

# AUDITOR OF PUBLIC ACCOUNTS



## 2021 WORK PLAN

Auditor of Public Accounts  
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[www.apa.virginia.gov](http://www.apa.virginia.gov)



# 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.*



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## SUMMARY OF 2021 ANNUAL WORK PLAN

Project Area	Budget
<b>Special Projects</b>	<b>6,235</b>
<b>Judicial Branch</b>	<b>325</b>
<b>Executive Branch</b>	<b>101,650</b>
Executive Offices	500
Administration	1,600
Commerce and Trade	3,255
Education	2,450
Education – Higher Education Institutions	52,260
Finance	21,945
Health and Human Resources	11,310
Natural Resources	120
Public Safety and Homeland Security	1,675
Transportation	6,535
<b>Independent Agencies</b>	<b>9,925</b>
<b>Local Governments, Clerks, and Courts</b>	<b>17,855</b>
<b>Cycled Agencies</b>	<b>9,590</b>
<b>Total Audit Projects Work Plan Hours</b>	<b>145,580</b>
<b>Audit Support Projects</b>	<b>4,065</b>
<b>Total Audit and Support Projects Work Plan Hours</b>	<b>149,645</b>

## SPECIAL PROJECTS BUDGET

Required by Legislation, Statute, or Appropriation Act

Project Area	Objectives	Reference	Budget
Commonwealth Data Point	<ul style="list-style-type: none"> <li>• Compile and maintain a searchable database on the Auditor of Public Accounts Internet website.</li> <li>• Include certain state expenditure, revenue, salary, and demographic information in the database as specified in the Code of Virginia.</li> <li>• Re-design to include visualizations and additional salary information as specified in new Code of Virginia requirement.</li> </ul>	Section 30-133 of the Code of Virginia	2,975
Local Government Fiscal Distress Analysis	<ul style="list-style-type: none"> <li>• Annually review early warning system and locality financial and nonfinancial data to make preliminary determination of any potential local fiscal distress using established criteria.</li> <li>• Notify applicable localities of preliminary determination of potential fiscal distress.</li> <li>• Upon request from a locality, perform detailed review to determine extent of fiscal distress.</li> <li>• If situation of fiscal distress exists, notify Governor, Chairmen of House Appropriations and Senate Finance Committees, and the locality of specific issues and recommended actions that may be needed to further assess, help stabilize, or remediate the situation.</li> </ul>	Chapter 854 of 2019 Acts of Assembly, Item 4-8.03	800
Review of Chapter 759/769 Bond Issuance Limit	<ul style="list-style-type: none"> <li>• Report annually to the Governor, Speaker of the House of Delegates, President Pro-Tempore of the State Senate, and the Chairmen of the House Appropriations and Senate Finance Committees regarding the adherence to the annual issuance limits.</li> </ul>	Chapters 759/769 of the 2016 Acts of the Assembly, Enactment 10	175

## SPECIAL PROJECTS BUDGET

Required by Legislation, Statute, or Appropriation Act, continued

Project Area	Objectives	Reference	Budget
APA Annual Report	<ul style="list-style-type: none"> <li>Describe the work performed by the Auditor of Public Accounts during the fiscal year and the significant findings.</li> </ul>	Section 30-133 of the Code of Virginia	120
MEI Project Approval Commission	<ul style="list-style-type: none"> <li>Assist the Major Employment and Investment Project Approval Commission.</li> </ul>	Section 30-311 of the Code of Virginia	10
PPEA Comprehensive Agreement Review	<ul style="list-style-type: none"> <li>Periodically review interim and comprehensive agreements entered into to ensure compliance with required provisions.</li> </ul>	Section 56-575.18 of the Code of Virginia	20
Review of Performance Measures	<ul style="list-style-type: none"> <li>Using a risk-based approach, evaluate the need to perform a detailed review of agencies' performance measures.</li> </ul>	Section 30-133B of the Code of Virginia	20

