Our Office is currently evaluating our approach to training staff on fraud related topics and more effective ways to use the expertise that we have in our Office. We are also looking into opportunities to use data analytics as a proactive fraud monitoring tool.

The majority of reports and related situations result in this Office, the Office of the State Inspector General, and the State Police coordinating our activities with agency, institution, and locality officials, primarily internal auditors, and local law enforcement. Table 1 outlines the volume of activity, including a breakdown of new reports by type of entity, during fiscal years 2018 through 2020.

Fraud Report Activity

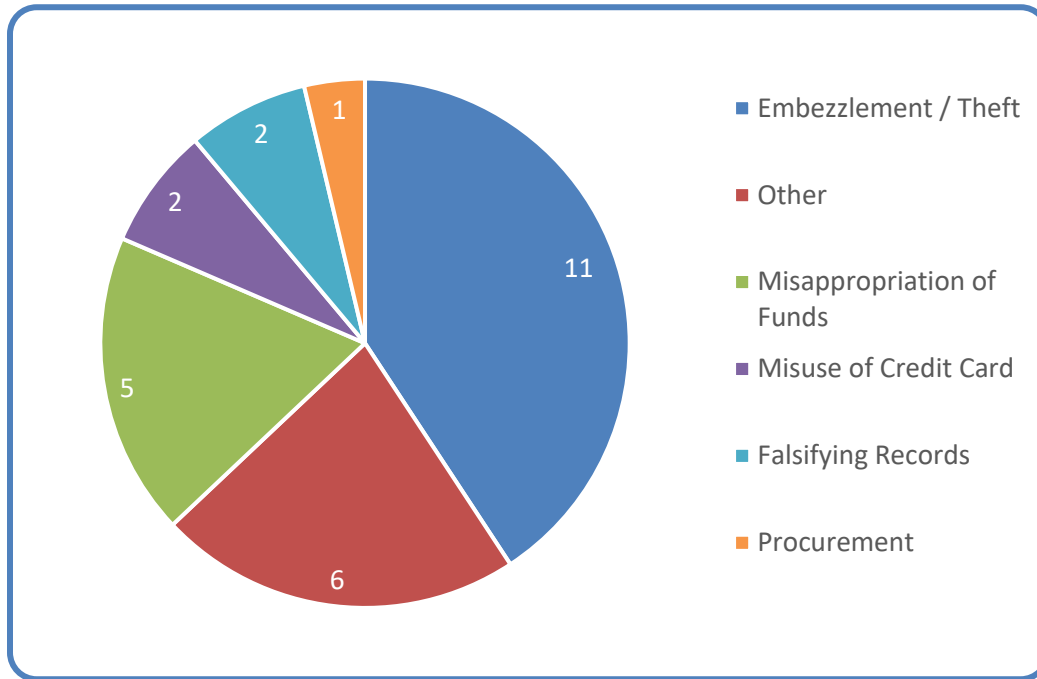
Table 1

	FY 2018	FY 2019	FY 2020
Outstanding cases at beginning of fiscal year	16	29	28
New reports:			
Courts	4	1	1
Local Governments	5	11	7
Institutions of Higher Education	24	9	1
State Agencies	12	13	18
Total new reports	45	34	27
Closed reports	32	35	30
Active cases at end of fiscal year	29	28	25

Chart 1 provides a breakdown of the new reports received during fiscal year 2020 by type.

New Reports in Fiscal Year 2020 by Type

Chart 1



During the year, a number of fraud reports were resolved and closed. The frauds that resulted in conviction and recovery were related to credit card frauds, falsifying records and embezzlement/theft. Table 2 below shows the breakdown of their resolution by fiscal year.

Closed Reports

Table 2

Disposition	FY 2018	FY 2019	FY 2020
No Conviction / Action	14	22	15
Conviction	1	2	3
Conviction and Recovery	1	0	1
Administrative Action	13	5	4
Administrative Action and Recovery	3	6	7
Total	32	35	30



We are ENGAGED

The Office performs a variety of audits each year, including financial, federal, and performance. We spend the majority of our time performing audits mandated by the Code of Virginia, federal regulations, and bond or accreditation requirements. Their results are used by various entities to evaluate the Commonwealth's fiscal management. To the extent our resources allow, we also perform special projects and other agency reviews covering a wide array of topics.

Our reports on these audits and other reviews include recommendations for improving internal controls and addressing non-compliance with state and federal regulations and provide information from Commonwealth, secretarial, and agency perspectives. Our special report topics in 2020 included transfer payments, capital outlay project accounting, information technology project progress, revenue stabilization fund and revenue reserve fund calculations, and review of bond issuance limits. We also issued special reports summarizing our internal control questionnaire review results, district court audits, state account audits, and two reviews over the Virginia Commission for the Arts.

The following section features the results of some of these audits completed during fiscal year 2020. [Appendix B](#) contains a complete list of all audits we issued during the fiscal year.

REPORTING ON MANDATORY AUDITS

Most of our mandated audits are financial statement audits, including the audits of the Commonwealth's Comprehensive Annual Financial Report (CAFR), Higher Education Institutions, and the Virginia Retirement System. Our mandated audits also include the Single Audit of federal funds expended by the Commonwealth. We summarize our observations and findings for the more significant mandatory audits completed this year below.

CAFR and Single Audit

The Commonwealth's CAFR is an audit of the statewide financial statements used by bond rating agencies and others to assess the fiscal health of the Commonwealth. The Code of Virginia mandates the completion of the audit by December 15 each year. This past year, as a part of the CAFR audit, we performed procedures over the financial activity at over 26 different agencies and universities, obtaining coverage over \$67 billion in revenues and \$62 billion in expenses for the Commonwealth and its

components. Through this work, we also gained coverage over \$55 billion in government assets, consisting primarily of capital assets, cash and investments, and receivables; \$92 billion in pension and other employee benefit trust fund assets; as well as \$24 billion in government liabilities.

The Single Audit report serves to communicate not only findings related to federal compliance testing for CAFR material and other agencies, but also internal control and compliance matters related to the CAFR audit.

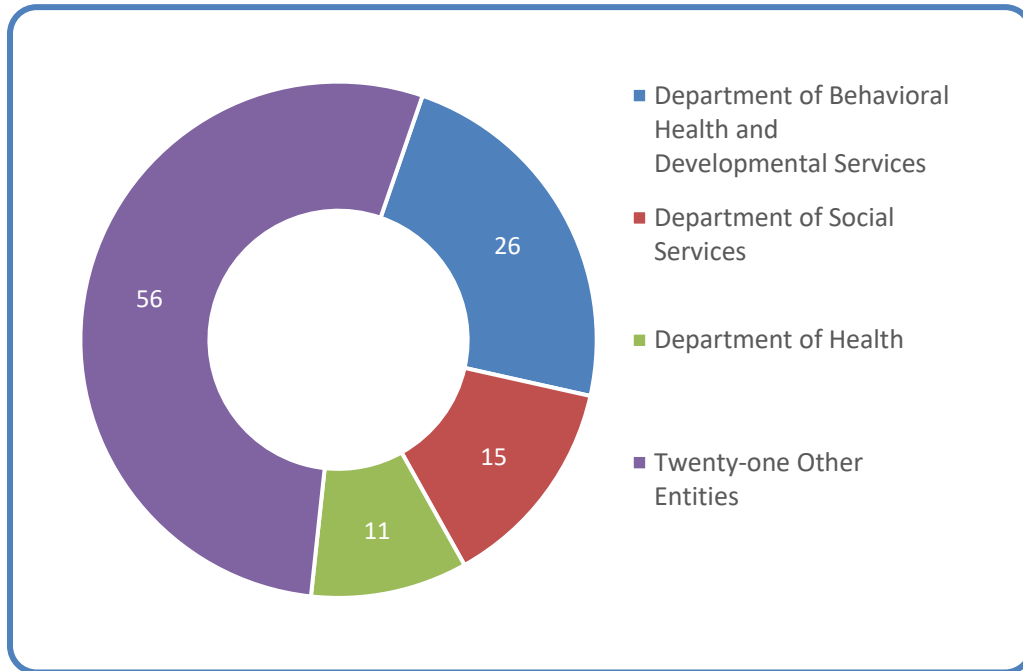
During our testing for CAFR, we also perform test work at CAFR material agencies and other agencies to support the Commonwealth's Single Audit of federal funds. The Single Audit report serves to communicate not only findings related to federal compliance testing, but also internal control and compliance matters related to the CAFR audit. As a result, we complete this work in time to issue the Single Audit report within 60 days of the conclusion of the CAFR audit, which is approximately 45 days ahead of the federally mandated deadline.

We perform federal compliance testing for the Single Audit to fulfill the audit requirement the Commonwealth commits to when it accepts federal funds. Most state entities (agencies, authorities, boards, and commissions, etc.) that are part of the Commonwealth are subject to audit under the Single Audit. For fiscal year 2019, we evaluated approximately \$15 billion in federal expenses for testing, and for fiscal year 2020, because of increased federal funding to combat COVID-19, we are currently in the process of evaluating approximately \$23 billion in federal expenses, a 53 percent increase. To complete the 2019 Single Audit, we audited 20 federal programs administered by the Commonwealth. For fiscal year 2020, we anticipate we will have to audit three additional federal programs because of new COVID-19 related funding that will involve new testing at 15 separate Commonwealth entities.

Our testing for the 2019 CAFR and Single Audit resulted in 108 separate findings with recommendations across 24 different entities. As seen in Chart 2, of the 108 findings, 52 findings (44%) are from three entities.

