

**VIRGINIA OFFICE FOR
PROTECTION AND ADVOCACY**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2006**



AUDIT SUMMARY

Our audit of the Virginia Office for Protection and Advocacy (Office) for the year ended June 30, 2006, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System and the Office's accounting records;
- no matters involving internal control and its operations necessary to bring to management's attention;
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action for prior year audit findings.

- TABLE OF CONTENTS -

	<u>Page</u>
AUDIT SUMMARY	
AGENCY HIGHLIGHTS:	
Progress on Prior Years Finding	1
Organizational History	1
Board of Directors	2
PROGRAM HIGHLIGHTS	2-3
FINANCIAL HIGHLIGHTS	4
INDEPENDENT AUDITOR'S REPORT	5-6
AGENCY OFFICIALS	7

AGENCY HIGHLIGHTS

Progress on Prior Year's Recommendation

The Virginia Office for Protection and Advocacy (Office) and its oversight Board has taken adequate corrective action to address the audit findings in last year's report. As a result of their actions, developing various manuals, and training, the Office's staff and Board have a clearer understanding of their roles and responsibilities. Furthermore, during this year's audit we found evidence showing that both the Board and staff now have a greater appreciation for the role each group plays in the management and operations of the Office.

The Board, to ensure they fully understood their roles and responsibilities, developed a Resource Manual which provides such information as: the Office's mission statement, organization chart, State Authorizing Statute, Federal Authorization Statute, Board Bylaws and Board Policies, Financial Oversight Information, State Laws and Regulations Affecting Board Operations, and Bylaws for their Advisory Councils. Additionally, to help develop this manual the Board received training and guidance from sources both internal and external to the Office.

Furthermore, the Office developed an Accounting Manual which clarified and documented the policies and procedures the staff are responsible for following. The Office's new Accounting Manual covers critical areas, such as: Managing Appropriations, Receiving Source Funds, Budget Process, Financial Administration, Expenditure Obligation of Fiscal Year Funds, Purchase Procurement Procedures, Accounts Payable Procedures, Payroll Cycle and Procedures, Reconciliation Requirements, Records Retention, Property and Equipment, and Systems Access. Additionally, the Office has established procedures and timelines for updating the Accounting Manual to ensure it continues to appropriately address their needs in the future.

We commend the Board and management for the actions taken. We also believe that their inclusion in the process of updating and maintaining these documents will add to their usefulness and value over time.

Organizational History

The Office is an independent state agency that strives to solve problems for disabled individuals through the legal system. The Office replaced the Department for Rights of Virginians with Disabilities (Department), an executive branch state agency, in July 2002. The Department's clients often received services from other executive branch agencies, which caused an inherent conflict of interest when they pursued legal action against those other agencies on behalf of their clients. Therefore, legislators removed the function of protection and advocacy from the executive branch and established the Office to ensure that the system would most effectively protect and represent the rights of persons with disabilities who have experienced abuse, neglect, or discrimination.

The Office's mission is to provide advocacy services and legal representation for persons with disabilities; to protect and advance legal, human, and civil rights; to combat abuse, neglect, and discrimination; and to promote independence, choice, and self-determination. Since the Office has limited resources, it selects specific areas in which to focus its work after obtaining extensive public input, guidance from two advisory councils, and approval from the Board of Directors. The Office uses these areas of focus to develop selection criteria for accepting or declining cases. The Office may pursue cases outside of the stated criteria with the approval of the Executive Director, who serves at the pleasure of the Board.

Board of Directors

An 11-member board, consisting entirely of non-legislative citizens, governs the Office. The Speaker of the House of Delegates appoints five members, the Senate Committee on Rules appoints three members, and the Governor appoints three members. The Code of Virginia requires all board members to be either disabled or a parent, family member, guardian, advocate, or authorized representative of a disabled individual.

The Code of Virginia outlines the powers and duties of the Board. The Board appoints an Executive Director and annually evaluates the Director's performance. The Executive Director, who cannot be a member of the Board, must be an attorney in good standing with the Commonwealth and capable of administering and directing the provision of protection and advocacy for persons with disabilities. Additionally, the Board must prepare and submit budgets to the General Assembly, establish general policies for the Office, advise and assist the Director in developing annual program priorities, and monitor and evaluate the operations of the Office.

PROGRAM HIGHLIGHTS

The Office operates the following programs, all of which provide information and referral services, training and outreach, and systems advocacy:

- *Virginians with Disabilities Act Program* – Allows the Office to bring legal action in the event of unlawful discrimination in employment, voting, state programs and activities, education, transportation, housing, and access to places of public accommodation.
- *Help America Vote Act Program* – Monitors the way the Commonwealth and local Boards of Elections implement the Help America Vote Act with regard to persons with disabilities. During fiscal year 2006, four individuals filed complaints against institutions under this Act. Each case was resolved through the advocacy and public awareness campaign.
- *Developmental Disabilities Program* – Protects persons with developmental disabilities who have experienced abuse, neglect, or discrimination in education, housing, employment, community programs, treatment, or services. During fiscal year 2006, the program served 113 individuals, of whom 38 were pending cases from the previous year. The Office successfully closed the majority of cases with technical assistance in self-advocacy, short-term assistance, negotiations, and administrative hearings.
- *Protection and Advocacy for Individuals with Mental Illness Program* – Protects human rights and access to services for mental health facility residents or persons recently discharged, or persons living in the community who have a mental illness. During fiscal year 2006, the program served 118 individuals, of whom 49 were pending cases from the previous year. Negotiations and short-term assistance resolved the majority of the cases.
- *Client Assistance Program* – Protects the rights and benefits of people who are applicants or clients of the Department of Rehabilitative Services, Department for the Blind and Vision Impaired, Center for Independent Living, or other programs

funded under the Rehabilitation Act of 1973, as amended. During fiscal year 2006, the program served 73 individuals, of whom 22 were pending cases from the previous year. Thirty-three cases were still open at the end of the fiscal year. The majority of the cases were resolved through advisory/interpretational communication and negotiations.