## SPECIAL PROJECTS BUDGET

Risk-Based Analysis

Project Area	Objectives	Budget
Capital Project Monitoring	<ul style="list-style-type: none"> <li>• Monitor high dollar capital projects from design through close out.</li> <li>• Determine compliance for high dollar capital projects with the Construction and Professional Services Manual relating to procurement, expenses, and management throughout the life of the project.</li> <li>• Develop new approaches to auditing capital outlay and implement them on the monitored projects.</li> <li>• Prepare periodic reports on select projects.</li> </ul>	150
Comparative Report for Higher Education	<ul style="list-style-type: none"> <li>• Provide financial comparison and analysis of the various public institutions of higher education in Virginia, considering the size and type of institution, and using techniques such as ratio analysis to further analyze and compare financial information.</li> <li>• Periodically present this information in a report to aid decision makers and improve transparency and comparability for citizen-users of financial information.</li> </ul>	115
Fraud Monitoring	<ul style="list-style-type: none"> <li>• Investigate potential fraudulent activity reported to the Auditor of Public Accounts.</li> <li>• Develop queries and perform exception testing to detect and identify improper payments and fraudulent transactions.</li> </ul>	240
Progress Report on Selected Systems Development Projects in the Commonwealth	<ul style="list-style-type: none"> <li>• Provide a periodic summary report of ongoing monitoring activities over the systems development process for major systems to determine the projects are on schedule, on budget, and provide required functionality.</li> <li>• This report will include systems development projects for the various departments, agencies, and higher education institutions.</li> </ul>	910
Review System Implementation for GASB 87 Leases	<ul style="list-style-type: none"> <li>• Determine whether systems implemented by the Department of Accounts and Department of General Services to account for the Commonwealth's leases under the new lease accounting standards are adequate.</li> </ul>	200
Statewide Analysis of Cardinal	<ul style="list-style-type: none"> <li>• Assess and test the critical statewide internal controls and business rules within Cardinal.</li> <li>• Develop queries and exception reports to assist in testing Cardinal statewide.</li> </ul>	500
<b>Total – Special Projects</b>		<b>6,235</b>



## AGENCIES AND INSTITUTIONS BUDGET

By Branch and Secretariat

<b>Judicial Branch</b>	
<i>Financial related audit of agency ensures the adherence to state laws and regulations and proper recording, internal controls, and management of funds.</i>	
Virginia State Bar	325
<b>Total – Judicial Branch</b>	<b>325</b>
<b>Executive Branch</b>	
<b><u>Executive Offices</u></b>	
<i>Financial related audit to ensure the adherence to state laws and regulations and proper recording, internal controls, and management of funds to support the executive management of the Commonwealth.</i>	
Attorney General and Department of Law	<u>500</u>
Subtotal	500
<b><u>Administration</u></b>	
<i>The audit of the Department of Human Resource Management supports the Comprehensive Annual Financial Report (CAFR) audit. The audit also ensures adherence to state laws and regulations and proper recording, internal controls, and management of funds.</i>	
Department of Human Resource Management	<u>1,600</u>
Subtotal	1,600
<b><u>Commerce and Trade</u></b>	
<i>The audit of the Virginia Employment Commission supports the CAFR audit and Single Audit of federal funds. Financial statement audits of the Innovation and Entrepreneurship Investment Authority/Center for Innovative Technology and Virginia Economic Development Partnership satisfy various Code of Virginia requirements.</i>	
Innovation and Entrepreneurship Investment Authority/Center for Innovative Technology (IEIA/CIT)	700
Virginia Economic Development Partnership	505
Virginia Employment Commission	<u>2,050</u>
Subtotal	3,255
<b><u>Education</u></b>	
<i>The financial related audit of the Department of Education ensures the adherence to laws and regulations, and proper recording, internal controls, and management of funds. The audit of the Department of Education also supports the CAFR audit and Single Audit of federal funds. A financial statement audit of the Virginia Biotechnology Research Partnership Authority satisfies Code of Virginia audit requirements.</i>	
Department of Education	1,800
Virginia Biotechnology Research Partnership Authority	<u>650</u>
Subtotal	2,450

