



2015 Work Plan

Presented to the
Joint Legislative Audit
and Review Commission

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Auditor of Public Accounts
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SUMMARY OF PROPOSED 2015 ANNUAL WORK PLAN

Project Area	Budget
Special Projects	10,355
Judicial Branch	325
Executive Departments	85,320
Executive Offices	1,175
Administration	1,285
Agriculture and Forestry	600
Commerce and Trade	3,710
Education	1,815
Education – Higher Education Institutions	38,815
Finance	15,545
Health and Human Services	10,575
Natural Resources	80
Public Safety	4,015
Technology	1,400
Transportation	5,605
Veterans Affairs and Homeland Security	700
Independent Agencies	7,495
Local Governments, Clerks, and Courts	20,600
Cycled Agencies	4,000
Total Work Plan Hours	128,095

SPECIAL PROJECTS PROPOSED BUDGET

Required by Legislation, Statute, or Appropriation Act

Project Area	Objectives	Reference	Budget
Maintaining Commonwealth Data Point	<ul style="list-style-type: none"> • Compile and maintain a searchable database on the Auditor of Public Accounts Internet website. • Include certain state expenditure, revenue, and demographic information in the database as specified in the <u>Code of Virginia</u>. • Update database annually by October 15th for the 10 most recently ended fiscal years of the Commonwealth. 	Section 30-133 of the <u>Code of Virginia</u>	2,200
Review of Performance Measures	<ul style="list-style-type: none"> • Determine that state agencies are providing and reporting appropriate information on financial and performance measures. • Review the accuracy of the management systems used to accumulate and report the results. 	Section 30-133B of the <u>Code of Virginia</u>	700
APA Annual Report	<ul style="list-style-type: none"> • Describe the work performed by the Auditor of Public Accounts during the fiscal year, and the significant findings. 	Section 30-133 of the <u>Code of Virginia</u>	100
MEI Project Approval Commission	<ul style="list-style-type: none"> • Assist the Major Employment and Investment Project Approval Commission. 	Section 30-311 of the <u>Code of Virginia</u>	100
Capital Projects Cash Flow Requirements	<ul style="list-style-type: none"> • Report annually to the Governor, Speaker of the House of Delegates, President Pro-Tempore of the State Senate, and the Chairmen of the House Appropriations and Senate Finance Committees on the adherence to the cash flow requirements for each capital project and any deviation in project appropriation and allotment, which results in a project delay. 	Chapter 806 of the 2013 Acts of the Assembly, Item C-39.40 – A.12	300

SPECIAL PROJECTS PROPOSED BUDGET

Risk-Based Analysis

Project Title	Objectives	Budget
Comparative Report for Higher Education	<ul style="list-style-type: none"> Provide financial comparison and analysis of the various public institutions of higher education in Virginia, considering the size and type of institution, and utilizing techniques such as ratio analysis to further analyze and compare financial information. Transition this information into an annual report to aid decision makers and improve transparency and comparability for citizen-users of financial information. 	300
State of Information Security in the Commonwealth of Virginia	<ul style="list-style-type: none"> Provide periodic summary report of system security findings issued for agencies and higher education institutions. 	240
Progress Report on Selected Systems Development Projects in the Commonwealth	<ul style="list-style-type: none"> Provide a periodic summary report of ongoing monitoring activities over the systems development process for major systems to determine the projects are on schedule, on budget, and provide required functionality. This report will include systems development projects for the various departments, agencies, and higher education institutions. 	1,115
Review of the Commonwealth's Cardinal System Implementation and its Oversight	<ul style="list-style-type: none"> Assess the Cardinal team's progress addressing internal control items identified during a post implementation audit of the system. Review the operational governance structure supporting the Cardinal system against best practices. 	600
Statewide Review of Voyager Fuel Card Program	<ul style="list-style-type: none"> Review and analyze the use of the Voyager Gas Cards, including the Office of Fleet Management Services (OFMS), agency owned vehicles, and Enterprise rentals. Perform an analysis of fuel card expenses to ensure compliance with OFMS Fuel Program Procedures. Determine what controls are in place to ensure that fuel cards are used only for appropriate and reasonable purchases. 	650