CAFR and Single Audit Findings by Entity

Chart 2

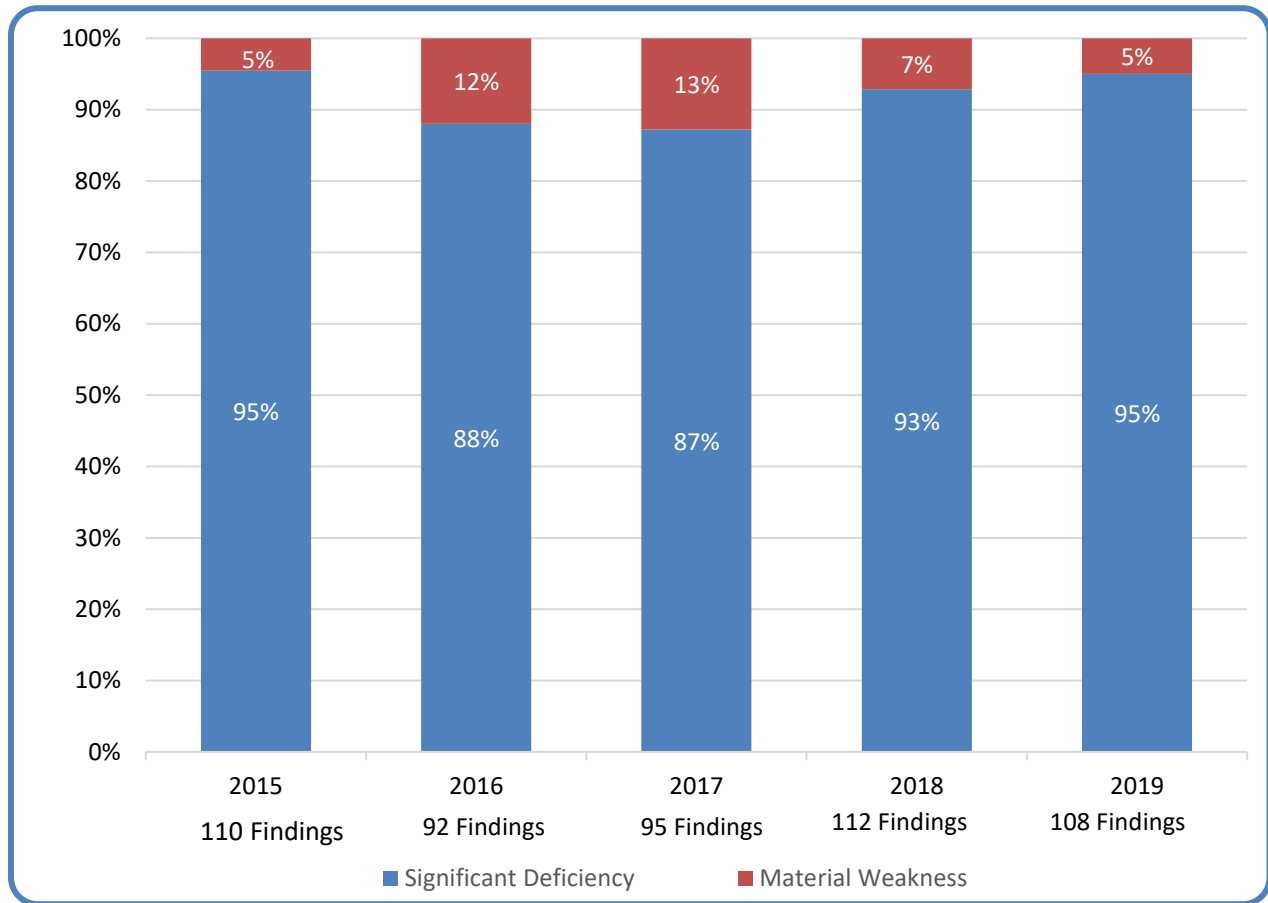


The auditing standards we follow require us to evaluate the severity of each internal control finding and classify them as a significant deficiency or material weakness, with material weakness being the most critical classification. We classify findings as a material weakness when there is a reasonable possibility that a material misstatement of the entity's financial information will not be prevented or detected and corrected on a timely basis due to a deficiency in internal control.

Chart 3, for each year, provides the total number of findings and a breakdown of the severity of the findings reported in the Single Audit for fiscal years 2015 through 2019. In addition to the total number of findings decreasing by four from fiscal year 2018 to 2019, the number of material weaknesses also decreased by four, from eight to four.

Number and Severity of Findings Reported in the Single Audit Fiscal Years 2015 through 2019

Chart 3



Three entities are responsible for the material weaknesses related to the CAFR. Medical Assistance Services had two material weaknesses, and Human Resource Management and Social Services each had a material weakness. All four material weaknesses relate to accounting and financial reporting.

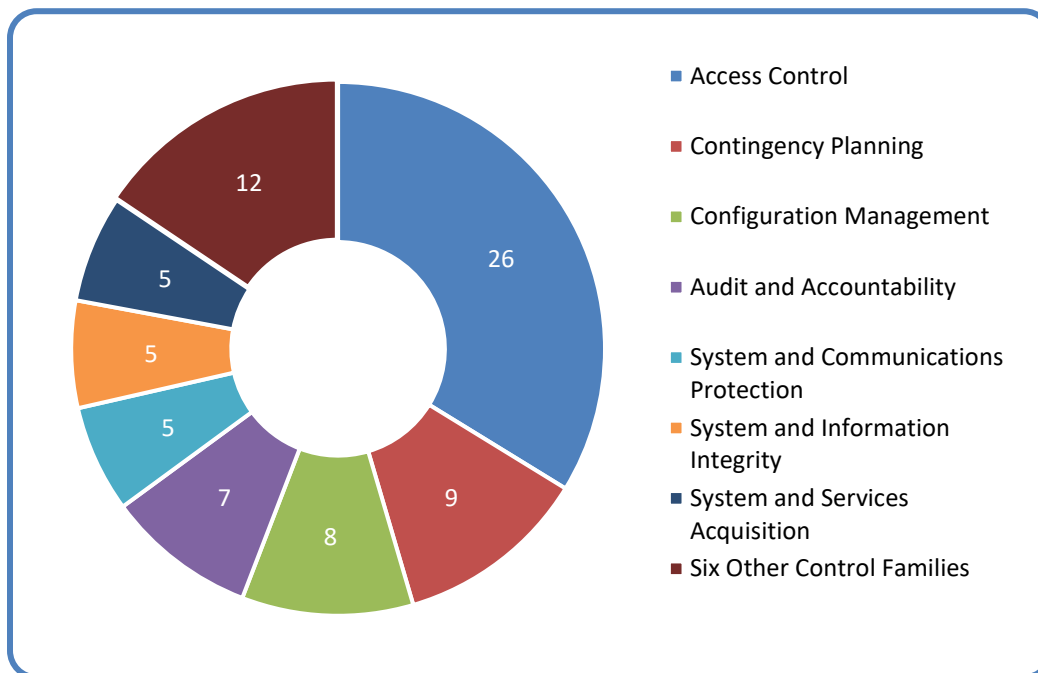
Consistent with prior years, information systems security related findings represent nearly half of the total findings for the Commonwealth, 55 (or 51%). We review information systems security controls as part of our audits since the information we audit is stored in systems. The specific information security controls that we audit in a particular fiscal year depend on overall audit objectives, scope, and risk. Therefore, we do not audit the same information systems security controls across all agencies in one fiscal year.

Chart 4 below provides more information about the nature of these findings indicating the applicable control family. The Commonwealth of Virginia's Information Security Standard, SEC 501 (Security Standard) adopts the Information System Security Control Families from the National Institute of Standards and Technology (NIST) to categorize controls that the Commonwealth is required to apply to its information systems. According to NIST, a control family "contains security controls related to the

general security topic of the family. Security controls may involve aspects of policy, oversight, supervision, manual processes, actions by individuals, or automated mechanisms implemented by information systems and devices.” Consistent with recent years, access control represents approximately one quarter of the weaknesses in information systems security.

Information Systems Security Findings by Control Families

Chart 4



Note: Twelve findings reported deficiencies with multiple control families. For this graph, the deficiencies are broken-out and included in the total for each control family impacted.

Finally, for additional information about findings, we once again included two listings of all findings in Appendix I of the Single Audit. The first list organizes all findings by topical area, and the second list organizes all findings by the applicable entity. A reader of the Single Audit report can use these lists to analyze audit findings by topical area or agency and to obtain a finding’s number, which the reader can use to locate more information about a finding within the Single Audit report. Access the [2019 Single Audit](#) report on our website.

Pensions and Other Postemployment Benefits Special Reviews

Pensions

In addition, to performing the annual audit of the Virginia Retirement System's (System's) financial statements, as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2015, which covers accounting and reporting of pension activity by employers, we have continued to include approximately three thousand additional hours in our annual work plan to audit the requirements of the pension standards. This includes additional hours for the System audit and the individual agency and higher education institution audits.

Our annual work plan increased by approximately three thousand hours when the Commonwealth implemented new pension standards in fiscal year 2015 and have remained at that level to meet the ongoing needs of employers.

At the System, our annual work includes a review of various schedules prepared by the System's actuary and guidance prepared by the System for use by the Commonwealth's agencies and higher education institutions as well as its localities. We also have to perform additional testing of census data maintained by the System. In addition, at the individual agency and higher education institution audits, we have to perform audit work surrounding the census data they provide to the System and, where applicable, ensure they appropriately report the activity in their individual financial statements. Further, we continue to provide guidance and reporting requirements related to local government audits. See the [Supporting Local Government](#) section of this report for more information on our efforts regarding the Commonwealth's localities.

Postemployment Benefits Other Than Pensions

Similar to the standards addressing accounting and financial reporting for pension plans and pension activity by employers, GASB issued standards for accounting and reporting for postemployment benefits other than pensions (OPEB). GASB Statement No. 75, which covers participating employer

The Commonwealth and its agencies and institutions successfully implemented the new OPEB standard in fiscal year 2018, reporting the full OPEB liabilities in their financial statements for the first time.

accounting and reporting of postemployment benefits other than pensions, was effective for fiscal year 2018. Accordingly, the Commonwealth and its agencies and institutions successfully implemented the new OPEB standards, reporting the full OPEB liabilities in their financial statements for the first time.

The System administers all but one of the Commonwealth's other postemployment benefit plans, including Group Life Insurance, the Retiree Health Insurance Credit Program, the Disability Insurance Trust Fund, the Line of Duty Death and Disability Program, and the Virginia Local Disability Program.

The remaining OPEB program, Pre-Medicare Retiree Healthcare, is administered by the Department of Human Resource Management (Human Resource Management). Some state and local entities also administer their own plans or participate in plans administered by other entities, and they are responsible for ensuring they comply with the standards related to these plans.

At the System, we continue to include over 1,000 additional hours in the work plan to audit the requirements of GASB Statement No. 75. We also included an additional 600 hours at Human Resource Management to audit the implementation of the new standard. We are able to use some work we currently perform over census data on the System, agency, and higher education institution audits related to pensions to support our work over other postemployment benefits. The additional hours for the System and Human Resource Management primarily included review of the other postemployment benefit plan schedules and the related actuary reports. Having now completed these audits with established processes in place, we anticipate a similar number of hours required for the audits of the GASB Statement No. 75 schedules in future work plans.

Pension and OPEB Resources

Annually, the Virginia Retirement System provides the actuarial valuation reports, schedules of the applicable pension and other postemployment benefit amounts, footnote disclosure information, and other financial reporting guidance to the participating state and local government employers for their financial statements to enable them to comply with GASB Statement Nos. 68 and 75. Likewise, once our work is complete, our Office publishes the reports that include our audit opinions over the plan schedules and applicable pension and other postemployment benefit amounts for the various pension and OPEB plans. All of this information is available on the [Pension and OPEB Standards](#) section of our website. In addition, Human Resource Management provides the actuarial valuation report, schedule of applicable other postemployment benefit amounts, footnote disclosure information, and other financial reporting guidance for the plan it administers to participating employers to enable them to comply with GASB Statement No. 75 when preparing their financial statements. Likewise, once our work is complete, our Office publishes the report that includes our audit opinion over the plan schedule and applicable other postemployment benefit amounts for the Pre-Medicare Retiree Healthcare plan.

Higher Education

During the past year, we completed the fiscal year 2019 financial statement audits related to the Commonwealth's higher education institutions, including the Virginia Community College System and its 23 community colleges, except for the audit of Virginia State University. We expect the Virginia State University audit will be finalized soon. While we issued unqualified opinions on the financial statements of each of these institutions, we included 65 internal control and compliance recommendations distributed between 14 audit reports. Those recommendations addressed a variety of issues as summarized in Table 3 below. Some institutions have multiple findings within a particular category. We classified two of these findings as material weaknesses in internal control and 23 of the findings reported during fiscal year 2019 represent repeat findings from the prior year, including findings where institutions have made limited or partial progress in resolving previous recommendations.

Number of Findings by Category

Table 3

Internal Control and/or Compliance Area	Number of Findings
Information Systems Security	17
Payroll, Human Resources, and Benefits	14
Acquisitions, Contracting, and Disbursements	8
Federal Student Financial Aid	6
Miscellaneous	4
Revenue and Cash Collections	4
System Access	4
Capital Asset Inventory and Management	3
Conflict of Interest Act Requirements	3
Employment Eligibility	2

As part of our Single Audit of federal funds, we performed follow-up reviews at multiple institutions with previously issued and unresolved findings. We also performed a reaccreditation review at Richard Bland College and additional procedures at 12 higher education institutions over their National Collegiate Athletics' Association activities.

Following our audits at each of the four-year institutions of higher education, we published a summary of compliance with Code of Virginia § 23.1-1309 related to subsidization of intercollegiate athletics department activities through student fees. This was the third year reviewing institutions' compliance with the legislation, and we determined all institutions, except Norfolk State University, complied with the percentage requirements outlined by subsection C of the applicable Code of Virginia section. We recommended that Norfolk State University, in accordance with the requirements of the Code of Virginia, prepare a plan for submission to the Governor and General Assembly for reducing its subsidy percentage below the required threshold. We also noted in our report that it may be difficult for institutions to maintain compliance with these requirements due to the significant reduction in generated revenues and athletic activities during the first half of fiscal year 2021.