## AGENCIES AND INSTITUTIONS BUDGET

## Executive Branch, continued

**Education – Higher Education Institutions**

*Financial statement audits of the two and four-year institutions of higher education satisfy bond and reaccreditation requirements. These audits also support the Single Audit of federal funds on a cycled basis, and the audits of UVA, VCU, and VT support the CAFR. Also, the audits include agreed-upon procedures required by the National Collegiate Athletic Association (NCAA) covering revenue and expense activity of intercollegiate athletics.*

Christopher Newport University	1,755
George Mason University	2,945
James Madison University	2,830
Longwood University	2,175
Norfolk State University	2,235
Old Dominion University	2,965
Radford University	2,190
The College of William and Mary	4,150
University of Mary Washington	1,935
University of Virginia (UVA)	5,840
University of Virginia Medical Center	2,755
Virginia Commonwealth University (VCU)	4,575
Virginia Community College System	6,905
Virginia Military Institute	2,100
Virginia Polytechnic Institute and State University (VT)	4,280
Virginia State University	<u>2,625</u>
Subtotal	52,260

**Finance**

*Audits of the Finance agencies support the CAFR audit; Single Audit of federal funds; and the debt management, investing, budgeting, and revenue collection functions of the Commonwealth. The results of these audits are included in the report of the Agencies of the Secretary of Finance. Department of the Treasury includes the financial statement audits of the Virginia Public Building Authority, Virginia Public School Authority, Virginia College Building Authority, and the Local Government Investment Pool.*

Department of Accounts/CAFR	9,005
Department of Planning and Budget/Appropriations	500
Department of Taxation	3,125
Department of the Treasury	4,900
Report on Secretary of Finance Agencies	100
Revenue Stabilization Fund	200
Single Audit of Federal Funds	3,850
State Board of Accountancy	<u>265</u>
Subtotal	21,945

## AGENCIES AND INSTITUTIONS BUDGET

**Executive Branch, continued****Health and Human Resources**

*Financial related audits of the Health and Human Resources agencies support the Single Audit of federal funds and the CAFR audit and ensure adherence to laws and regulations and proper recording, internal controls, and management of funds. In addition to the agencies listed below, the report of the Agencies of the Secretary of Health and Human Resources includes the Office of Comprehensive Services for At-Risk Youth and Families. The hours for the Office of Comprehensive Services for At-Risk Youth and Families are included within the Department of Education since it serves as the fiscal agent for this program.*

Commonwealth Health Research Board	130
Department of Behavioral Health and Developmental Services	2,690
Department of Health	2,100
Department of Medical Assistance Services	3,400
Department of Social Services	2,900
Report on Secretary of Health and Human Resources Agencies	<u>90</u>
Subtotal	11,310

**Natural Resources**

*Financial related audit of agency ensures the adherence to laws and regulations and proper recording, internal controls, and management of funds.*

Potomac River Fisheries Commission	<u>120</u>
Subtotal	120

**Public Safety and Homeland Security**

*Financial related audit of Corrections supports the CAFR and ensures the adherence to state laws and regulations and proper recording, internal controls, and management of funds.*

Department of Corrections	<u>1,675</u>
Subtotal	1,675

**Transportation**

*Financial related audits of these agencies support the CAFR audit and Single Audit of federal funds and ensure adherence to laws and regulations and proper recording, internal controls, and management of funds. The results of these audits are included in the report of the Agencies of the Secretary of Transportation.*

Department of Motor Vehicles	2,090
Department of Transportation	4,345
Report on Secretary of Transportation Agencies	<u>100</u>
Subtotal	6,535

<b>Total – Executive Branch</b>	<b>101,650</b>
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## AGENCIES AND INSTITUTIONS BUDGET

**Independent Agencies**

*Financial statement audits of these agencies support the CAFR audit and satisfy various legislative requirements. The audits also ensure adherence to state laws and regulations and proper recording, internal controls, and management of funds.*

Virginia Alcoholic Beverage Control Authority	1,515
Virginia Lottery	1,860
Virginia Retirement System	6,550
<b>Total – Independent Agencies</b>	<b>9,925</b>

