

Joint Legislative Audit and Review Commission

Annual Workplan

May 9, 2011

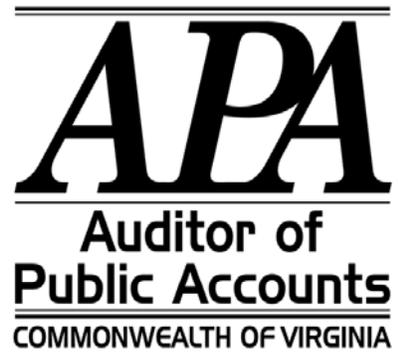


TABLE OF CONTENTS

	<u>Pages</u>
WORK PLAN	TAB 1
Summary of Proposed 2012 Work Plan	1
Special Projects	2-4
Agencies and Institutions	5-8
 SALARY SCALES	 TAB 2
Letter Requesting Approval of Salaries	9
Proposed Salary Scales	10

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED 2012 WORK PLAN**

SUMMARY OF PROPOSED 2012 ANNUAL WORK PLAN

SPECIAL PROJECTS	10,130
JUDICIAL BRANCH	1,100
EXECUTIVE DEPARTMENTS	
Executive Offices	900
Administration	700
Agriculture and Forestry	400
Commerce and Trade	3,955
Education	2,000
Education - Higher Education Institutions	36,425
Finance	16,730
Health and Human Services	9,290
Natural Resources	510
Public Safety	3,485
Technology	1,320
Transportation	6,155
Veterans Affairs and Homeland Security	560
INDEPENDENT AGENCIES	6,220
LOCAL GOVERNMENTS, CLERKS, AND COURTS	23,500
CYCLED AGENCIES	<u>4,000</u>
TOTAL WORK PLAN HOURS	<u><u>127,380</u></u>

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED 2012 WORK PLAN**

SPECIAL PROJECTS

Required by Legislation, Statute, or Appropriation Act

Maintaining Internet Database

Objectives: *The Auditor of Public Accounts shall compile and maintain on its Internet website a searchable database providing certain state expenditure, revenue, and demographic information as described in this subsection. The database shall be updated each year by October 15 to provide the information required in this subsection for the ten most recently ended fiscal years of the Commonwealth. (Section 30-133 of the Code of Virginia)* 2,525

Review of Performance Measures

Objectives: *To determine that state agencies are providing and reporting appropriate information on financial and performance measures, and to review the accuracy of the management systems used to accumulate and report the results. (Section 30-133B of the Code of Virginia)* 700

APA Annual Report

Objectives: *To describe the work performed by the Auditor of Public Accounts during the fiscal year, and the significant findings. (Section 30-133 of the Code of Virginia)* 40

MEI Project Approval Commission

Objectives: *Provide assistance to the Major Employment and Investment Project Approval Commission. (Section 30-311 of the Code of Virginia)* 100

Review of Enforcement of Local Ordinances

Objectives: *As requested by the General Assembly in the 2011 Budget, to determine the extent to which localities in the Commonwealth are establishing local ordinances that parallel state statute, and subsequently enforcing and collecting fines relating to these ordinances. We will examine the background behind localities having the authority to establish these ordinances, as well as study the process for determining where fines collections are directed when a local ordinance and state statute relate to the same offense.* 700

AUDITOR OF PUBLIC ACCOUNTS PROPOSED 2012 WORK PLAN

Study of Health Insurance Program

Objectives: *As requested by the General Assembly in the 2011 Budget, to perform a financial review of the state employee health insurance fund to include the rate setting process and projected expenses compared to actual expenses. We will determine whether the Commonwealth's rate setting process follows industry best practices and whether the Department of Human Resources Management adjustments to the vendor recommended rates were reasonable and appropriately vetted with Executive and Legislative staff. We will also examine projected to actual expense information and determine what events affected the desired reserve reduction.* 600

Department of Criminal Justice Services Analysis

Objectives: *As requested by the General Assembly in the 2011 Budget, to provide assistance to the Department of Criminal Justice Services in preparing an analysis of the current and project financial operations and the financial outlook for regional law enforcement training academies.* 80

Review Sales and Use Tax Collection and Distribution

Objectives: *In accordance with Section 30-133.2 of the Code of Virginia, we will perform a review of the collection and distribution of local retail sales and use taxes, including a review of Taxation's policies and procedures for the collection and distribution of local retail sales and use tax.* 400

Risk Based Analysis

VDOT Asset Management System

Objectives: *This review is the second part to the "Review of Transportation's Asset Management System and Maintenance Funding Practices" report that we issued in July 2010. The first report noted the Asset Management System (AMS) identifies the maintenance needs but Transportation is not using it to directly allocate and apply maintenance funding to the individual roads and bridges. Part II will perform detailed work on how the funding is used versus how AMS says it should be used. We will also review the performance measures Transportation follows for road maintenance. In addition, Transportation is getting ready to replace AMS. Our audit will strive to help ensure that the new system has the capabilities to track how maintenance funding is applied to the needs identified in the system.* 800