PROVIDING INFORMATION TO THE GENERAL ASSEMBLY

Beyond making recommendations for improving internal controls and addressing noncompliance, we look for other opportunities to add value to the Commonwealth. Our reports on the results of audits will often include additional information that we believe will be useful to General Assembly members in the performance of their duties and responsibilities. We present information from Commonwealth, Secretarial, or Agency perspectives depending on the nature of the topic and the type of report being issued.

Being Innovative in our Approach to Non-mandatory Audits

There are approximately 70 agencies that are subject to audit by our Office that do not have a mandatory annual audit requirement and, generally, these agencies do not have financial activity that is required to be audited in support of the CAFR or Single Audit of federal funds. Three years ago, in order to better use our Office's staffing resources, we developed a new risk-based approach for auditing these agencies, which we refer to as cycled agencies. Under this approach, we perform a risk analysis annually for all of the cycled agencies considering certain criteria, including but not limited to, relative amount of revenues and expenses, results of external reviews such as federal program audits, number and significance of prior audit findings, and turnover in key positions. We also look for unusual trends or changes in financial activity and contact the agency to discuss any recent changes or concerns. Based on this analysis, we divide the agencies into two pools based on the resulting risk rating. These pools are subject to change each year depending on the risk rating. Below we provide additional information on the approaches used for each pool.

Pool I

The agencies in this pool are subject to audit every year under a special project that focuses on one area that is determined to be significant for the agencies in this pool. We determine the specific area of focus based on the results of prior audits and internal control questionnaire results. We use risk analysis to determine which agencies will have detailed procedures completed in this area and will perform limited procedures at the remaining agencies. We issue a comprehensive report at the end of the project detailing the results for the agencies selected for review. During the second quarter of fiscal year 2020, we issued our third report under this approach, where transfer payments were the area of focus. We chose this as the area of focus because it represents the largest type of expense for cycled agencies. This report is covered below in the [Focusing the Spotlight](#) section of this report. All agencies in this pool also receive an internal control questionnaire review with an on-site visit to verify controls at least once every three years.

Pool I agencies are subject to audit annually under a special project that is determined to be significant for the agencies in this pool and, also, receive an internal control questionnaire review at least once every three years.

Pool II

We perform an audit of each agency included in Pool II; however, the audit objectives and scope vary from the audits that we have traditionally performed. Generally, agencies classified in Pool II will stay in the audit cycle for a minimum of three years, and we will plan our work accordingly. However, depending on the risk factors that resulted in their inclusion in the pool, some agencies may be in the audit cycle for a shorter period. We use a risk-based approach to determine the scope of the review for each agency selected. Therefore, our reports have a more limited scope, focusing on specific areas that we select for review versus an agency-wide

We perform an audit of Pool II agencies; however, the audit objectives and scope are more limited than prior audits.

approach. This allows us to cover selected areas in more depth and additional areas that we may not have previously covered as we were focused primarily on significant financial cycles as opposed to those that may have higher risk.

During the period covered by this report, we issued reports for eight Pool II agencies, including reports for Department of Game and Inland Fisheries, Disability Services Agencies, Department of Fire Programs, and Department of State Police the results of which are covered in the [Focusing on the Importance of Internal Controls](#) section below.

Internal Control Questionnaire Reviews

Each year our Office conducts an Internal Control Questionnaire Review project. As noted above, all agencies in Pool I are included in this project at least once every three years. During the review, we send the agency an Internal Control Questionnaire to complete covering significant organizational areas and activities, including payroll and human resources; revenues and expenses; procurement and contract management; capital assets and leases; grant and debt management; and information technology and security. The questionnaire focuses on key controls over these areas and activities.

We review agency responses and supporting documentation and design procedures based on the results. The next step includes an auditor going on-site and validating the responses from the agency. The procedures performed target risks or business functions deemed significant and involve reviewing internal policies and procedures. Depending on the results of our initial procedures, we may perform additional procedures including reviewing evidence to ascertain that select transactions are executed in accordance with the policies and procedures and conducting inquiries with management.

We review agency responses to the internal control questionnaires and design procedures based on the results.

After we complete the on-site review, we provide a letter to management stating the results and highlighting any key areas of interest. In addition, we issue a report with the accumulated results for all agencies after the project is complete. We use the results of this process in our risk-based analysis, which could result in the agency being included in Pool II or identify topics for our special project for Pool I agencies. During the year, we issued our third annual report summarizing the results of the internal control questionnaire. This report is covered below in the [Focusing the Spotlight](#) section of this report.

[Focusing on the Importance of Internal Controls](#)

Sound internal control practices are the driving force behind the management of the Commonwealth's resources. Many factors play into an organization's ability to effectively and efficiently design and implement internal controls to minimize the risk of mismanagement and fraud. Over the course of the past year, several of our audits have highlighted the importance of internal control and what can happen when it is lacking. We discuss a few of those reports here.

Department of Game and Inland Fisheries

Our audit of the [Department of Game and Inland Fisheries](#) (DGIF) for the year ended June 30, 2018, found it has not performed an annual access review of the Commonwealth's attendance and leave system in accordance with the Commonwealth's Information Security Standard, SEC 501. Also, Human Resources at DGIF does not have a sufficient process for or controls over the employment eligibility process. Further, DGIF has not performed a complete physical inventory of its fixed assets or fully updated its internal asset management system with the results of the inventories performed since 2016. Finally, DGIF has not documented reconciliation policies and procedures that ensure the Fixed Asset Accountant maintains adequate internal controls over the reconciliation process and is not maintaining sufficient internal documentation to support changes made to construction in progress balances.

Disability Services Agencies – Audit of Select Cycles

Our audit of select cycles at the [Disability Service Agencies](#) for the year ended June 30, 2018, found the agencies have not updated the Memorandum of Understanding for administrative services with their service provider agency, the Department for Aging and Rehabilitative Services, to consider changes in operations since fiscal year 2015 when they originally created it. As a result, there have been

The agencies have not updated the Memorandum of Understanding for administrative services, which led to misunderstandings, duplication of efforts, and missing controls over some processes.

misunderstandings, duplication of efforts, and missing controls over some processes specifically related to the Virginia Industries for the Blind (VIB), which is a division of the Department of Blind and Vision Impaired. No one reconciled the revenues in VIB's point of sale or manufacturing systems with the Commonwealth's accounting and financial reporting system, totaling \$44 million. VIB has an insufficient governance structure to manage and maintain its information security program and does not have the minimum controls required by the Commonwealth's Information Security Standard, SEC 501 over these same systems. In addition, VIB does not gain annual assurance that its third-party providers and credit card processors have secure information technology environments

to protect its mission critical data for these two systems. Finally, the Disability Services Agencies should improve controls over client gift and fuel card purchases, purchase card reconciliations, and reimbursement of travel expenses potentially purchased through purchase cards.

Department of Fire Programs

In our prior-year special report, we identified that the Virginia Department of Fire Programs (Fire Programs) did not have a sufficiently strong internal control environment. In our subsequent report of [Fire Programs](#) covering the period July 1, 2017, through March 31, 2019, we found that while there have

been some improvements in this area since the last review, there are still several factors with the current control environment that are contributing to the audit findings noted in this report. Management should take the necessary steps to strengthen the control environment by creating a culture and attitude that supports the importance of maintaining internal controls.

During our audit of Fire Programs, we identified thirty internal control and compliance findings over several different audit areas.

This report contains 30 findings over several audit areas, including nine in payroll and human resources, seven in information technology and security, six in procurement and contract management, three in financial reporting, and five over other internal control areas.

Department of State Police

Our performance audit of the [Department of State Police](#) (State Police) for the year ended June 30, 2018, focused on seven business areas within the Property and Finance and Human Resources Division, resulting in 13 audit recommendations. These recommendations largely focus on the need for

Our audit of State Police focused on seven business areas and resulted in 13 internal control and compliance recommendations.

State Police to establish or improve internal control policies and procedures, or consistently follow its existing policies and procedures.

Our report includes a ten-year analysis of full-time staff and contractors within these Divisions and shows that State Police has increased its use of contractors to perform financial functions. As contractors are temporary and may be unfamiliar with state regulations and procedures, formal and detailed policies and procedures help State Police to communicate its internal control expectations.

FOCUSING THE SPOTLIGHT

Special reviews are designed to highlight key areas of risk to the Commonwealth as identified by the Office or driven by specific requests of the legislature. We also use special reviews to provide summary information on select audit areas. The following summaries offer examples of such special reviews performed during fiscal year 2020.

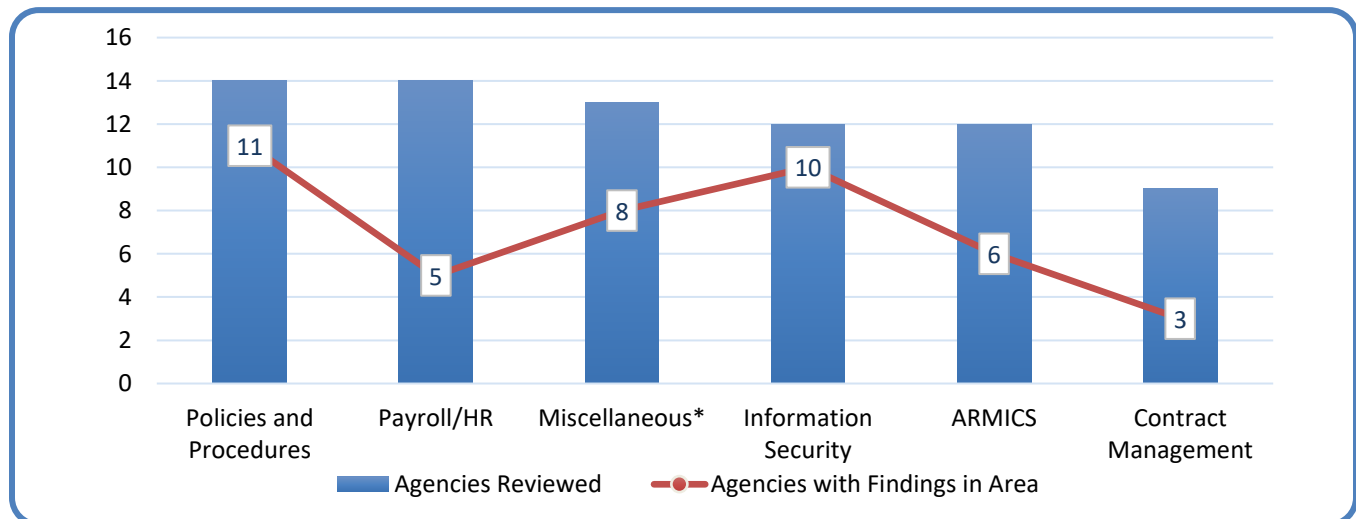
2019 Internal Control Questionnaire Results

Our 2019 Internal Control Questionnaire Results report communicates the overall results of the reviews of internal controls performed primarily during 2019 and highlights the common deficiencies identified across agencies reviewed. As discussed in the [Providing Information to the General Assembly](#) section of the report, annually our Office conducts an Internal Control Questionnaire Review project covering all Pool I cycled agencies at least once every three years. We included 15 agencies in the scope of our review during 2019; however, due to the significant issues noted from the review of the Virginia Commission for the Arts, a separate report was issued for this agency. Of the remaining 14 agencies included in our review, we issued recommendations for improvements in internal controls to 13 agencies. As shown in Chart 5, the areas with the most recommendations were policies and procedures and information security. Access the [Full Report](#) on our website.