**Local Governments, Clerks, and Courts**

*The Comparative Report summarizes local government revenues and expenditures. Quality reviews are performed for selected local government audits submitted to the Auditor of Public Accounts. Compliance audits of judicial entities and constitutional officers ensure adherence to state laws and regulations and accountability for state funds.*

Comparative Report and Quality Reviews	2,600
State Accounts (131)	2,585
Judicial Entities: Circuit Courts (105), District Courts (209), General Receivers (8), and Magistrate Districts (31)	12,670
<b>Total – Local Government, Clerks, and Courts</b>	<b>17,855</b>

## AGENCIES AND INSTITUTIONS BUDGET

### Approach for Cycled Agencies

*We use a risk-based approach for auditing cycled agencies, which are agencies that do not have a mandated annual audit requirement and do not support our CAFR or Single Audit of federal funds. Annually we perform a risk analysis for all of the cycled agencies considering certain criteria and divide the agencies into two pools based on the resulting risk rating. Below are the approaches for both pools and agencies currently included in each pool. The agencies included in each pool are subject to change each year depending on risk.*

#### Cycled Agencies

##### **Pool I**

*The agencies in this pool are subject to audit every year under a special project that focuses on an 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 the Pool I agencies at which we will perform detailed procedures related to this area. We will perform limited procedures at the remaining agencies. All agencies are also subject to an internal control questionnaire review with an on-site visit to verify controls once every three years.*

Assistive Technology Loan Fund Authority	Genedge Alliance
Board of Bar Examiners	Gunston Hall
Commonwealth's Attorneys' Services Council	Indigent Defense Commission
Compensation Board	Jamestown-Yorktown Foundation <sup>3</sup>
Department of Agriculture and Consumer Services	Marine Resources Commission
Department of Aviation	Motor Vehicle Dealer Board
Department of Conservation and Recreation	New College Institute
Department of Criminal Justice Services	Office of Children's Services
Department of Elections	Office of the State Inspector General
Department of Environmental Quality	Payroll Service Bureau
Department of Forensic Science	Southern Virginia Higher Education Center
Department of Forestry	Southwest Virginia Higher Education Center
Department of Health Professions	State Council of Higher Education for Virginia
Department of Historic Resources	The Library of Virginia
Department of Housing and Community Development	The Science Museum of Virginia
Department of Juvenile Justice	Tobacco Region Revitalization Commission
Department of Labor and Industry	Virginia Commission for the Arts
Department of Military Affairs	Virginia Foundation for Healthy Youth
Department of Mines, Minerals and Energy	Virginia Health Workforce Development Authority
Department of Professional and Occupational Regulation	Virginia Museum of Fine Arts
Department of Rail and Public Transportation	Virginia Museum of Natural History
Department of Small Business and Supplier Diversity <sup>1</sup>	Virginia School for the Deaf and the Blind
Department of Veterans Services <sup>2</sup>	Virginia Tourism Authority
Frontier Culture Museum of Virginia	Virginia Worker's Compensation Commission

1 – Includes Virginia Small Business Financing Authority

2 – Includes Sitter & Barefoot Veterans Care Center, and Virginia Veterans Care Center

3 – Includes Jamestown-Yorktown Commemorations



## AGENCIES AND INSTITUTIONS BUDGET

## Cycled Agencies, continued

**Pool II**

*We perform an annual audit of agencies classified in Pool II; however, the audit objectives and scope vary from the audits that we have traditionally performed. Generally, agencies classified in Pool II stay in the audit cycle for a minimum of three years and we 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 the specific area we select for review. This allows us to cover areas in more depth and additional areas that we may not have previously covered as we were focused primarily on significant cycles as opposed to those that may have higher risk. These agencies are also subject to an internal control questionnaire review with an on-site visit to verify controls once every three years.*

Department for Aging and Rehabilitative Services <sup>1</sup>	State Corporation Commission
Department of Emergency Management	Supreme Court of Virginia <sup>3</sup>
Department of Fire Programs <sup>2</sup>	Veterans Services Foundation
Department of Game and Inland Fisheries	Virginia Information Technologies Agency <sup>4</sup>
Department of General Services	Virginia Racing Commission
Department of State Police <sup>2</sup>	
<b>Total – Cycled Agencies Pool I and II</b>	
<b>9,590</b>	

1 – Includes Wilson Workforce and Rehabilitation Center, Virginia Rehabilitation Center for the Blind and Vision Impaired, Virginia Board for People with Disabilities, Department for the Blind and Vision Impaired, and the Department for the Deaf and Hard-Of-Hearing

2 – We have deferred audits for both the Department of Fire Programs and Department of State Police for the 2021 Work Plan to allow sufficient time for these agencies to address findings noted in our prior audits.

