



VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

AUDIT OF DONATED FOOD - CHILD NUTRITION CLUSTER

FOR THE YEAR ENDED
JUNE 30, 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA
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AUDIT SUMMARY

Our audit of donated food for the Child Nutrition Cluster federal program, administered by the Virginia Department of Agriculture and Consumer Services (Agriculture) for the fiscal year ended June 30, 2019, found:

- proper recording and reporting of all transactions related to donated food, in all material respects, in the inventory tracking system;
- no matters involving internal control 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.

Agriculture transferred \$33,217,488 in donated food for the federal Child Nutrition Cluster. This amount represents eight percent of total statewide expenses for the Child Nutrition Cluster.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 13, 2019

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Thomas K. Norment, Jr.
Chairman, Joint Legislative Audit
and Review Commission

We have audited the donated food for the **Child Nutrition Cluster** federal program, administered by the **Virginia Department of Agriculture and Consumer Services** (Agriculture), for the year ended June 30, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, in support of the Commonwealth's Single Audit. 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 objective was to audit compliance for the Child Nutrition Cluster federal program in support of the Commonwealth's Single Audit. In support of this objective, we evaluated the accuracy of donated food amounts recorded in the inventory tracking system; reviewed the adequacy of Agriculture's internal controls over donated foods; and tested for compliance with applicable laws, regulations, contracts, and grant agreements.

Audit Scope and Methodology

Agriculture'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 materiality and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over and compliance with accountability for United States Department of Agriculture-donated food requirements for the Child Nutrition Cluster administered by Agriculture.

We performed audit tests to determine whether Agriculture'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, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and performing inventory reviews of donated food maintained by Agriculture.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusions

We found that Agriculture properly stated, in all material respects, the amounts of donated food recorded and reported in the inventory tracking system for the Child Nutrition Cluster federal program.

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.

The results for the Commonwealth's Single Audit for the year ended June 30, 2019, are contained in a separate report, which will be available on our website at www.apa.virginia.gov in February 2020.

Report Distribution

We provided a draft of the report to management for review on January 8, 2020.

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

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

GDS/clj

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

As of June 30, 2019

Jewel Bronaugh
Commissioner

Charles Green
Deputy Commissioner