SPECIAL PROJECTS PROPOSED BUDGET

Risk-Based Analysis, continued

Project Title	Objectives	Budget
Review for Potential Improper Benefit Payments	<ul style="list-style-type: none"> • Determine controls currently in place for various benefit programs to prevent improper payments. • Determine any legislative restrictions limiting agencies from performing analyses to identify improper payments. • Perform data matches to identify improper payments in various benefit programs. 	300
Review of Non-General Fund Budgeting Process	<ul style="list-style-type: none"> • Gain an understanding of non-general fund revenue forecasting, budget development, and budget execution for agency operating budgets, including the challenges of budgeting for non-general funds. Our initial focus will be on the budgeting processes over federal funds and special revenue funds. • Determine whether the Department of Planning and Budget is meeting its statutory requirements to verify the accuracy and reasonableness of agencies' non-general fund operating budget estimates. • Identify opportunities and techniques to improve the non-general fund forecasting, budget development, and budget execution processes in order to produce more accurate and transparent non-general fund operating budgets. 	750
Study of Accountability and Oversight of Independent Government-like Organizations	<ul style="list-style-type: none"> • Identify organizations without sufficient oversight (i.e. accountability ends with the membership of their independent boards) and the governance structure supporting them. • Evaluate whether additional oversight and public reporting is warranted. 	700

SPECIAL PROJECTS PROPOSED BUDGET

Risk-Based Analysis, continued

Project Title	Objectives	Budget
Statewide Review of Vehicle Usage	<ul style="list-style-type: none"> Investigate the current policies and procedures used for selecting a state vehicle for agencies or agency personnel. Examine whether the proper vehicle is being selected for the intended user, if the vehicle is being used efficiently and effectively by the user, and if not, if a different vehicle had been chosen would that vehicle have better served the user. 	600
Review of Integration Challenges between Virginia's Procurement and Financial Systems	<ul style="list-style-type: none"> Examine eVA functionality and its usage by agencies, assess integration concerns, and evaluate the ease of use and auditability of transactions from procurement through payment. Report on the Commonwealth's efforts to integrate eVA into the new financial accounting system Cardinal. 	800
Review of Independent Financial Systems and Recommendations of Future Cardinal Functionality	<ul style="list-style-type: none"> Determine which agencies have independent financial systems and identify functionality needs that justify having the independent system. Assess how much is spent annually maintaining independent financial systems. Assess the age of central systems, expected remaining life, and estimated cost to replace. Recommend a prioritized list of future Cardinal functionality enhancements that addresses agency needs and aging central systems. 	900
Total Hours – Special Projects:		10,355

AGENCIES AND INSTITUTIONS PROPOSED BUDGET

By Branch and Secretariat

Judicial Branch	
<i>Financial related audits of these agencies ensure the adherence to state laws and regulations and proper recording, internal controls, and management of funds.</i>	
Local Fines and Fees Reversion Calculation	25
Virginia Board of Bar Examiners	100
Virginia State Bar	200
Total	325
Executive Departments	
<u>Executive Offices</u>	
<i>Financial related audits of these agencies ensure the adherence to state laws and regulations and proper recording, internal controls, and management of funds to support the executive management of the Commonwealth. The audit of the Attorney General and Department of Law will also support the Statewide Single Audit of federal funds. 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-Israel Advisory Board, and Citizens Advisory Council.</i>	
Attorney General and Department of Law	725
Governor, Lieutenant Governor, Cabinet Secretaries	<u>450</u>
Subtotal	1,175
<u>Administration</u>	
<i>Financial related audits of these agencies ensure the adherence to state laws and regulations and proper recording, internal controls, and management of funds to support central service agency operations.</i>	
Department of General Services	1,010
Department of Human Resource Management	<u>275</u>
Subtotal	1,285
<u>Agriculture and Forestry</u>	
<i>This financial related audit ensures the adherence to state laws and regulations and proper recording, internal controls, and management of funds to support agricultural and consumer protection programs. It also includes the operations of the 16 commodity boards.</i>	
Department of Agriculture and Consumer Services	<u>600</u>
Subtotal	600

AGENCIES AND INSTITUTIONS PROPOSED BUDGET

Executive Departments, continued

Commerce and Trade

The audit of the Virginia Employment Commission supports the Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit of federal funds. Financial statement audits of the State Board of Accountancy and Virginia Economic Development Partnership satisfy various Code of Virginia requirements. Financial related audits of the remaining agencies also satisfy various Code of Virginia requirements and ensure the adherence to laws and regulations and proper recording, internal controls, and management of funds to support commerce and trade programs.

