



JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION

QUARTERLY REPORT SUMMARY JULY 1, 2014 THROUGH SEPTEMBER 30, 2014

Auditor of Public Accounts
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QUARTERLY REPORT SUMMARY - JULY 1, 2014, TO SEPTEMBER 30, 2014

Audit Activities

The [Summary of Reports Issued](#) section at the end of this report lists all reports issued by the Auditor of Public Accounts during the period July 1, 2014, to September 30, 2014. Below are highlights from select reports issued during the period. All reports listed in this document are available at our website at http://www.apa.virginia.gov/APA_Reports/Reports.aspx.

Norfolk State University

During our audit of [Norfolk State University](#) for the fiscal year ended June 30, 2012, we identified seven findings we consider material weaknesses in internal control, five findings we consider significant deficiencies in internal control, and three instances of noncompliance with federal grant requirements. Due to timing of the 2012 audit, we identified many of the issues disclosed in the report as part of our fiscal year 2011 audit issued during September 2013. The current audit report discloses specific lapses in control during fiscal year 2012, as well as the status of the institution's corrective action plan for the findings previously disclosed. Specific findings included in our report relate to deficiencies in financial reporting policies and processes, maintenance of appropriate supporting documentation, reconciliation of accounts, capital asset management, and grants management.

Virginia Community College System

During our audit of the [Virginia Community College System](#) for the fiscal year ended June 30, 2013, we identified various internal control and compliance deficiencies across six community colleges and the central office. These recommendations address problems in assigning, segregating, and maintaining access to various systems, along with deficiencies in other business processes including human resources, payroll, contract management, capital asset and capital project management, and student financial aid. Below is a summary of the internal control and compliance areas where findings were issued at multiple community colleges.

Control and/or Compliance Area	Number of Community Colleges
Federal Student Financial Aid	6
Systems Access	6
Employee Separation Procedures	4
Leave Tracking and Reporting	4
Payroll Changes and Record Keeping	3
Certification of Payroll	2
VNAV and CIPPS Reconciliations	2

Other Reports

We issued the [Department of Business Assistance](#) and [Department of Minority Business Enterprise](#) reports during the quarter. Effective January 1, 2014, these agencies were merged to create the Department of Small Business and Supplier Diversity. Both reports contained internal control findings and recommendations including those related to purchasing and voucher processing, small purchase charge cards, oversight of travel, policies and procedures for terminated employees, and compliance with Commonwealth procurement guidelines. Management of the newly created Department should review and evaluate the audit findings and recommendations outlined in our report for the purposes of developing adequate policies and procedures and internal controls for the new agency.

Other Activities

APA Leadership Institute

During the quarter we held the APA Leadership Institute, which is an internal training program that we conduct every other year to develop future leaders of the APA. Staff must submit an application and, if selected for further consideration, participate in an interview process to be accepted to the Institute. Sessions included topics on strength based leadership, JLARC, and report writing and activities such as case studies, impromptu speaking, role-play scenarios, and discussions of leadership challenges.

Participation with State, Local, and Other Groups

In addition to our audit activities, we participate in other activities to assist in our mission to improve accountability and financial management in the Commonwealth. During the quarter we participated in the activities of various state, local, and other groups including providing information on a variety of topics and attending events as highlighted below.

Group	Presentation / Training Topic
Virginia Government Finance Officers' Association	Presentation on an auditor's perspective of the impact of new Governmental Accounting Standards Board pension accounting standards
APA Comparative Report Transmittal Training	Provided training to firms auditing Virginia local governments and local government accounting staff on the process for submitting financial information to the APA for the <i>Comparative Report of Local Government Revenues and Expenditures</i> .

SUMMARY OF REPORTS ISSUED

The following reports on audit were released by this Office during the period July 1, 2014 to September 30, 2014. Those reports which included findings in the area of internal controls or compliance are indicated by an (*) asterisk.

Independent Agencies

- Virginia Lottery “Decades for Dollars” Report on Applying Agreed-Upon Procedures for the period April 2013 through March 2014
- Virginia Lottery “Mega Millions” Report on Applying Agreed-Upon Procedures for the period April 2013 through March 2014
- Virginia Lottery “Megaplier” Report on Applying Agreed-Upon Procedures for the period April 2013 through March 2014
- Virginia Lottery “Power Play” Report on Applying Agreed-Upon Procedures for the period April 2013 through March 2014
- Virginia Lottery “Powerball” Report on Applying Agreed-Upon Procedures for the period April 2013 through March 2014
- Virginia Lottery “Win for Life” Report on Applying Agreed-Upon Procedures for the period April 2013 through March 2014
- Virginia Lottery for the year ended June 30, 2014*

