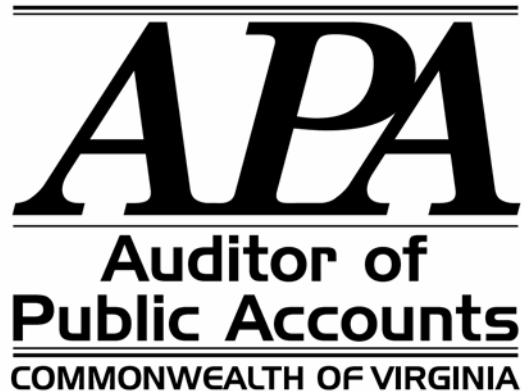


DEPARTMENT OF FORENSIC SCIENCE

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



AUDIT SUMMARY

Overall, our audit of the Department of Forensic Science found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- a matter involving internal control and compliance that we have communicated to management in a special review entitled “Status of Data Security Measures” dated as of July 31, 2006.

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AGENCY OVERVIEW

The Department of Forensic Science (Forensic Science) is a nationally accredited forensic laboratory. Forensic Science provides forensic laboratory services to state and local law enforcement officials, medical examiners, local fire departments, and other state agencies. Forensic Science examiners evaluate and analyze evidence, provide technical assistance and training, and provide expert testimony on crime scene evidence. Forensic Science provides services from four state-owned facilities. Forensic Science administrative operations and the central laboratory are in Richmond. The three regional laboratories are in Fairfax, Roanoke, and Norfolk. Each laboratory shares its building with a state Department of Public Health, Office of the Chief Medical Examiner. Forensic Science is negotiating a contract for construction under the Public-Private Education and Infrastructure Facilities Act to build a new lab in Northern Virginia. Forensic Science also plans to expand the Norfolk lab and Richmond facility.

Forensic Science became a separate state agency July 1, 2005. Prior to that, it was a single program within the Department of Criminal Justice Services (DCJS). Fiscal year 2006 was a transition year for Forensic Science. During the year, DCJS performed the finance and administrative functions for Forensic Science. In addition, DCJS also continued to administer any federal grants it had initiated on behalf of Forensic Science. During the year, Forensic Science hired staff to handle these functions and took over these responsibilities on July 1, 2006.

Forensic Science's primary funding source is the general fund, with a small amount of federal grant funding. The federal grant funding for 2006 is not in the table below since DCJS continued to administer these grants in 2006. The following table shows budget and expense information for the last several years.

Budget and Actual Expense Analysis

	<u>Fiscal Year 2004</u> <u>(under DCJS)</u>	<u>Fiscal Year 2005</u> <u>(under DCJS)</u>	<u>Fiscal Year 2006</u> <u>(own agency)</u>	<u>Proposed</u> <u>Fiscal Year 2007</u>
Final Budget	\$23,987,807	\$23,736,182	\$29,954,315	\$31,766,221
Expenses	\$23,812,807	\$23,686,181	\$29,512,527	-
Authorized Staffing Level	240	244	281	310

The 2006 operating budget increased \$6.9 million over the previous fiscal years. The General Assembly funded most of the increase in personnel costs by approving additional positions and appropriating \$1 million to address salary compression and starting salaries for forensic scientists. There was also an additional \$800,000 appropriated for the final payroll due to a change in the pay date approved by the Governor.

In 2006, there was also a \$900,000 transfer to the Virginia Institute for Forensic Science and Medicine. The Virginia Institute of Forensic Science and Medicine (Institute) is a not-for-profit corporation, which seeks to increase the supply of trained forensic scientists. The Institute did not receive state funds in 2004 or 2005.

Forensic Cases

Forensic Science provides examination and analysis of crime scene evidence in the following disciplines: DNA analysis, controlled substances, toxicology, trace evidence, firearms/tool marks, latent prints, blood pattern, video and audio imaging, and questioned documents. Consistent with the national trend, Forensic Science has experienced an increase in the demand for scientific evidence to support law enforcement cases. In 2006, Forensic Science received evidence for over 72,000 new cases. Since 2003, the number of new cases has increased 8 percent, primarily driven by increases in drug cases.

New Caseload by Type and Fiscal Year*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Drugs	40,935	45,042	45,188	46,320
Toxicology	8,665	9,026	9,263	9,668
Firearms	4,159	4,167	4,405	4,949
DNA	3,808	4,354	3,747	3,717
Other	<u>9,304</u>	<u>9,379</u>	<u>8,268</u>	<u>7,686</u>
Total Cases	<u>66,871</u>	<u>71,968</u>	<u>70,871</u>	<u>72,340</u>

*Source: Workload Summary Projects for the fiscal years 2003 through 2006 from the Forensic Advantage System

Forensic Science has historically not been able to keep up with the rising caseload, resulting in a backlog of cases. The following table shows the case statistics for the last four fiscal years. In 2006, the ending backlog of cases decreased by almost 25 percent over the prior year. Even so, the backlog has doubled and the average case turnaround time has increased 56 days, to an average of 99 days turnaround time since 2003.

Caseload Summary by Fiscal Year - All Case Types*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total Cases Including Beginning Backlog	73,007	79,075	87,424	92,400
Number of Cases Completed	65,895	62,522	67,353	77,143
Percentage of Cases Completed	90%	79%	77%	84%
Ending Backlog	7,107	16,553	20,060	15,257
Average Days in Process	43	61	100	99

*Includes all forensic cases, as well as training and laboratory support

*Source: Workload Summary from the Forensic Advantage System

As already discussed in this report, the General Assembly has taken steps to address the backlog issue and decrease processing time. Forensic Science received 37 additional positions in 2006 and additional funds to upgrade the pay of scientist positions to improve its ability to attract and retain qualified examiners. The General Assembly also authorized an additional 29 positions in 2007 bringing the maximum employment level to 310. In fiscal 2006, the General Assembly passed a law allowing any law enforcement officer to use the results of marijuana field tests in court. Forensic Science expects that this legislation together with other measures such as mandatory paid overtime and outsourcing will further reduce drug backlogs



Commonwealth of Virginia

Walter J. Kucharski, Auditor

Auditor of Public Accounts
P.O. Box 1295
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September 1, 2006

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 selected financial records and operations of the **Department of Forensic Science** 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 objective was to evaluate the accuracy of recorded financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the Department's internal controls, and test compliance with applicable laws and regulations.

AUDIT SCOPE AND METHODOLOGY

The Departments 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 cycles, classes of transactions, and account balances.

Expenditures including payroll
Small purchase charge card purchases
Appropriations

We performed audit tests to determine whether the Department'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, inspection of documents, records, and contracts, and observation of the Department's operations. We reviewed the appropriate sections of the Code of Virginia and the 2005 Virginia Acts of Assembly. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

CONCLUSIONS

We found that the Department properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System. The Department 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 certain matters involving internal control and its operation and compliance with applicable laws and regulations that require management's attention and corrective action. These matters are described in the special review entitled "Status of Security Measures" as of July 31, 2006.

EXIT CONFERENCE AND REPORT DISTRIBUTION

We discussed this report with management on December 20, 2006.

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

LCW:jab
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DEPARTMENT OF FORENSIC SCIENCE

Paul B. Ferrara, PhD
Director

BOARD MEMBERS

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