

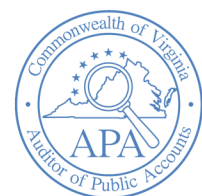


DEPARTMENT OF MILITARY AFFAIRS

NATIONAL GUARD MILITARY OPERATIONS
AND MAINTENANCE PROJECTS
FEDERAL PROGRAM

REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2023

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350



AUDIT SUMMARY

Our audit of the National Guard Military Operations and Maintenance Projects federal program, administered by the Department of Military Affairs (Military Affairs), for the fiscal year ended June 30, 2023, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial reporting system and in the Federal Schedules submitted to the Department of Accounts;
- no matters involving internal control necessary to bring to management's attention nor instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to prior audit findings and recommendations identified as complete in the [Findings Summary](#) included in the Appendix.

- TABLE OF CONTENTS -

	<u>Pages</u>
AUDIT SUMMARY	
INDEPENDENT AUDITOR'S REPORT	1-3
APPENDIX – FINDINGS SUMMARY	4



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 31, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Major General James W. Ring
Adjutant General of Virginia

We have audited the financial records and operations of the National Guard Military Operations and Maintenance Projects federal program, administered by the **Department of Military Affairs** (Military Affairs), for the year ended June 30, 2023. We conducted this 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 the National Guard Military Operations and Maintenance Projects federal program, in support of the Commonwealth's Single Audit for the year ended June 30, 2023. In support of this objective, we evaluated the accuracy of recorded financial transactions in the Commonwealth's accounting and financial reporting system and Federal Schedules attachment submitted to the Department of Accounts. We reviewed the adequacy of Military Affairs' internal controls over compliance with applicable laws, regulations, contracts, and grant agreements; and reviewed corrective actions with respect to prior audit findings related to Military Affairs administration of federal programs as identified in the Findings Summary in the Appendix.

Audit Scope and Methodology

Military Affairs' 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 the National Guard Military Operations and Maintenance Projects federal grant program.

We performed audit tests to determine whether Military Affairs' 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 Military Affairs' operations. We performed analytical procedures and tested details of transactions to achieve our audit objectives.

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 Military Affairs properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system and the Federal Schedules attachment submitted to the Department of Accounts.

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, 2023, are contained in a separate report, which will be available on our website at www.apa.virginia.gov in February 2024.

Military Affairs has taken adequate corrective action with respect to prior audit findings and recommendations identified as complete in the Findings Summary in the Appendix.

Exit Conference and Report Distribution

We provided management a copy of this report for review on January 31, 2024. 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.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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FINDINGS SUMMARY

Finding Title	Status of Corrective Action	First Issued
Strengthen Internal Control over Federal Awards	Complete	2017
Strengthen Internal Controls Over Financial Attachment Preparation	Complete	2020