



OFFICE OF THE
LIEUTENANT GOVERNOR

REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2015 THROUGH JUNE 30, 2017

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350



AUDIT SUMMARY

Our audit of the Office of the Lieutenant Governor for the period July 1, 2015, through June 30, 2017, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial reporting system;
- no matters involving internal control and its operation necessary to bring to management's attention; and
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported.

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AGENCY HIGHLIGHTS

The Lieutenant Governor's major activities include serving as the President of the Senate, representing the Commonwealth at ceremonial functions, serving on boards and commissions, serving as liaison between federal and local governments on specific projects at the request of local officials, and responding to inquiries from constituents. The Division of Selected Agency Support Services in the Office of the Secretary of Administration provides administrative support to the Lieutenant Governor.

The Office of the Lieutenant Governor (Office) receives its funding from General Fund appropriations. The following tables summarize budget and expense information for the Office. The majority of the Office's expenses are payroll expenses for the Lieutenant Governor and his support staff.

Budget Analysis for Fiscal Years 2015, 2016, and 2017

	2015	2016	2017
Original budget	\$351,038	\$352,349	\$368,927
Final budget	\$410,082	\$416,863	\$370,358
Actual expenses	\$298,145	\$315,251	\$304,832

Budget and Expense Analysis for Fiscal Years 2016 and 2017

	2016	2017
Original appropriations	\$352,349	\$368,927
Adjustments:		
Discretionary re-appropriation of prior year unexpended General Fund cash balances	50,000	-
Transfer from Central Appropriations for employee salary increases, benefit changes and other amounts	<u>14,514</u>	<u>1,431</u>
Total adjusted appropriations	416,863	370,358
Expenses:		
Personal services	231,178	225,964
Continuous charges	62,751	61,420
Contractual services	15,654	16,586
Equipment	4,434	-
Supplies and Materials	<u>1,233</u>	<u>862</u>
Total expenses	<u>315,250</u>	<u>304,832</u>
Unexpended balance	<u>\$101,613</u>	<u>\$ 65,526</u>



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 29, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

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

We have audited the financial records and operations of the **Office of the Lieutenant Governor** for the period July 1, 2015, through June 30, 2017. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recorded financial transactions in the Commonwealth's accounting and financial reporting system, review the adequacy of the Office's internal controls, and test compliance with applicable laws, regulations, contracts, and grant agreements.

Audit Scope and Methodology

The Office's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

Expenses including payroll
Appropriations

We performed audit tests to determine whether the Office's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the Office's operations. We performed analytical procedures, including budgetary and trend analyses. We also tested details of transactions to achieve our objectives.

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

Conclusions

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

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Exit Conference and Report Distribution

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

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

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AGENCY OFFICIALS

OFFICE OF THE LIEUTENANT GOVERNOR
As of June 30, 2017

Ralph S. Northam, Lieutenant Governor

DIVISION OF SELECTED AGENCY SUPPORT SERVICES

Dennis M. Johnson, Director