3 – Includes Clerk of the Supreme Court, Court of Appeals of Virginia, Joint Inquiry and Review Commission, and Virginia Criminal Sentencing Commission

4 – Includes Wireless E-911 Services Board

### AUDIT SUPPORT PROJECTS

*Audit support activities are not related to a specific audit; however, they are necessary to support our work plan projects.*

Project Title	Description	Hours
Assistance to Other Agencies	<ul style="list-style-type: none"> <li>Provide assistance and collaborate with other oversight agencies as needed.</li> </ul>	70
Audit Tool Development	<ul style="list-style-type: none"> <li>Develop standardized tools for use in all audits in order to ensure audits meet the applicable auditing standards.</li> </ul>	1,240
Budget Review and Monitoring	<ul style="list-style-type: none"> <li>Review the details and changes to the Commonwealth's budget for all agencies within the work plan.</li> </ul>	525
Cycled Agency Risk Monitoring	<ul style="list-style-type: none"> <li>Monitor activity and perform risk assessment procedures for cycled agencies in order to determine the level of audit coverage that is needed.</li> </ul>	500
Exposure Draft Review	<ul style="list-style-type: none"> <li>Review exposure drafts for potential new auditing and accounting standards and provide formal feedback to applicable standard setting bodies.</li> </ul>	300
Legislative Meetings and Requests	<ul style="list-style-type: none"> <li>Attend applicable legislative meetings and follow up on legislative requests.</li> </ul>	230
Office Automation	<ul style="list-style-type: none"> <li>Obtain and analyze data from Commonwealth systems for use in audits.</li> </ul>	250
Quality Control Reviews	<ul style="list-style-type: none"> <li>Annually conduct internal reviews of completed audits to ensure they were completed according to the applicable auditing standards.</li> </ul>	550
Systems Security Monitoring	<ul style="list-style-type: none"> <li>Monitor trends and attend meetings related to information systems security.</li> </ul>	400
<b>Total – Audit Support Projects</b>		<b>4,065</b>

### AGENCY OFFICIALS

Martha S. Mavredes, CPA, CGMA, MBA  
Auditor of Public Accounts

Staci A. Henshaw, CPA, CGMA  
Deputy Auditor of Public Accounts

Directors by Specialty Area	
Acquisitions and Contract Management	J. Michael Reinholtz, CPA, CISA, VCO, MACIS
Budget and Legislative Monitoring	Linda C. Wade, CPA, CFE, CGFM, Graduate Certificate in Public Administration
Capital Asset Management	DeAnn B. Compton, CPA, VCCO, CISA
Compliance Assurance	George D. Strudgeon, CPA, CGFM, CGMA, MBA, Advanced Single Audit Certificate
Data Analysis	April V. Cassada, CPA, CISA, CITP
Higher Education Programs	Eric M. Sandridge, CPA, CGFM, CISA
Human Resources and Professional Development	Berkeley A. R. Wolford, SPHR, SHRM-SCP
Local Government and Judicial Systems	Laurie J. Hicks, CPA, CFE
Information Systems Security and Office Technology	Goran G. Gustavsson, MBA, CISSP, CISM
Information Technology Project Management	Kevin J. Savoy, CPA, CISA, CISSP, CGMA, MBA
Procurement and Business Operations	Carnell N. Bagley, MBA, CPPB, VCO
Reporting and Standards	LaToya D. Jordan, CPA, CGFM, MBA Zachary L. Borgerding, CPA, CGFM, CISA
Strategic Risk Management	David Rasnic, CPA, CISA Jennifer D. Eggleston, CPA, CGFM, CISA