Executive Departments

Administration

- Department of Minority Business Enterprise for the period July 1, 2011, through December 31, 2013*

Agriculture and Forestry

- Virginia Department of Agriculture and Consumer Services, and Virginia Agricultural Council for the years ended June 30, 2012, and 2013*

Commerce and Trade

- Department of Business Assistance for the period July 1, 2010, through December 31, 2013*

Colleges and Universities

- Norfolk State University for the year ended June 30, 2012*
- University of Mary Washington for the fiscal year ended June 30, 2013
- Virginia Community College System for the year ended June 30, 2013*

Special Reports

Report to the Joint Legislative Audit and Review Commission for the quarter April 1, 2014, through June 30, 2014*

Clerks of the Circuit Courts

Cities:

City of Danville – April 1, 2012, through March 31, 2014*

Counties:

County of Appomattox – October 1, 2012, through March 31, 2014*

County of Arlington - July 1, 2013, through June 30, 2014

County of Pittsylvania – July 1, 2012, through March 31, 2014

County of Shenandoah – April 1, 2013, through June 30, 2014*

State Accounts (For the year ended June 30, 2014)

Cities:

City of Alexandria

City of Emporia

City of Falls Church

City of Falls Church (Turnover) as of July 16, 2014

City of Franklin

City of Hopewell

City of Lexington

City of Manassas Park

City of Portsmouth

City of Suffolk

Counties:

County of Arlington

County of Arlington (Turnover) as of July 3, 2014

County of Bland

County of Essex

County of Essex

County of Fauquier

County of Franklin

County of Giles

County of Greensville

County of Henry

County of Henry

County of Isle of Wight

County of Loudoun

County of Middlesex
County of Nelson
County of Northampton
County of Northampton
County of Rappahannock
County of Rappahannock
County of Rockingham
County of Russell
County of Shenandoah
County of Warren
County of Westmoreland (Turnover) – May 31, 2014

Magistrates

Cities:

City of Charlottesville – July 1, 2012, through June 30, 2013
City of Chesapeake – July 1, 2012, through October 31, 2013
City of Lynchburg – July 1, 2012, through October 31, 2013
City of Richmond - July 1, 2012, through October 31, 2013
City of Roanoke – July 1, 2012, through October 31, 2013
City of Suffolk – July 1, 2012, through October 31, 2013

Counties:

Counties of Accomack and Northampton – July 1, 2012, through October 31, 2013
County of Alleghany – July 1, 2012, through October 31, 2013
County of Amherst – July 1, 2012, through October 31, 2013
County of Botetourt – July 1, 2012, through October 31, 2013
County of Buchanan – July 1, 2012, through October 31, 2013
County of Buckingham - July 1, 2012, through October 31, 2013
County of Campbell – July 1, 2012, through October 31, 2013
County of Chesterfield – July 1, 2012, through October 31, 2013*
County of Culpeper – July 1, 2012, through October 31, 2013
County of Cumberland – July 1, 2012, through October 31, 2013
County of Dickenson – July 1, 2012, through October 31, 2013
County of Fairfax – July 1, 2012, through October 31, 2013
County of Franklin – July 1, 2012, through June 30, 2013*
County of Hanover – July 1, 2012, through October 31, 2013
County of Henrico – July 1, 2012, through October 31, 2013
County of Lee – July 1, 2012, through October 31, 2013
County of Lunenburg – July 1, 2012, through October 31, 2013
County of New Kent – July 1, 2012, through October 31, 2013
County of Prince William – July 1, 2012, through October 31, 2013
County of Russell – July 1, 2012, through October 31, 2013
County of Washington – July 1, 2012, through October 31, 2013

County of Wise – July 1, 2012, through October 31, 2013
County of Wythe – July 1, 2012, through October 31, 2013

Juvenile and Domestic Relations Courts

Cities:

City of Bristol – July 1, 2012, through June 30, 2013
City of Charlottesville – July 1, 2012, through June 30, 2013
City of Chesapeake – July 1, 2012, through June 30, 2013
City of Hampton – July 1, 2012, through June 30, 2013*
City of Lynchburg – July 1, 2012, through June 30, 2013*
City of Petersburg – July 1, 2012, through June 30, 2013*
City of Roanoke – July 1, 2012, through October 31, 2013*
City of Suffolk – July 1, 2012, through June 30, 2013*
City of Williamsburg/James City County – July 1, 2012, through June 30, 2013

Counties:

County of Accomack – July 1, 2012, through June 30, 2013
County of Albemarle – July 1, 2012, through June 30, 2013*
County of Amherst – July 1, 2012, through June 30, 2013
County of Caroline – July 1, 2012, through June 30, 2013*
County of Franklin – July 1, 2012, through June 30, 2013
County of Hanover – July 1, 2012, through June 30, 2013
County of Lancaster – July 1, 2012, through June 30, 2013
County of Louisa – July 1, 2012, through June 30, 2013
County of Middlesex – July 1, 2012, through June 30, 2013
County of New Kent – July 1, 2012, through June 30, 2013
County of Northampton – July 1, 2012, through June 30, 2013
County of Northumberland – July 1, 2012, through June 30, 2013
County of Patrick – July 1, 2012, through June 30, 2013
County of Prince William – July 1, 2012, through June 30, 2013
County of Stafford – July 1, 2012, through June 30, 2013
County of Tazewell – July 1, 2012, through June 30, 2013
County of Washington – July 1, 2012, through June 30, 2013
County of Westmoreland – July 1, 2012, through June 30, 2013*
County of York – July 1, 2012, through June 30, 2013

General District Courts

Cities:

City of Charlottesville – July 1, 2012, through June 30, 2013
City of Chesapeake – July 1, 2012, through June 30, 2013*
City of Fredericksburg – July 1, 2012, through June 30, 2013
City of Lynchburg – July 1, 2012, through June 30, 2013*

City of Richmond - Criminal Division - July 1, 2012, through June 30, 2013
City of Richmond – Manchester Division – July 1, 2012, through June 30, 2013*
City of Roanoke – July 1, 2012, through June 30, 2013*
City of Suffolk – July 1, 2012, through June 30, 2013*
City of Williamsburg/County of James City – July 1, 2012, through June 30, 2013

Counties:

County of Accomack – July 1, 2012, through June 30, 2013
County of Albemarle – July 1, 2012, through June 30, 2013
County of Amherst – July 1, 2012, through June 30, 2013
County of Caroline - July 1, 2012, through June 30, 2013
County of Chesterfield – July 1, 2012, through June 30, 2013
County of Clarke – July 1, 2012, through June 30, 2013*
County of Fairfax – July 1, 2012, through June 30, 2013*
County of Franklin – July 1, 2012, through June 30, 2013
County of Gloucester – July 1, 2012, through June 30, 2013
County of Hanover – July 1, 2012, through June 30, 2013
County of Henrico – July 1, 2012, through June 30, 2013
County of Lancaster – July 1, 2012, through June 30, 2013
County of Louisa – July 1, 2012, through June 30, 2013
County of New Kent – July 1, 2012, through June 30, 2013
County of Northampton – July 1, 2012, through June 30, 2013
County of Northumberland – July 1, 2012, through June 30, 2013
County of Patrick – July 1, 2012, through June 30, 2013
County of Prince William – July 1, 2012, through June 30, 2013*
County of Richmond (Traffic Division) – July 1, 2012, through June 30, 2013*
County of Spotsylvania – July 1, 2012, through June 30, 2013*
County of Stafford – July 1, 2012, through June 30, 2013
County of Washington – July 1, 2012, through June 30, 2013
County of Westmoreland – July 1, 2012, through June 30, 2013
County of Wise – July 1, 2012, through June 30, 2013*
County of Wythe – July 1, 2012, through June 30, 2013

Combined District Courts

Cities:

City of Falls Church – July 1, 2012, through June 30, 2014*
City of Galax – July 1, 2012, through June 30, 2013

Counties:

County of Amelia – July 1, 2012, through June 30, 2013
County of Bland – July 1, 2012, through June 30, 2013
County of Botetourt – July 1, 2012, through June 30, 2013
County of Brunswick - July 1, 2012, through June 30, 2013

County of Buchanan – July 1, 2012, through June 30, 2013
County of Buckingham – July 1, 2012, through June 30, 2013*
County of Cumberland – July 1, 2012, through June 30, 2013*
County of Dickenson – July 1, 2012, through June 30, 2013
County of Essex – July 1, 2012, through June 30, 2013
County of Giles – July 1, 2012, through June 30, 2013
County of Goochland – July 1, 2012, through June 30, 2013*
County of King George - July 1, 2012, through June 30, 2013
County of Lee – July 1, 2012, through June 30, 2013
County of Nottoway – July 1, 2012, through June 30, 2013
County of Powhatan – July 1, 2012, through June 30, 2013
County of Richmond – July 1, 2012, through June 30, 2013
County of Russell – July 1, 2012, through June 30, 2013
County of Sussex – July 1, 2012, through June 30, 2013*

*Denotes management control finding