As a result of our internal control questionnaire reviews, we issued recommendations for improvements in internal controls to 13 out of 14 agencies we reviewed.

Frequency of Internal Control Questionnaire Findings

Chart 5



*Miscellaneous areas include financial reconciliations, capital assets/inventory, grants, debt, and other.

Cycled Agency Transfer Payment Review

Our Cycled Agency Transfer Payment Review is based on our Office's new approach to auditing cycled agencies as discussed in the [Providing Information to the General Assembly](#) section of the report. In addition to performing periodic internal control questionnaire reviews over these agencies, as discussed above, we also annually select a significant area of focus to cover in a special review. For fiscal year 2018, we chose transfer payments as the area of focus. Transfer payments are transfers of state or federal funding from Commonwealth agencies to other state agencies, local governments, nonprofit entities, individuals, or other beneficiaries for the purpose of enhancing services in the Commonwealth of Virginia. We chose this as the area of focus because it represents the largest type of expense for cycled agencies. We found that agencies were processing transfer payments effectively and accurately, in all material respects. Access the [Full Report](#) on our website.

Virginia Commission for the Arts

The Auditor of Public Accounts conducted two separate reviews of the Virginia Commission for the Arts (Commission): a performance audit of the Commission's transfer payments for the fiscal year ended June 30, 2018, and an Internal Control Questionnaire review of the Commission's fiscal and administrative processes as of May 2019. Results of these reviews are generally reported in either a comprehensive report or a letter to management, respectively. However, because of the significance and overlap of the issues identified during these reviews, we prepared a combined special report. During both reviews, we determined that the Commission does not have a sufficiently strong internal control environment over their operations. In addition, we determined the Commission is not in compliance with state and federal regulations when administering the pass-through of grant funds. The underlying cause of these issues is management's lack of knowledge of statewide requirements over critical business processes. Access the [Full Report](#) on our website.

We determined that the Commission does not have a sufficiently strong internal control environment over their operations.

Review of General Services' Capital Outlay and Maintenance Reserve Project Accounting

We reviewed the Department of General Services' (General Services) accounting for its capital outlay and maintenance reserve costs after identifying significant concerns with the capital asset financial information related to the \$300 million Capital Square Complex and Infrastructure Security project that General Services submitted to the Department of Accounts for preparation of the Commonwealth's Comprehensive Annual Financial Report for fiscal year 2018. Our review found that General Services has several internal control deficiencies over accounting for capital outlay and maintenance reserve expenses. General Services does not have adequate documented policies and procedures over accounting for and reporting capital assets, including an evaluation process to determine if costs should be capitalized, a schedule of changes to construction in progress, and reconciliations of construction in progress. As a result, General Services improperly did not capitalize \$37.9 million in construction and improvement costs incurred from capital outlay and maintenance reserve projects for fiscal years 2015 through 2018. Access the [Full Report](#) on our website.

Information Technology Project Progress Report

Our Information Technology Project Progress Report reflects our on-going review of nine different Commonwealth information technology systems development projects with a total combined budget of \$190 million. Our review goal is to detect problems at the earliest possible point and alert decision makers of this information, thereby reducing potential project failures. We have chosen to highlight the Department of Medical Assistance Services' Medicaid Enterprise System Program and the Department of Accounts' Human Capital Management Systems Project in this report due to their size and complexity, which inherently increases the risk of delay or failure. Access the [Full Report](#) on our website.

Revenue Stabilization Fund Calculations

Annually, we issue a report which includes calculations for the Revenue Stabilization Fund as required by Article X, Section 8 of the Virginia Constitution and § 2.2-1829 of the Code of Virginia. As of June 30, 2019, the balance in the Revenue Stabilization Fund was \$289.3 million. During fiscal year 2019, there were no required deposits or withdrawals from the fund. A deposit to the Revenue Stabilization Fund was not required based on actual tax collections during the 2017 fiscal year. The General Assembly is required to make a mandatory deposit of \$262.9 million to the Revenue Stabilization Fund in fiscal year 2020 based on fiscal year 2018 certified tax revenues. Access the [Full Report](#) on our website.

Revenue Reserve Fund Calculations

During the 2018 session, the General Assembly established the Revenue Reserve Fund. This fund is a special non-reverting fund that the Governor and General Assembly can use to offset certain anticipated shortfalls in revenues when appropriations based on previous forecasts exceed expected revenues in subsequent forecasts. In conjunction with the requirement for our Office to certify tax revenues used in determining if there is a constitutionally required deposit to the Revenue Stabilization Fund, the Code of Virginia § 2.2-1831.3 requires us to report on the amount that can be paid into the Revenue Reserve Fund. The Code of Virginia also requires us to report the amount by which the fund is below the maximum amount permitted. Our Office will issue this report on November 1st of each year, which aligns with the Revenue Stabilization report issuance date. Our Office issued our first report on the Revenue Reserve Fund on November 1, 2019. As of June 30, 2019, the balance in the Revenue Reserve Fund was \$502.6 million. The balance of the fund does not exceed the maximum fund allowed. A deposit to the Fund is not required during fiscal year 2021 based on certified tax revenue for fiscal year 2019. Access the [Full Report](#) on our website.

Review of Chapter 759/769 Bond Issuance Limit

This is the third annual report to satisfy the requirements in Chapters 759/769 of the 2016 Acts of Assembly, Items 10 and 11, by reviewing the annual debt issuance limit established by this legislation and determining compliance with the conditions for the initial release of funding. We found that the Six Year Capital Outlay Advisory Committee is properly monitoring the \$300 million annual debt limit and the Chapters 759/769 project expenditures, totaling \$132.8 million, did not exceed the limit during fiscal

year 2019. Additionally, the Departments of General Services and Planning and Budget properly submitted quarterly reports during fiscal year 2019 on the status of the completion of the General Assembly Building project to the House Appropriations and Senate Finance Committees. Access the [Full Report](#) on our website.

[Summary Reports of Judicial and State Account Audits](#)

Annually, we issue summary reports related to some of the work we perform over the Commonwealth's court system, as well as state funds collected by local Constitutional Officers. These reports allow stakeholders to more readily identify trends in findings across courts and localities and better understand the financial impact of these findings.

During the past year, we issued our second [Virginia District Court System Statewide Report](#) summarizing the findings from our audit of the District Court System for the fiscal year ended June 30, 2018. Our audits resulted in findings in 68 courts, some of which had multiple findings. The report includes an appendix containing a summary of results by court. We also issued our [Report on Collections of Commonwealth Revenues by Local Constitutional Officers](#) for the year ended June 30, 2019, which summarizes the findings we have previously communicated to the individual Sheriffs, Treasurers, and Directors of Finance and the respective local governing body upon completing our individual audits. Our audits resulted in findings at 29 localities. We have listed the findings in the report by constitutional officer and locality. We limited our work in local government to the collection of Commonwealth revenues by Constitutional Officers, excluding Clerks of the Circuit Court, which we audit separately.

Annually, we issue summary reports for the work we perform over the Commonwealth's District Courts and state funds collected by local Constitutional Officers to allow stakeholders to identify trends across courts and localities.

[Fiscal Year 2021 Special Review Preview](#)

[New Lease Accounting Standard](#)

In 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases with an original implementation date of fiscal year 2021. However, Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* postponed the effective date of this accounting standard by 18 months. It will become effective for fiscal year 2022 and will significantly change the way governments account for leases. Under the new model, operating and capital leases no longer exist. Governments will report all leases as financing transactions, which results in recording an intangible asset and a liability for every lease except short term leases (less than 12 months). This will

Beginning in fiscal year 2022, the Commonwealth will be required to implement a new lease accounting standard. Under the new standard, most of the Commonwealth's \$495.3 million in operating leases, which currently are not reported as liabilities in the financial statements, will become lease liabilities.

dramatically change the Commonwealth's financial statements by increasing the amount of assets and liabilities.

Annually, we audit the Commonwealth's proper recording and reporting for its leases within the Comprehensive Annual Financial Report at the Department of Accounts and the Department of General Services. For fiscal year 2019, the Commonwealth's primary government had \$30.9 million in capital lease liabilities and \$495.3 million in operating lease commitments, which are not reported as liabilities in the Commonwealth's CAFR. Under the new standard, most of this \$495.3 million in operating lease commitments will become lease liabilities. This could potentially impact the Commonwealth's debt capacity model, resulting in a reduced capacity for debt issuance.

The Commonwealth has two systems that state agencies use to account for leases. The Department of General Services manages a system that includes all real estate leases. The Department of Accounts manages a system that includes all other leases, such as equipment leases. GASB Statement No. 87 requires that governments recognize and measure existing leases using the facts and circumstances that exist at the beginning of the period of implementation, which is July 1, 2021, not the inception of the lease. With the postponement of the effective date, the Departments of Accounts and General Services have an additional year to gather data, assess all of its leases, and implement changes to its lease systems by July 1, 2021, to successfully implement the new standard for fiscal year 2022. We continue to monitor both agencies' implementation of GASB Statement No. 87 and will issue status reports if needed.



We are KNOWLEDGEABLE

To ensure that our staff have the knowledge they need to properly perform our audits, we have a formalized training and continuous education program that combines internal and external training. In addition, we continuously follow the activities of various standard setting and regulatory bodies, providing feedback on proposed changes to help protect the interests of the Commonwealth and its localities and ensure we remain knowledgeable of the standards we must follow in performing our audits and that agencies must follow in accounting for and reporting their financial activity. We share the knowledge we have gained through our training, monitoring, and audit activities with various state, local, and other professional organizations to ensure they are aware of changing accounting standards and federal regulations, activities of our Office, and results of our projects. Participating with these organizations also serves as a great way to gather information to help us continue improving our audits.

Ensuring Our Staff are Knowledgeable

Ensuring that our staff have the knowledge and skills they need is one of our top priorities. We have an established training program that provides our auditors with a variety of general and specialized training throughout their careers. New hires receive internal training for the first two years that provides essential auditing and accounting skills and knowledge about the Commonwealth's operations. Our knowledgeable staff develop and present all internal classes.

All staff quickly adapted to virtual training, whether they were in the role of presenter or attendee, and the virtual classes have been highly successful.

In response to the COVID-19 pandemic, our staff transitioned to working remotely. To ensure that we could continue to provide the quality internal training we have always provided, we researched options for training virtually, selected a vendor, and transitioned all our classes to virtual format. All staff quickly adapted to virtual training, whether they were in the role of presenter or attendee, and the virtual classes have been highly successful.

Annually, each auditor receives at least 40 hours of training. After the first two years, staff continue to receive annual training from internal and external sources related to governmental accounting and auditing standards as well as personal development in the areas of supervision and leadership. Some of our key external training providers include Association of Certified Fraud Examiners; Association of Government Accountants; American Institute of Certified Public Accountants; National Association of State Auditors, Comptrollers, and Treasurers; Virginia Government Finance Officers Association; Virginia Society of Certified Public Accountants; and the Virginia Commonwealth University Performance Management Group. In addition, specialized training classes develop staff to have an advanced level of knowledge in their selected area of expertise. We carefully consider the needs of each staff so that everyone does not receive the same training. Instead,

our auditors meet semi-annually with their supervisors to develop an individualized training plan for the following year that considers audit experience, expertise, and areas of development in work performance.

As further discussed in the Monitoring Standards and Regulations Section below, we review documents issued for comment by the various standard setting bodies to stay well-informed of the applicable auditing and accounting standards. In addition, we hold an annual accounting and auditing update for all staff where we have internal and external presenters discuss new and emerging issues related to standards. At our May 2020 standards update, which we held virtually, we had internal experts discuss new accounting standards that would affect the upcoming fiscal year 2020 audits and several standards that would become effective over the next several years. They also shared the results of our internal quality control reviews and discussed ideas on how to audit in the COVID-19 environment.