- *Assistive Technology Program* – Assists disabled individuals in obtaining access to assistive technology devices and services. During fiscal year 2006, the program served 18 individuals, of whom 5 were pending cases from the previous year. There were 8 open cases at the end of the fiscal year. Most cases were resolved using negotiation procedures.
- *Protection and Advocacy of Individual Rights Program* – Provides information or services that help clients overcome discrimination, barriers to living independently, or barriers to accessing benefits. The program also provides services to individuals not eligible for other advocacy programs. During fiscal year 2006, the program served 58 individuals, of whom 25 were pending cases from the previous year. The Office used negotiations to close most of the cases.
- *Protection and Advocacy for Beneficiaries of Social Security Program* – To provide assistance and individual representation to beneficiaries with disabilities who are seeking vocational rehabilitation services, employment networks, and other service providers. Such assistance and representation may include individual advocacy services and various forms of alternative dispute resolution to address issues that arise in the developing, implementing, and amending a beneficiary's individual work plan under the Ticket to Work and Self-Sufficiency program. During the 12 month period beginning December 1, 2005, the Office served 32 individuals under this program.
- *Traumatic Brain Injury Program* – Improves access to comprehensive and high-quality services and reduces incidences of discrimination. The Office uses the program to educate individuals and families about their rights, reduce eligibility barriers for community services, and enable access to quality health care, rehabilitation, and other services. During fiscal year 2006, the program served 10 individuals, of whom five were pending cases from the previous year. Two cases remained open at the end of the fiscal year. Negotiations successfully closed the majority of the cases.

FINANCIAL HIGHLIGHTS

As illustrated in Table 1, federal grants and indirect federal cost recoveries are the primary funding sources for the Office, accounting for 92 percent of the total funding in fiscal year 2006.

Table 1

Budget and Actual Expense Analysis by Program and Funding Source

	<u>Program Expenses</u>			<u>Actual Expenses by Funding Sources</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>	<u>General Fund</u>	<u>Indirect Cost Recoveries, Federal</u>	<u>Federal Grants</u>
Social services research, planning, and coordination	\$ 1,226,106	\$1,264,150	\$ 946,159	\$ 233,885	\$ 189,775	\$ 522,499
Protective services	1,277,247	1,550,686	1,550,527	-	-	1,550,527
Individual care services	<u>240,301</u>	<u>373,549</u>	<u>358,127</u>	<u>-</u>	<u>-</u>	<u>358,127</u>
Total	<u>\$ 2,743,654</u>	<u>\$3,188,385</u>	<u>\$2,854,813</u>	<u>\$ 233,885</u>	<u>\$ 189,775</u>	<u>\$ 2,413,153</u>

Source: Original Budget - Appropriation Act Chapter 951,
Adjusted Budget and Actual – Commonwealth Accounting and Reporting System

For fiscal year 2006, personnel services accounted for the largest portion (69 percent) of total expenses as shown in Table 2.

Table 2

Expenses by Type

Personnel services	\$1,970,681
Contractual services	378,964
Continuous charges	181,914
Transfer payments	250,553
Supplies and materials	29,019
Equipment	<u>43,682</u>
Total	<u>\$2,854,813</u>

Source: Commonwealth Accounting and Reporting System



Walter J. Kucharski, Auditor

Commonwealth of Virginia

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

April 2, 2007

The Honorable Timothy M. Kaine
Governor of Virginia
State Capital
Richmond, Virginia

The Honorable Thomas K. Norment, Jr.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We have audited the financial records and operations of the **Virginia Office for Protection and Advocacy** (Office) for the year ended June 30, 2006. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recorded financial transactions on the Commonwealth Accounting and Reporting System or other agency financial system, review the adequacy of the Office's internal controls, test compliance with applicable laws and regulations and review corrective actions of audit findings from prior year reports.

Audit Scope And Methodology

The Office's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. 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 and regulations.

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

- Federal grant revenues and expenditures
- Payroll expenditures
- Small purchase charge card
- Board governance

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 and regulations. Our audit procedures included inquiries of appropriate personnel and Board members, inspection of documents, records, manuals, and contracts, and observation of the Office's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

Conclusions

We found that the Office's properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System and in the Office's accounting records. The Office records its financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The financial information presented in this report came directly from the Commonwealth Accounting and 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 and regulations disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Office has taken adequate corrective action with respect to audit findings reported in the prior year that are not repeated in this letter.

Exit Conference

We discussed this report with management on May 10, 2007.

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 and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

GDS/whb

VIRGINIA OFFICE FOR PROTECTION AND ADVOCACY

BOARD MEMBERS

As of July 1, 2006

P. Brent Brown
Chair

Susan R. Kalanges
Vice Chair

Raymond F. Burmester	William Fuller
Waja Grimm	Chris Harrison
Maureen S. Hollowell	Rita Kidd
Patricia A.F. Meyer	Elizabeth Priaulx

EX-OFFICIO

Dave Wilber
Irene Rebholz

AGENCY MEMBERS

V. Colleen Miller
Executive Director

Yvette Simard
Fiscal Officer

Annette Sannuti
Business Manager