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED 2012 WORK PLAN**

Review of Data Standards

Objectives: *In 2008, the Appropriations Act Chapter 879 required the Commonwealth to adopt statewide data standards in areas such as financial, procurement, and accounts payable. Our audit will examine and report on the Commonwealth's status of implementing data standards in these areas. Specifically, we will determine whether agencies are adopting recently approved data standards and any impediments to their implementation. Further, we will examine data standard initiatives underway including VITA's process to identify candidate areas for standardization. Finally, we will examine VITA's Project Management Divisions role in enforcing adherence to newly adopted standards.* 350

Study of Social and Medical Systems

Objectives: *To study Social Service's strategic information systems planning process to determine if Social Services is communicating its information needs, identifying strategic opportunities, and developing a plan to address those information needs.* 1,000

Study of Costs for Operating Court System

Objectives: *To compile, analyze, and report financial data regarding the total costs to fund the district and circuit courts.* 150

Systems Development Projects

Objectives: *To monitor and report on the systems development process over major systems to determine the projects are on schedule, on budget, and provide required functionality. This includes systems development projects for the various departments, agencies, and higher education institutions.* 2,205

Statewide Report of Systems Security Findings

Objectives: *To provide periodic summary report of system security findings issued for agencies and higher education institutions.* 480

Total Special Projects 10,130

AUDITOR OF PUBLIC ACCOUNTS PROPOSED 2012 WORK PLAN

AGENCIES AND INSTITUTIONS

JUDICIAL BRANCH

Supreme Court ¹	800
Virginia Board of Bar Examiners	100
Virginia State Bar	200
Total Judicial Branch	1,100

EXECUTIVE DEPARTMENTS

Executive Offices

Governor, Lieutenant Governor, Cabinet Secretaries ²	400
Attorney General and Department of Law	500
Total Executive Offices	900

Administration

Department of General Services	250
Department of Human Resource Management	450
Total Administration	700

Agriculture and Forestry

Department of Agriculture and Consumer Services	400
Total Agriculture and Forestry	400

Commerce and Trade

Virginia Economic Development Partnership	370
Department of Business Assistance	300
Virginia Employment Commission	2,200
Department of Housing and Community Development	300
Department of Mines, Minerals, and Energy	200
Racing Commission	220
State Board of Accountancy	200
Virginia Tourism Authority	165
Total Commerce and Trade	3,955

Education

Department of Education	1,600
Virginia Biotechnology Research Park Authority	400
Virginia Community College System	4,330
Christopher Newport University	1,350
George Mason University	2,340
James Madison University	2,120
Longwood University	1,700
Norfolk State University	2,080
Old Dominion University	1,870
Radford University	1,540
The College of William and Mary	2,665
University of Mary Washington	1,450
University of Virginia	3,300
University of Virginia Medical Center	2,400

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED 2012 WORK PLAN**

Education continued:

Virginia Commonwealth University	2,750
Virginia Military Institute	1,440
Virginia Polytechnic Institute and State University	3,165
Virginia School for the Deaf and Blind	225
Virginia State University	1,700
	38,425
Total Education	38,425

Finance

Report on Secretary of Finance Agencies	200
Department of Accounts/CAFR	7,995
Statewide Single Audit Report	1,550
Department of the Treasury ³	2,630
Department of Planning and Budget/Appropriations	620
Department of Taxation	3,575
Revenue Stabilization Fund	160
	16,730
Total Finance	16,730

Health and Human Resources

Report on Secretary of Health and Human Resources Agencies ⁴	400
Department for the Aging	200
Department of Behavioral Health and Developmental Services	1,460
Department of Health	1,320
Department of Medical Assistance Services	2,200
Department Of Rehabilitative Services	860
Department of Social Services	2,850
	9,290
Total Health and Human Resources	9,290

Natural Resources

Department of Environmental Quality	120
Department of Game and Inland Fisheries	310
Potomac River Fisheries Commission	80
	510
Total Natural Resources	510

Public Safety

Department of Alcoholic Beverage Control	1,360
Department of Corrections	1,375
Department of Emergency Management	290
Department of Fire Programs	240
Department of Military Affairs	220
	3,485
Total Public Safety	3,485

Technology

Virginia Information Technology Agency	920
Innovative Technology Authority/Center for Innovative Technology	400
	1,320
Total Technology	1,320

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED 2012 WORK PLAN**

Transportation

Commonwealth Transportation Fund ⁵	5,395
Virginia Port Authority	760
Total Transportation	6,155

Veterans Affairs and Homeland Security

Veterans Services ⁶	560
Total Veterans Affairs and Homeland Security	560

INDEPENDENT AGENCIES

Assistive Technology Loan Fund Authority	120
State Corporation Commission	300
State Lottery Department	1,350
Tobacco Indemnification and Community Revitalization Commission	270
Virginia College Savings Plan	1,075
Virginia Commercial Space Flight Authority	200
Virginia National Defense Industrial Authority	100
Virginia Retirement System	2,200
Virginia Small Business Financing Authority	240
Virginia Foundation for Healthy Youth	200
Wireless E-911 Service Board	165
Total Independent Agencies	6,220

LOCAL GOVERNMENTS, CLERKS, AND COURTS

State Accounts (135)	4,100
Judicial Entities: Circuit Courts (122), District Courts (206), General Receivers (15)	16,800
Comparative Report and Quality Reviews	2,600
Total Local Governments, Clerks, and Courts	23,500

CYCLED AGENCIES - See agencies listed below ⁷ 4,000

TOTAL WORK PLAN HOURS - EXCLUDING SPECIAL PROJECTS 117,250

NOTES:

¹ *Supreme Court* includes the Office of the Executive Secretary of the Supreme Court, the Clerk of the Supreme Court, the Clerk of the Court of Appeals, and the Judicial Inquiry and Review Commission.