Monitoring Standards and Regulations

During the year, our Office reviewed multiple documents issued for comment by the various standard setting bodies that govern the auditing standards we follow in performing our audits and the accounting standards that Virginia state and local governments must follow when reporting their financial activity. We also reviewed documents issued by federal oversight entities that establish regulations we must follow when auditing federal awards and state and local governments must follow when expending federal awards.

We follow the activities of various standard setting and regulatory bodies and provide feedback on proposed changes to help protect the interests of the Commonwealth.

Being a part of this process allows us to stay informed of upcoming changes so that we can provide technical advice to the General Assembly, state agencies and institutions, and local governments in the Commonwealth. In addition, by providing feedback to the standard setting and regulatory bodies on proposed changes, we help protect the interests of the Commonwealth in circumstances where we do not agree with the proposed changes. Table 4 summarizes the documents that we reviewed and to whom we provided responses during the year.

Table 4

Standard Setting Entity	Document Reviewed
AICPA	Exposure Draft: <i>Amendments to AU-C Sections 725, 730, 930, 935, and 940</i>
AICPA	Exposure Draft: <i>Amendments to AU-C 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134</i>
AICPA	Exposure Draft: <i>Amendments to the Description of the Concept of Materiality</i>
AICPA	Exposure Draft: <i>Audit Evidence</i>
AICPA	Exposure Draft: <i>Auditing Accounting Estimates and Related Disclosures</i>
AICPA	Exposure Draft: <i>Materiality in a Review of Financial Statements, Adverse Conclusions, and Special Purpose Frameworks</i>
AICPA	Invitation to Comment: <i>Materiality Considerations for Attestation Engagement Involving Aspects of Subject Matters that cannot be Quantitatively Measured</i>
GASB	Exposure Draft: <i>Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>
GASB	Exposure Draft: <i>Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to the Financial Statements</i>
GASB	Exposure Draft: <i>Implementation Guidance Update - 2020</i>
GASB	Exposure Draft: <i>Internal Revenue Code Section 457 Deferred Compensation Plans That Meet the Definition of a Pension Plan and Supersession of GASB Statement 32</i>
GASB	Exposure Draft: <i>Omnibus 20XX</i>
GASB	Exposure Draft: <i>Postponement of the Effective Dates of Certain Authoritative Guidance</i>
GASB	Exposure Draft: <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>
GASB	Exposure Draft: <i>Replacement of Interbank Offered Rates</i>
GASB	Exposure Draft: <i>Subscription-Based IT Arrangements</i>
GASB	Proposed Technical Bulletin: <i>Accounting and Financial Reporting Issues Related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020 and Coronavirus Diseases</i>
OMB	2020 Addendum to the Compliance Supplement for New COVID-19 Programs
OMB	2020 Compliance Supplement
OMB	Proposed Changes to Uniform Guidance

AICPA American Institute of Certified Public Accountants
 GASB Government Accounting Standards Board
 OMB Office of Management and Budget

Also, during the year our Office provided OMB with formal comments on its proposed changes to federal regulations that will impact Single Audits and grants management at the state and local level. Additionally, our Office participated in several rounds of feedback on multiple documents related to the 2020 Compliance Supplement, including an addendum to the Compliance Supplement that OMB is planning to release. The addendum is expected to provide additional guidance for auditees and auditors related to new federal programs created to address COVID-19. Also, our Compliance Assurance Specialty Team Leader worked with the National State Auditors Association to establish weekly meetings to monitor and discuss three federal programs impacted by COVID-19: the Higher Education Emergency Relief Fund, Unemployment Insurance Program, and the Coronavirus Relief Fund. Our staff participate and assist in leading the discussions for these groups. We also worked with the AICPA on conforming changes needed to the section of the audit standards for compliance audits.

Our Compliance Assurance Specialty Team Director represented the Commonwealth of Virginia at this year's Single Audit Roundtable meeting. At this event, federal officials, a representative from the National State Auditors Association (NSAA), representatives from all the major accounting firms, and representatives from a few states' audit organizations exchanged ideas, problems, solutions, and best practices for performing Single Audits.

The Auditor of Public Accounts and project manager for our audit of the Department of Medical Assistance Services participated in an Emerging Issues Meeting in Denver, Colorado, sponsored by the National State Auditors Association (NSAA). The meeting was held to discuss the requirements that the Centers for Medicare and Medicaid Services included in the U.S. Office of Management and Budget Compliance Supplement, whether the requirements are appropriate for auditing the Medicaid program, and the impact of the delay in providing the guidance on auditors. Participants also discussed issues related to the Single Audit of federal funds, including concerns about areas where it is not meeting the needs of federal agencies.

In addition, the Auditor of Public Accounts and project manager for our Single Audit of federal funds participated in a Single Audit Working Group with several other state audit organizations and representatives from the National Association of State Auditors, Comptrollers, and Treasurers (NASACT), AICPA, Government Accountability Office, and several federal inspector generals. The purpose of this working group is to look for ways to improve the Single Audit process so that it is more useful for the users and to ensure auditors receive sufficient guidance.

Sharing Knowledge

We provide information on a variety of topics to various groups throughout the year including General Assembly members, state and local government officials and organizations, higher education groups, and other professional organizations. The following tables highlight the groups to which we provided information and the topics covered during the year.

Table 5

General Assembly Members	
New Legislator Training	Presented information to new members of the House on the role and responsibilities of the Office of the Auditor of Public Accounts.

Table 6

State Government	
College and University Auditors of Virginia (CUAV) Annual Conference	Provided updates on the known impact of COVID-19 on audits in progress, delayed implementation of upcoming accounting standards due to COVID-19 along with a discussion of delayed standards to be implemented early by the Commonwealth, and auditing considerations in the current environment. Also, discussed CARES Act funding, the allocation of funds by institution, and the potential impact of 2020 expenses on CARES Act funding on the 2020 Single Audit of federal funds.
Fiscal Officers of Colleges and Universities State Supported	Provided an overview of the Auditor of Public Accounts (APA) work plan, staffing related to upcoming college and university audits, common findings and results, and considerations related to new standards and fiscal year 2020 audits.
New Constitutional Officers Training	Presented information on the Compensation Board and the role of the APA.

Table 7

Local Government	
Richmond Chapter of VSCPA - Government Training Day Virginia Government Finance Officers' Association Fall 2019 Conference Virginia Government Finance Officers Association Professional Development Program – New Finance Director and Staff Orientation to Virginia Local Government Finance	• Provided an overview on the Office's oversight responsibilities for local governments to include various audit and reporting requirements specific to our Audit Specifications, Uniform Financial Reporting Manual, and the Comparative Report process; key changes from the 2019 and 2020 legislative sessions that impact local government audits and financial reporting; an overview and recent results of the Office's quality control reviews over CPA firms auditing Virginia's local governments; and updates on the Office's annual local fiscal distress monitoring process.
Virginia Law Enforcement Sheriff's Conference and Virginia Sheriff's Institute New Sheriff Orientation	• Presented information on best practices in accounting, requirements related to handling state funds, audit procedures and issues, and frequent audit findings.

Table 8

Other Professional Organizations	
AICPA Governmental Accounting and Auditing Update Conference	• Presented information in multiple sessions, including an update on the Single Audit and Compliance Supplement; a workshop on conquering Single Audit challenges; and a session discussing general controls over information technology.
AICPA Governmental Audit Quality Center Webinar	• Presented information on the new 2019 Data Collection Form and Federal Audit Clearinghouse.
AICPA Governmental Audit Quality Center Webinar	• Presented information at national webinar on commonly asked questions related to Government Auditing Standards issued by the Comptroller General of the United States.

AICPA American Institute of Certified Public Accountants
 VSCPA Virginia Society of Certified Public Accountants

Being Leaders in Our Profession

In addition to making presentations to various state, local, and other groups, our staff also participate in leadership roles in various groups that are opportunities for professional development as well as opportunities to have a voice in the activities that impact our Office and the entities that we audit. Table 9 below contains organizations in which our staff participate in leadership roles. Due to their relevance to the work we perform, in some cases, we have multiple staff involved in a particular committee.

Table 9

Outside Organization	Leadership Role
Association of Certified Fraud Examiners: Central Virginia Chapter	President
Association of Government Accountants: Intergovernmental Partnership Steering Committee	Committee Member
AICPA: Awards Committee Compliance Audit Task Force Government Audit Quality Center Governmental Accounting and Auditing Update Conference Planning Committee	Committee Member Member Executive Committee Member Chair
Government Finance Officers Association: Industry Working Group on Municipal Market Disclosure	Group Member
NASACT: Committee on Accounting, Reporting, and Auditing Communications Work Group COVID-19 Accountability Workgroup Executive Committee GASAC Subcommittee Leases Implementation Work Group	Co-Chair and Committee Members Group Member Group Member Committee Member Subcommittee Member Co-Chair and Members
NSAA: Audit Standards and Reporting Committee Human Resources Committee IT Conference Program Excellence in Accountability Awards Committee Executive Committee Nominating Committee Peer Review Committee Performance Audit Committee Single Audit Committee	Chair and Committee Members Committee Member Committee Members Committee Members Secretary/Treasurer/ President Elect Committee Member Committee Members Committee Member Chair/Vice Chair and Members
VSCPA: Accounting and Auditing Committee Awards Committee Board of Directors Innovation Advisory Council Nominations Committee	Committee Member Committee Member Member Council Member Committee Chair

AICPA American Institute of Certified Public Accountants
 GASAC Governmental Accounting Standards Advisory Council
 NASACT National Association of State Auditors, Comptrollers, and Treasurers
 NSAA National State Auditors Association
 VSCPA Virginia Society of Certified Public Accountants



We are PROFESSIONAL

Our mission drives us each day to support the Commonwealth in creative and new ways. Over the years, we have developed a solid organizational structure of professional staff on which to perform our constitutionally driven responsibilities. To learn more about our structure and the types of individuals that work at the Office, please see our Office Overview document at [Appendix A](#).

We Value Our Staff

We recognize that our staff are key to achieving our mission. Therefore, we strive to create a positive work environment that will help us to recruit and retain talented staff. A few of the ways we strive to create a positive work environment include offering flexible work schedules and teleworking options as well as having periodic events to recognize staff accomplishments such as our Employee Appreciation Week, June ice cream event, and new hire welcome luncheons. In addition, each Specialty Team sponsors a lunch event during the year with an activity that fosters collaboration and allows our staff that are frequently working at locations away from our Office to interact with each other. With the COVID-19 pandemic, we moved to an almost completely virtual work environment making most of these activities impossible. However, our advanced use of technology enabled us to make this transition effortlessly. To encourage and uplift our staff, we used Zoom and Microsoft Teams to stay in constant contact. We held an Officewide meeting in July to update the staff on our response to the pandemic and show our appreciation for their adapting to the new work environment. In addition, as discussed in the [We are Knowledgeable](#) section above, we work to ensure that we are providing our staff with the training they need to help us maintain a high level of quality on our audits and developing future leaders for our Office.

Maintaining a Positive Work Environment



Because we believe the APA is a great place to work, for the past seven years we have participated in the Richmond's Top Workplaces event sponsored by the Richmond Times-Dispatch and Energage and were recognized as one of Richmond's Top Workplaces. To participate, employers and their employees completed anonymous surveys about their workplace.

In March, as a result of the feedback received from our staff, the Auditor of Public Accounts was recognized as one of Richmond's Top 80 Workplaces in the [Richmond Times-Dispatch](#). This is the seventh consecutive year that we have received this recognition and the APA is one of only 11 employers that have been on the list for each of the seven years it has been in existence.



Our staff believe in giving back to the communities in which we live, volunteering with multiple local organizations during the year, including FeedMore Virginia, the Mission Tomorrow Career Exploration Event for Richmond public school 8th graders, and the VSCPA Virtual Career Showcase for college students to increase their awareness of the diverse career opportunities in accounting.

In addition, APA held its own virtual “day of service.” Our staff donated money to provide meals for families staying in the Ronald McDonald House in Richmond or with their child at the hospital. We donated three days of lunches for 30 people plus various household supplies and snacks. Staff also purchased items from the Ronald McDonald House Charities Amazon wish list and wrote “letters against isolation” to senior citizens in assisted living facilities.

New Five-Year Strategic Planning Initiative

In July, we conducted a virtual officewide meeting to kick off our 2020 to 2025 strategic planning process. To continue moving our Office forward, we believe we need to focus on our use of technology and the need to use technology to innovate all aspects of our work; therefore, we are centering our next strategic plan around innovation awareness and technology. As part of this process, we are coupling innovation awareness training with the strategic planning process. We plan to complete our strategic planning process by May 2021.

Administrative and Financial Highlights

Structure and Funding

The Auditor of Public Accounts is a constitutional officer, serving as the external auditor for all non-legislative state entities of the Commonwealth. The General Assembly elects the Auditor to serve a four-year term, and the Auditor reports to the General Assembly through the Joint Legislative Audit and Review Commission. Virginia’s Constitution and the Code of Virginia define the Auditor’s duties. This structure provides independence from the agencies and institutions audited.

We receive approximately 88 percent of our funding from the General Fund of the Commonwealth with the remaining 12 percent resulting primarily from billings for federal, pension, and other postemployment benefits audit work. Additionally, we annually bill and directly deposit revenue into the General Fund for local court and select agency audits, which was approximately \$285,000 during fiscal year 2020. Personnel costs make up approximately 91 percent of our budgeted expenses.

Recruiting and Retaining Staff

We have continued our efforts to rebuild and maintain our staffing levels and as shown in Table 10. From 2016 to 2018, we were successful in recruiting and hiring new staff. However, we experienced some staff turnover during 2019 and 2020, losing staff to other Commonwealth entities and companies offering higher compensation and additional advancement opportunities as well as family demands during the COVID-19 pandemic. While we continue to actively recruit new staff, the strong market for accounting and auditing positions has hampered our recruiting efforts.

Table 10

Staffing Overview	
Approved staffing level	136
Actual Staff	
June 30, 2016	122
June 30, 2017	126
June 30, 2018	132
June 30, 2019	123
June 30, 2020	120

We perform many of our audits because they have statutory mandates, support federal regulations, or fulfill bond covenant requirements. Other work performed by our Office, such as maintaining Commonwealth Data Point and performing local fiscal distress monitoring, fulfills additional statutory mandates. Over the last few years, the number of mandatory hours in our work plan have increased related to new standards, regulations, and legislation, some of which we have discussed in the sections above. Therefore, in recent years, we have had to strategically manage our resources to ensure we accomplish our required work. We have continued to look for new approaches that allow us to be more innovative and efficient in performing our work. In addition, we have had to limit the number of new risk-based projects in order to focus on our mandatory responsibilities. To the extent feasible, we continue to build risk-based audits into our work plan and will rededicate staffing resources to these types of audits as they become available.

As it is critical that we build and maintain our staffing level in order to complete our mandated audits and activities, during fiscal year 2020 we reviewed our current compensation and organizational structure and developed some proposed changes to assist us in recruiting and retaining staff. Implementation of the new structure is dependent on our available budget. During the 2020 General Assembly Session, an additional \$325,000 was included in our budget to implement compensation adjustments to address recruitment and retention. Implementation of the salary adjustments is contingent on the approval of a compensation plan by the Committee on Joint Rules.

Being Good Stewards

As reflected above, we strive to make the most of our available resources while ensuring we remain good stewards of the Commonwealth's funds. Table 11 below reflects our budget to actual performance for fiscal year 2020.

Analysis of APA Original and Adjusted Budget versus Actual Expenses by Funding Source

For the Year Ending June 30, 2020

Table 11

Funding Source	Original Budget	Adjusted Budget	Actual Expenses	Variance
General Fund	\$12,221,188	\$12,849,994	\$12,220,578	\$629,416
Special Revenue	1,803,959	1,803,959	1,047,667	756,292
Total	\$14,025,147	\$14,653,953	\$13,268,245	\$1,384,708

Our budget to actual variance during fiscal year 2020 was the result of staff turnover and reduced travel expenses as we shifted to a remote working environment. Table 12 reflects our original budget for fiscal year 2021.

APA Original Budget

For the Year Ending June 30, 2021

Table 12

Funding Source	Original Budget
General Fund	\$13,076,429
Special Revenue	1,851,284
Total	\$14,927,713

In 2021, we will continue to maximize our available staffing resources, so that we may continue the valuable work our Office performs. We also plan to renew our focus on strengthening, building, and retaining our staffing resources, allowing us to address projects resulting from new legislative and regulatory mandates, as well as projects identified through our risk assessment process.



Auditor of Public Accounts Commonwealth of Virginia

Martha S. Mavredes, CPA

OUR

MISSION

*Serving
Virginia citizens
and decision
makers
by providing
unbiased, accurate
information
and sound
recommendations
to improve
accountability
and financial
management of
public funds*

www.apa.virginia.gov

Who We Are

The Auditor of Public Accounts (APA) acts as the General Assembly's eyes and ears, independently monitoring and reporting how state agencies and institutions spend taxpayers' money. The agency helps the Commonwealth's leaders address the challenges facing Virginia today by providing sound, reliable information and alternatives. The Auditor, a constitutional officer elected to a four-year term, reports to the General Assembly through the Joint Legislative Audit and Review Commission (JLARC). While the Auditor's duties are defined by the Virginia Constitution and the Code of Virginia, JLARC approves the [APA Workplan](#) annually.

The APA serves as the external auditor for all independent, judicial, and executive branch state agencies and higher education institutions in the Commonwealth. In many respects, the Auditor's Office operates like a CPA firm, with the Auditor serving as the managing partner.

The APA receives about 85 percent of its funding from the General Fund of the Commonwealth with the remaining 15 percent resulting from billings for federal, pension, and other postemployment benefits audit work.

What We Do

The primary focus of the APA is conducting Code of Virginia and federally-mandated audits such as the Commonwealth's Comprehensive Annual Financial Report (CAFR), the Single Audit of federal funds, and the Commonwealth's higher education institutions. We also audit pension and other postemployment benefit amounts used by state and local government employers in preparing their financial statements.

In addition, the Auditor completes a risk assessment of the agencies and institutions not mandated for review and evaluates key issues facing the Commonwealth. Most non-mandated audits and reviews are designed to ensure that an agency has internal controls in place to protect the public's money and that they spend it the way the General Assembly planned. We also evaluate agency and institutional compliance with state and federal laws and regulations. The Office's remaining resources are dedicated to special projects focused on emerging issues that may require General Assembly consideration or action.

Professional, Knowledgeable Staff

We're More Than Auditors

In addition to auditing, APA is charged with:

Maintaining Commonwealth Data Point, an online resource on State spending



Monitoring fiscal distress at Virginia's local governments



Investigating local, agency, and institutional fraud cases



Monitoring major IT projects and contracts



Reviewing all Virginia courts



Overseeing local government audits by public accounting firms



The Auditor's Office is comprised of a diverse group of professionals with a wide range of educational and professional backgrounds in accounting, business administration, finance, and information technology. From CPAs to MBAs, our staff hold over 20 different types of professional certifications and are actively involved in relevant professional organizations, such as the National Association of State Auditors, Comptrollers, and Treasurers (NASACT), the Association of Certified Fraud Examiners (ACFE), and the Information Systems Audit and Control Association (ISACA). The office expertise is spread over 11 specialty teams regularly trained in specific skills to help meet the agency's mission covering areas such as capital asset and contract management, higher education programs, information technology, judicial systems, and strategic risk management.

How Can We Help?

General Assembly members can request technical assistance from the Auditor's Office in understanding the financial operations of the Commonwealth and its localities. Simply call or e-mail the Auditor with your question or request.

Likewise, state agencies and institutions can make similar requests regarding specific areas of focus for review within their organizations by contacting our office directly.

Our Reports

APA's reports provide process and policy change recommendations to help the Commonwealth avoid costs or enhance its fiscal management of agency programs. Each year in the fall, the APA submits an [Annual Report](#) to the General Assembly, which highlights the previous year's reports and emerging issues. This and all reports issued by our Office since 1998 are available on our website:

www.apa.virginia.gov/reports.



Collaborative / Engaged / Knowledgeable / Professional

Auditor of Public Accounts, P.O. Box 1295, 101 N. 14th Street, Richmond, VA 23219, (804) 225-3350

The following is a listing of all reports and letters issued by the Auditor of Public Accounts during the fiscal year ended June 30, 2020. We have organized this section to correspond, where applicable, with the Engaged section of the report. In some cases, audits support multiple aspects of our work plan. For purposes of this section of the report, we have only listed an audit in the most relevant category. An asterisk (*) indicates the report includes audit findings and recommendations.

Agencies, Institutions, and Authorities	
Agency	Audit Period
<u>CAFR and/or Single Audit</u>	
Agencies of the Secretary of Finance*	July 1, 2018, through June 30, 2019
Agencies of the Secretary of Health and Human Resources*	July 1, 2018, through June 30, 2019
Agencies of the Secretary of Transportation*	July 1, 2018, through June 30, 2019
Commonwealth of Virginia Single Audit Report*	July 1, 2018, through June 30, 2019
Departments of Aging and Rehabilitative Services and the Blind and Vision Impaired – Vocational Rehabilitation Disability Insurance/Supplemental Security Income Cluster Federal Programs*	July 1, 2018, through June 30, 2019
Department of Corrections – Audit of Select Cycles*	July 1, 2019, through June 30, 2019
Department of Education including Direct Aid to Public Education*	July 1, 2018, through June 30, 2019
Department of Environmental Quality – Clean Water State Revolving Fund Cluster Federal Program	July 1, 2018, through June 30, 2019
Department of General Services’ Division of Real Estate Services	July 1, 2018, through June 30, 2019
Department of Human Resource Management*	July 1, 2018, through June 30, 2019
Internal Control Report on Local Government Investment Pool, Virginia College Building Authority, Virginia Public Building Authority, and Virginia Public School Authority	July 1, 2018, through June 30, 2019
Office of Children’s Services Audit of Subrecipient Monitoring - Social Services Block Grant	July 1, 2018, through June 30, 2019
Virginia Alcoholic Beverage Control Authority*	July 1, 2018, through June 30, 2019
Virginia Employment Commission*	July 1, 2018, through June 30, 2019
Virginia Lottery*	July 1, 2018, through June 30, 2019
Virginia Retirement System	July 1, 2018, through June 30, 2019