² *Office of the Governor* includes the Office of the Lieutenant Governor, Cabinet Secretaries, and Selected Agency Support Services, which include the Secretary of the Commonwealth, Interstate Organization Contributions, Virginia-Israeli Advisory Board, Office for Substance Abuse Prevention, Citizens Advisory Committee and Office of Commonwealth Preparedness.

³ *Department of the Treasury* includes the Virginia Public Building Authority, Virginia Public School Authority, Virginia College Building Authority and the Local Government Investment Pool.

⁴ *Report on Secretary of Health and Human Resources Agencies* includes the Departments for the Blind and Vision Impaired, for the Deaf and Hard-of-Hearing, of Health Professions, and the Board for People with Disabilities as well as the agencies listed above.

⁵ *Commonwealth Transportation Fund* includes the Departments of Transportation, Motor Vehicles, Rail and Public Transportation, and Aviation, and the Motor Vehicle Dealer Board.

AUDITOR OF PUBLIC ACCOUNTS PROPOSED 2012 WORK PLAN

NOTES Continued:

⁶ *Veterans Services* includes the Department of Veterans Services, Veterans Services Foundation, and the Virginia War Memorial Foundation.

⁷ The following agencies would be subject to audit testing when identified using risk assessment tools and the results of prior audits. We would audit these agencies on a two to three year cyclical basis.

A.L. Philpott Center	Human Rights Council
Commonwealth Health Research Fund	Indigent Defense Commission
Commonwealth's Attorneys' Services Council	Jamestown-Yorktown Foundation
Compensation Board	Library of Virginia
Department of Conservation and Recreation	Marine Resources Commission
Department of Correctional Education	Milk Commission
Department of Criminal Justice Services	New College Institute
Department of Employment Dispute Resolution	Rappahannock River Basin Commission
Department of Forensic Science	Roanoke River Basin Commission
Department of Forestry	Science Museum of Virginia
Department of Health Professions	Southern Virginia Higher Education Center
Department of Historic Resources	Southwest Virginia Higher Education Center
Department of Juvenile Justice	State Board of Elections
Department of Labor and Industry	State Council for Higher Education in Virginia
Department of Mines, Minerals, and Energy	Virginia Commission for the Arts
Department of Minority Business Enterprise	Virginia Criminal Sentencing Commission
Department of Professional and Occupational Regulation	Virginia Museum of Fine Arts
Department of State Police	Virginia Museum of Natural History
Gunston Hall	Virginia Office for Protection and Advocacy
Frontier Culture Museum of Virginia	Workers Compensation Commission



COMMONWEALTH of VIRGINIA

Auditor of Public Accounts

WALTER J. KUCHARSKI
AUDITOR

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RICHMOND, VIRGINIA 23218
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May 9, 2011

Members, Joint Legislative Audit and Review Commission
General Assembly Building
Capitol Square
Richmond, Virginia 23219

Gentlemen:

Pursuant to Sections 2.2-2901 and 30-132 of the Code of Virginia, the Commission establishes the scales of pay and number of positions for this Office. The Commission last established the scales and positions on May 12, 2008. In accordance with Item 469 T.2. of the 2011 Appropriation Act, we request that our base salaries be increased by five percent effective on June 25, 2011, as shown on the proposed salary scales. This will cover the employees' mandated member contributions to the Virginia Retirement System.

While we do not anticipate exceeding the authorized number of positions, the foregoing is subject to the usual understanding that this Office retains the flexibility to staff in excess of the authorized number of positions so long as the costs remain within our appropriation.

Sincerely,

A handwritten signature in black ink that reads "Walter J. Kucharski".

Walter J. Kucharski
Auditor of Public Accounts

**COMMONWEALTH OF VIRGINIA
AUDITOR OF PUBLIC ACCOUNTS**

PROPOSED SALARY SCALES

AUDIT AND AUDIT SUPPORT

Position	Number of Positions		Present Scale	Proposed Scale
	2011	2012		Effective June 25, 2011
Deputy Auditor	1	1	\$85,196 - \$147,032	\$89,456 - \$154,384
Project Leader	14	14	65,220 - 135,884	68,481 - 142,678
Auditor	88	88	43,686 - 87,709	45,870 - 92,095
Staff	<u>27</u>	<u>27</u>	26,874 - 58,756	28,218 - 61,693
Total	<u>130</u>	<u>130</u>		