<u>Pensions and Other Post-Employment Benefits Special Reviews</u>	
Commonwealth of Virginia State Health Plans Program for Pre-Medicare Retirees	July 1, 2017, through June 30, 2018
Virginia Retirement System GASB 68 Schedules: Political Subdivision Retirement Plans State Employee Retirement Plan Teacher Retirement Plan	July 1, 2017, through June 30, 2018 July 1, 2017, through June 30, 2018 July 1, 2017, through June 30, 2018
Virginia Retirement System GASB 75 Schedules: Disability Insurance Program Group Life Insurance Plan Political Subdivision Health Insurance Credit Plans State Health Insurance Credit Plan Teacher Health Insurance Credit Plan	July 1, 2017, through June 30, 2018 July 1, 2017, through June 30, 2018 July 1, 2017, through June 30, 2018 July 1, 2017, through June 30, 2018 July 1, 2017, through June 30, 2018
Virginia Retirement System Management's Assertions Related to Census Data	July 1, 2016, through June 30, 2017
Virginia Retirement System Management's Assertions Related to Census Data for OPEB Plans	July 1, 2016, through June 30, 2017
<u>Higher Education</u>	
Christopher Newport University*	July 1, 2018, through June 30, 2019
George Mason University*	July 1, 2018, through June 30, 2019
George Mason University Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
James Madison University	July 1, 2018, through June 30, 2019
James Madison University Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
Norfolk State University Intercollegiate Athletics Program	July 1, 2018, through June 30, 2019
Longwood University*	July 1, 2017, through June 30, 2018
Old Dominion University	July 1, 2018, through June 30, 2019
Old Dominion University Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
Progress Report on Implementation of JLARC Recommendations	As of June 2019
Radford University	July 1, 2018, through June 30, 2019
Radford University Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
Report on Compliance – NCAA Subsidy Percentage Requirements	July 1, 2017, through June 30, 2018
Richard Bland College Review Report	July 1, 2018, through June 30, 2019
The College of William and Mary in Virginia*	July 1, 2018, through June 30, 2019
The College of William and Mary in Virginia Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
University of Mary Washington	July 1, 2018, through June 30, 2019
University of Virginia*	July 1, 2018, through June 30, 2019
University of Virginia Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019

Higher Education (cont.)	
Virginia Commonwealth University*	July 1, 2018, through June 30, 2019
Virginia Commonwealth University Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
Virginia Community College System*	July 1, 2017, through June 30, 2018
Virginia Military Institute Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
Virginia Polytechnic Institute and State University*	July 1, 2018, through June 30, 2019
Virginia Polytechnic Institute and State University Intercollegiate Athletics Programs	July 1, 2018, through June 30, 2019
Virginia State University*	July 1, 2017, through June 30, 2018
<u>Pool II Cycled Agency Audits</u>	
Department of Game and Inland Fisheries*	July 1, 2017, through June 30, 2018
Department of Veterans Services – Audit of Patient Care Revenue*	July 1, 2017, through June 30, 2018
Disability Service Agencies – Audit of Select Cycles*	July 1, 2017, through June 30, 2018
Science Museum of Virginia*	July 1, 2017, through June 30, 2018
State Corporation Commission – Audit of Select Cycles*	July 1, 2017, through June 30, 2018
Virginia Commission for the Arts*	As of October 2019
Virginia Department of Fire Programs*	July 1, 2017, through March 31, 2019
Virginia Department of State Police Audit of Select Business Cycles*	July 1, 2017, through June 30, 2018
Virginia Museum of Fine Arts – Audit of Select Cycles*	July 1, 2017, through June 30, 2018
<u>Internal Control Questionnaire Reviews</u>	
Department of Conservation and Recreation*	As of May 2019
Department of Forensic Science*	As of September 2019
Department of General Services*	As of June 2019
Department of Housing and Community Development*	As of June 2019
Department of Juvenile Justice*	As of April 2020
Department of Labor and Industry*	As of May 2019
Department of Small Business and Supplier Diversity	As of June 2019
GENEDGE Alliance*	As of June 2019
Library of Virginia*	As of July 2019
Marine Resources Commission*	As of May 2019
Payroll Service Bureau*	As of May 2019
Southern Virginia Higher Education Center*	As of May 2019
Southwest Virginia Higher Education Center*	As of June 2019
Virginia Health Workforce Development Authority*	As of May 2019

Other Mandatory or Risk-Based Audits	
Innovation and Entrepreneurship Investment Authority, including its Blended Component Unit, Center for Innovative Technology and Subsidiaries*	July 1, 2017, through June 30, 2018
Potomac River Fisheries Commission*	July 1, 2018, through June 30, 2019
Review of the Rappahannock River Basin Commission Financial Information, and the George Washington Regional Commission	July 1, 2018, through June 30, 2019
Virginia Biotechnology Research Partnership Authority	July 1, 2018, through June 30, 2019
Virginia Board of Accountancy	July 1, 2017, through June 30, 2018
Virginia Department of Agriculture and Consumer Services Audit of Donated Food - Child Nutrition Cluster	July 1, 2018, through June 30, 2019
Virginia Economic Development Partnership	July 1, 2018, through June 30, 2019
Virginia Lottery – Reports on Applying Agreed-Upon Procedures: Cash4Life Mega Millions Megaplier Power Play Powerball	April 2018 through March 2019 April 2018 through March 2019 April 2018 through March 2019 April 2018 through March 2019 April 2018 through March 2019
Virginia State Bar*	July 1, 2017, through June 30, 2018

<u>Special Reports</u>	
2019 Annual Report of the Auditor of Public Accounts	July 1, 2018, through June 30, 2019
2019 Internal Control Questionnaire Results*	January 1, 2019, through December 31, 2019
Comparative Report of Local Government Revenue and Expenditures	July 1, 2018, through June 30, 2019
Cycled Agency Transfer Payment Review*	July 1, 2017, through June 30, 2018
Information Technology Project Progress Report	As of March 31, 2019
Local Government Fiscal Distress Monitoring	As of April 30, 2020
Local Government Fiscal Distress Monitoring	As of June 2019
Report on Collections of Commonwealth Revenues by Local Constitutional Officers*	July 1, 2018, through June 30, 2019
Report to the Joint Legislative Audit and Review Commission	April 1, 2019, through June 30, 2019
Report to the Joint Legislative Audit and Review Commission	July 1, 2019, through September 30, 2019
Report to the Joint Legislative Audit and Review Commission	October 1, 2019, through December 31, 2019
Revenue Reserve Fund Calculations	July 1, 2018, through June 30, 2019
Revenue Stabilization Fund Calculations	July 1, 2018, through June 30, 2019
Review of Chapters 759/769 Bond Issuance Limit	July 1, 2018, through June 30, 2019
Review of Department of General Services' Tenant Project Management Services*	As of November 2019
Review of the Department of General Services' Capital Outlay and Maintenance Reserve Project Accounting*	As of November 2019
Virginia District Court System	July 1, 2018, through June 30, 2019

The following lists the general receivers, courts, magistrates, and state account reports issued during the fiscal year ended June 30, 2020. An asterisk (*) indicates the report includes audit findings and recommendations. A hashtag (#) indicates an entity for which we issued two or more reports during the audit period.

Judicial and State Accounts			
Circuit Courts			
Alexandria*	Chesterfield	Lancaster*	Rappahannock
Alleghany	Clarke*	Lee	City of Richmond
Amelia	Craig*	Loudoun#	Rockbridge*
Amherst	Cumberland	Louisa*	Russell
Appomattox #	Danville	Lynchburg*	Scott
Bedford*	Dickenson	Madison#	Smyth
Bland	Fauquier	Mecklenburg	Southampton
Botetourt*	Fluvanna	Middlesex*	Stafford*
Bristol	Frederick*	Montgomery*	Staunton
Brunswick	Giles*	Nelson*	Suffolk
Buchanan	Gloucester*	Norfolk*	Tazewell
Buckingham	Goochland	Northampton	Warren
Buena Vista	Greensville/ City of Emporia*	Northumberland*	Waynesboro
Campbell*	Halifax*	Page*	Winchester
Caroline*	Hanover	Patrick	Wise/City of Norton
Carroll*	Henrico*	Petersburg*	Wythe
Charlotte	Isle of Wight*	Pittsylvania*	York/City of Poquoson
Charlottesville*	King and Queen	Portsmouth	
Chesapeake*	King George*	Pulaski	
Circuit Court – Clerk Turnover Audits			
Alexandria*	Clarke	Newport News	Winchester
Augusta	Greensville/ City of Emporia	Petersburg	
Bedford	Isle of Wight	Staunton	
Brunswick	Lynchburg	Warren#	
General Receivers			
Alexandria*	Buchanan*	Loudoun*	Russell
Arlington	Lee	Lynchburg	Wise/City of Norton
General Receiver – Turnover Audits			
Arlington	Lee		
General District Courts			
Accomack#	Frederick	Middlesex*	Rockbridge*
Alexandria	Fredericksburg	Montgomery	Shenandoah
Amherst	Giles	Nelson	Spotsylvania

General District Courts (cont.)			
Appomattox	Gloucester	New Kent	Stafford
Arlington	Halifax	Newport News	Staunton
Augusta	Hampton	Norfolk*	Tazewell
Bedford*	Hanover*	Northampton#	VA Beach
Bristol	Henrico*#	Northumberland	Warren*
Campbell	Henry	Orange*	Washington
Caroline	Isle of Wight	Page	Waynesboro
Carroll	King and Queen	Patrick	Westmoreland
Charlotte	King William	Petersburg	Williamsburg/ James City County
Chesapeake*	Lancaster	Pittsylvania	Winchester
Chesterfield	Lee	Portsmouth*	Wise/City of Norton*
Clarke*	Loudoun	Prince William*	Wythe
Colonial Heights*	Louisa	Pulaski	York
Culpeper	Lynchburg*	Richmond (Civil Division)	
Danville	Madison	Richmond (Marshall Criminal-Traffic at Manchester)#	
City of Fairfax	Martinsville	Roanoke County*	
Fairfax County	Mathews*	Rockingham	
Franklin County	Mecklenburg	Smyth	
Juvenile and Domestic Relations Court			
Accomack*	Fairfax County*	Mathews	City of Roanoke*
Albemarle	Fauquier	Mecklenburg	Roanoke County
Alexandria	Franklin County*	Middlesex	Rockbridge
Amherst*	Frederick *	Montgomery	Rockingham*
Appomattox	Fredericksburg	Nelson	Shenandoah
Arlington*	Giles	New Kent	Smyth
Augusta	Gloucester	Newport News	Spotsylvania*
Bedford	Halifax	Norfolk	Stafford
Bristol	Hampton*	Northampton*	Stafford
Campbell	Hanover	Northumberland	Staunton
Caroline	Henrico*	Orange	Suffolk
Carroll	Henry	Page	Tazewell
Charlotte*	Isle of Wight	Patrick	Warren
Charlottesville	Lancaster*	Petersburg	Washington*
Chesterfield	Lee	Pittsylvania*	Waynesboro
Clarke	Loudoun*	Portsmouth	Winchester
Colonial Heights	Louisa	Prince William*	Wise/City of Norton
Culpeper	Lynchburg*	Pulaski	Wythe

Juvenile and Domestic Relations Court (cont.)			
Danville*	Martinsville	City of Richmond*#	
Combined General District Courts			
Alleghany	Dickenson	Greene	Russell
Amelia	Dinwiddie	Greensville	Salem
Bath	Emporia	Highland	Scott
Bland	Essex	Hopewell	Southampton
Botetourt*	Falls Church	King George	
Buchanan	Floyd	Nottoway	
Buckingham	Fluvanna	Powhatan	
Buena Vista	City of Franklin	Prince Edward	
Charles City	Galax	Radford	
Craig	Goochland	Rappahannock	
Cumberland	Grayson	Richmond County	
State Accounts			
Accomack*	Dinwiddie	Loudoun	Richmond County*
Albemarle*	Emporia	Louisa	City of Roanoke
Alexandria	Essex*	Lunenburg	Roanoke County
Alleghany*	City of Fairfax	Lynchburg*	Rockbridge
Amelia	Fairfax County	Madison	Rockingham*
Amherst	Falls Church	Manassas Park	Russell
Appomattox	Fauquier	Martinsville*	Salem
Arlington	Floyd	Mathews*	Scott *
Augusta	Fluvanna	Mecklenburg	Shenandoah
Bath	City of Franklin	Middlesex*	Smyth
Bedford	Franklin County	Montgomery	Southampton
Bland	Frederick	Nelson	Spotsylvania
Botetourt	Fredericksburg	New Kent	Stafford
Bristol	Giles	Newport News*	Staunton
Brunswick	Gloucester	Norfolk	Suffolk
Buchanan	Grayson	Northampton*	Surry
Buckingham	Greene	Northumberland*	Sussex
Buena Vista	Greensville	Norton	Tazewell
Campbell	Halifax *	Nottoway	Virginia Beach*
Caroline	Hampton	Orange	Warren*
Carroll	Hanover	Page	Washington
Charles City	Harrisonburg	Patrick	Waynesboro*
Charlotte	Henrico	Petersburg*	Westmoreland*
Charlottesville	Henry	Pittsylvania*	Williamsburg*
Chesapeake	Highland*	Poquoson	Winchester
Chesterfield	Hopewell*	Portsmouth	Wise
Clarke	Isle of Wight	Powhatan	Wythe*

State Accounts (cont.)			
Colonial Heights	James City*	Prince Edward	York
Covington	King and Queen	Prince George	
Craig	King George*	Prince William	
Culpeper*	King William	Pulaski	
Cumberland	Lancaster*	Radford	
Danville	Lee	Rappahannock	
Dickenson	Lexington	City of Richmond	
State Accounts – Turnover Audits			
Accomack	Campbell	Grayson	Southampton
Alleghany	Chesterfield	Lee	Surry
Appomattox	Culpeper	Middlesex	Warren
Buchanan	Goochland	New Kent	
Magistrates			
District 1: City of Chesapeake			
District 2A: Counties of Accomack and Northampton*			
District 3: City of Portsmouth			
District 4: City of Norfolk			
District 5: Cities of Franklin and Suffolk; Counties of Isle of Wight and Southampton			
District 6: Cities of Emporia and Hopewell; Counties of Brunswick, Greenville, Prince George, Surry, and Sussex*			
District 7: City of Newport News			
District 8: City of Hampton			
District 9: City of Williamsburg; Counties of Charles City, Gloucester, James City, King and Queen, King William, Mathews, Middlesex, New Kent, and York*#			
District 10: Counties of Appomattox, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, and Prince Edward			
District 11: City of Petersburg; Counties of Amelia, Dinwiddie, Nottoway, and Powhatan			
District 12: City of Colonial Heights; County of Chesterfield			
District 14: County of Henrico			
District 15: City of Fredericksburg; Counties of Essex, Caroline, Hanover, King George, Lancaster, Northumberland, Richmond, Spotsylvania, Stafford, and Westmoreland			
District 16: City of Charlottesville; Counties of Albemarle, Culpeper, Fluvanna, Goochland, Greene, Louisa, Madison, and Orange			
District 17 - City of Falls Church; County of Arlington			
District 18: City of Alexandria			
District 19: County of Fairfax			
District 20: Counties of Fauquier and Loudoun			
District 21: City of Martinsville; Counties of Henry and Patrick			
District 22: City of Danville; Counties of Franklin and Pittsylvania			
District 23: Cities of Roanoke and Salem; County of Roanoke			
District 24: City of Lynchburg; Counties of Amherst, Bedford, Campbell, and Nelson*			

Magistrates (cont.)

District 25: Cities of Buena Vista, Staunton, and Waynesboro; Counties of Alleghany, Augusta, Bath, Botetourt, Craig, Highland and Rockbridge

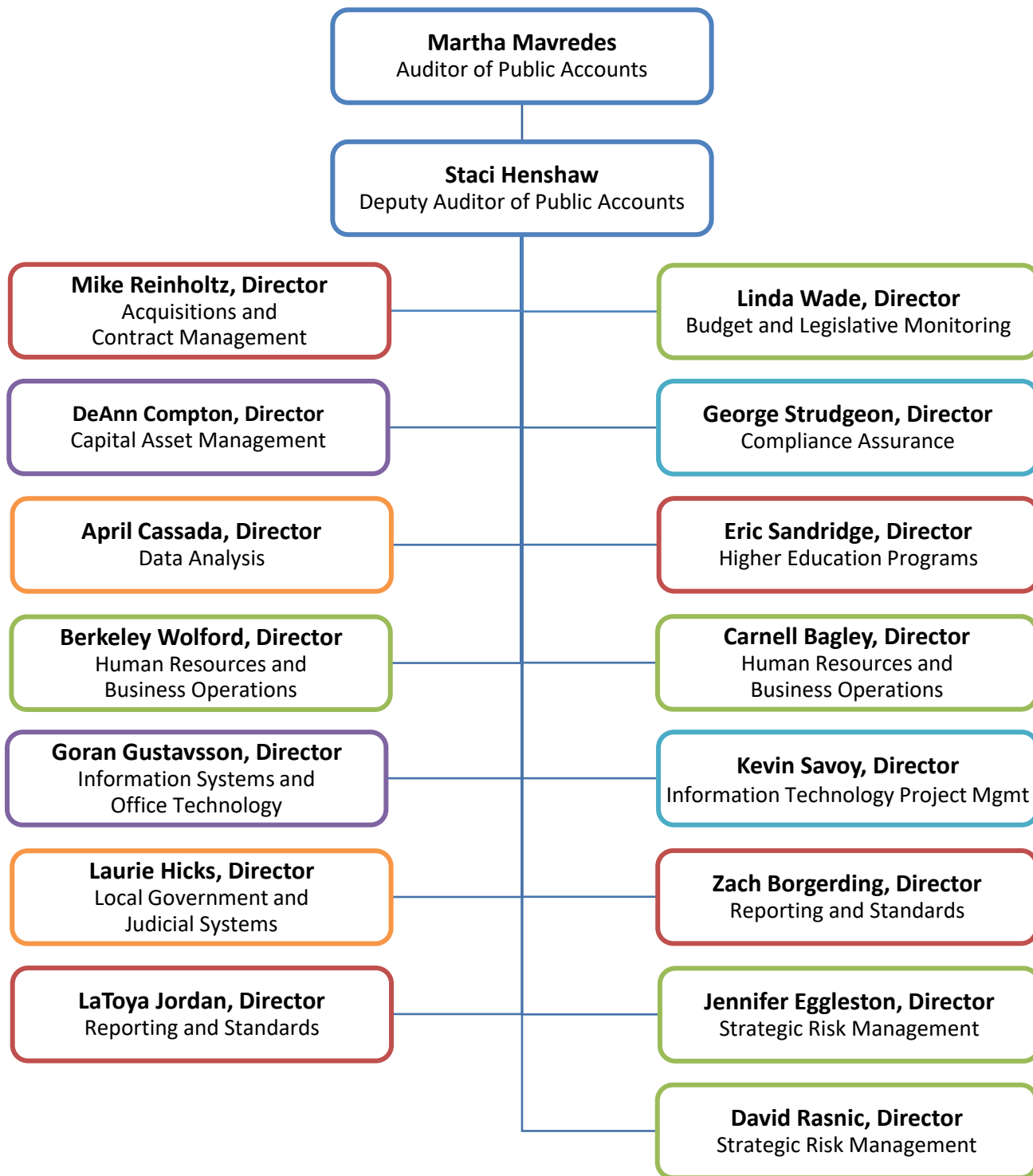
District 26: City of Winchester; Counties of Clarke, Frederick, Page, Rockingham, and Shenandoah

District 27: Cities of Galax and Radford; Counties of Carroll, Floyd, Giles, Grayson, Montgomery, and Pulaski

District 28: City of Bristol; Counties of Bland, Russell, Smyth, Tazewell, Washington, and Wythe

District 30: City of Norton; Counties of Buchanan, Dickenson, Lee, Scott and Wise

District 31: County of Prince William*



Acquisitions and Contract Management

Debrah Stafford, Audit Manager
Noah Johnson, Audit Supervisor
Jonathan South, Audit Supervisor

Carl Fisher, Senior Auditor
Leigh Anne Stacklin, Auditor
Matthew Waskin, Associate Auditor

Budget and Legislative Monitoring

Duane Miller, Audit Manager
Shatima Taylor, Audit Manager
Elise Nelson, Audit Supervisor
Sarah Lambert, Senior Auditor

Aisha Hearon-Bryant, Auditor
Nick Nonnemacker, Auditor
Lauren Kiss, Associate Auditor

Capital Asset Management

Justin Ferrell, Audit Manager
Katie Collins, Audit Supervisor
Melinda Crawford, Audit Supervisor
Grayson Smith, Audit Supervisor

Betsy Wilson, Audit Supervisor
Megan Bridgewater, Senior Auditor
Candice Owens, Senior Auditor

Compliance Assurance

Mike Sidell, Audit Manager
Kyle Biggers, Senior Auditor
Emily Morones, Senior Auditor
Karine Agabekyan, Auditor

Devin Larson, Auditor
Garion Roberts, Auditor
Shahbaz Aftab, Associate Auditor

Data Analysis

Samantha Boyd, Audit Supervisor
Ethan Mills, Senior Auditor
Erin Rodriguez, Senior Auditor
Allison Troester, Senior Auditor
Michael Walsh, Senior Auditor
James Bigler, Auditor

Brent Copeland, Auditor
Zach Krigelman, Senior Database
Administrator
Patrice Mays, Database Administrator
Dylan Ilvento, Web Developer

Higher Education Programs

Jimmy Quesenberry, Audit Manager
Jenny Schoeller, Audit Manager
Chuck Schauvliege, Audit Supervisor
Scott Booker, Senior Auditor
Meghan Finney, Senior Auditor

Jeannie Kim, Senior Auditor
Kelci Simonsen, Senior Auditor
Justin Rhodes, Auditor
Zack Waskin, Auditor
Ebony Wilkes, Auditor

Human Resources and Business Operations

Human Resources

Christina Hansen, HR Senior Specialist
Haley Clark, HR Specialist
Rebecca Hackett, Receptionist

Accounting

Shannon Hargitt, Senior Accountant
Ashley Newman, Accountant
Reports and Graphics Division
Chardon Jones, Senior Specialist
Vanessa Scherzer, Specialist

Information Systems and Office Technology

Information Systems Security

David Coss, Audit Manager
Kristina Kemp, Audit Supervisor
Danese Seabourne, Audit Supervisor
Jeffrey Rodgers, Associate Auditor

Office Technology

Wendi James, Manager
Bob Gibbons, IT Staff
Wendy Hudson, IT Staff
Keith Vollero, SharePoint Administrator

Information Technology Project Management

Brad Hypes, Audit Manager
Jeff Finke, Audit Supervisor

Christian Langston, Senior Auditor
Kyle White, Auditor

Local Government and Judicial Systems

Local Government

Rachel Reamy, Audit Manager

Judicial Systems

Stephanie Serbia, Audit Manager
Randy Johnson, Senior Auditor

Katherine St. Lawrence, Senior Auditor
Daniel Stanley, Senior Auditor
Lindsey Tatum, Senior Auditor
Tracy Vaughan, Senior Auditor
Pamela Williams, Senior Auditor

Reporting and Standards

Holly Stout, Audit Manager
Ryan Carter, Audit Supervisor
Reann Chiappinelli, Audit Supervisor
Brian Deveney, Audit Supervisor
Ashley George, Audit Supervisor

Amy Stokes, Audit Supervisor
Susan Bagato, Senior Auditor
Theresa Murray, Auditor
Sydney Rampey, Auditor
Austen Wade, Auditor

Strategic Risk Management

Lauren Figg, Audit Supervisor
Lauren Griemsman, Audit Supervisor
Gary Gammon, Senior Auditor
Briana Gray, Senior Auditor

Lindsey Lee, Senior Auditor
Scott Reynolds, Senior Auditor
Niamh Haines, Associate Auditor

New Hire Onboarding Team*

Daniel Burris, Associate Auditor
Gracie Davidson, Associate Auditor
Shaye Doherty, Associate Auditor
Valarie Fridley, Associate Auditor

Nathan Seifert, Associate Auditor
Toni Thomas, Associate Auditor
David Wagoner, Associate Auditor

*Newly-hired staff members are participating in our onboarding process, exploring different specialty teams.