Department of Housing and Community Development (Urban-Private Partnership Redevelopment Fund and Virginia Removal or Rehabilitation of Derelict Structures Fund)	50
State Board of Accountancy	200
Virginia Economic Development Partnership	400
Virginia Employment Commission	2,550
Virginia Racing Commission	250
Virginia Tourism Authority	<u>260</u>
Subtotal	3,710

Education

The financial related audits of the Department of Education and Opportunity Educational Institution ensures the adherence to laws and regulations, and proper recording, internal controls, and management of funds. The audit of the Department of Education also supports the CAFR audit. A financial statement audit of the Virginia Biotechnology Research Partnership Authority satisfies Code of Virginia audit requirements.

Department of Education	1,065
Opportunity Educational Institution	200
Virginia Biotechnology Research Partnership Authority	<u>550</u>
Subtotal	1,815

Education – Higher Education Institutions

Financial statement audits of the two and four-year institutions of higher education satisfy bond and reaccreditation requirements. These audits also support the Statewide Single Audit of federal funds on a cycled basis.

Christopher Newport University	1,390
George Mason University	1,900
James Madison University	2,000
Longwood University	1,850
Norfolk State University	2,270
Old Dominion University	2,010
Radford University	1,735
The College of William and Mary	2,780
University of Mary Washington	1,450

AGENCIES AND INSTITUTIONS PROPOSED BUDGET

Executive Departments, continued	
<u>Education – Higher Education Institutions, continued</u>	
University of Virginia	3,495
University of Virginia Medical Center	2,150
Virginia Commonwealth University	3,035
Virginia Community College System	5,890
Virginia Military Institute	1,700
Virginia Polytechnic Institute and State University	3,400
Virginia State University	<u>1,760</u>
Subtotal	38,815
<u>Finance and Statewide Single Audit</u>	
<i>Audits of the Finance agencies support the CAFR; Statewide Single Audit of federal funds; and the debt management, investing, budgeting, and revenue collection functions of the Commonwealth. Department of the Treasury includes the Virginia Public Building Authority, Virginia Public School Authority, Virginia College Building Authority, and the Local Government Investment Pool.</i>	
Department of Accounts/CAFR	7,155
Department of Planning and Budget/Appropriations	550
Department of Taxation	3,300
Department of the Treasury	3,340
Report on Secretary of Finance Agencies	100
Revenue Stabilization Fund	200
Statewide Single Audit Report	<u>900</u>
Subtotal	15,545
<u>Health and Human Resources</u>	
<i>Audits of the HHR agencies support the Statewide Single Audit of federal funds and CAFR. In addition to the agencies listed below, the report of the Agencies of the Secretary of Health and Human Resources includes the Office of Comprehensive Services for At-Risk Youth and Families. The hours for the Office of Comprehensive Services for At-Risk Youth and Families are included within the Department of Education since it serves as the fiscal agent for this program.</i>	
Department of Aging and Rehabilitative Services	800
Department of Behavioral Health and Developmental Services	1,220
Department of Health	1,955
Department of Medical Assistance Services	2,600
Department of Social Services	2,900
Report on Secretary of Health and Human Resources Agencies	<u>1,100</u>
Subtotal	10,575

AGENCIES AND INSTITUTIONS PROPOSED BUDGET

Executive Departments, continued	
<u>Natural Resources</u>	
<i>This financial related audit ensures the adherence to laws and regulations and proper recording, internal controls, and management of funds.</i>	
Potomac River Fisheries Commission	<u>80</u>
Subtotal	80
<u>Public Safety and Homeland Security</u>	
<i>Financial related audits of these agencies ensure the adherence to state laws and regulations and proper recording, internal controls, and management of funds to support the public safety programs at each agency. The audits of the Departments of Emergency Management and Military Affairs also support the Statewide Single Audit of federal funds. Finally, the financial statement audit of the Department of Alcoholic Beverage Controls supports the CAFR audit and satisfies various legislative requirements.</i>	
Department of Alcoholic Beverage Control	1,515
Department of Corrections	1,500
Department of Emergency Management	700
Department of Military Affairs	<u>300</u>
Subtotal	4,015
<u>Technology</u>	
<i>The financial related audit of VITA ensures adherence to state and federal laws and regulations and proper recording, internal controls, and management of funds to support information technology related programs of the Commonwealth. The financial statement audit of IEIA/CIT satisfies bond and <u>Code of Virginia</u> requirements.</i>	
Innovation and Entrepreneurship Investment Authority/Center for Innovative Technology	400
Virginia Information Technology Agency	<u>1,000</u>
Subtotal	1,400
<u>Transportation</u>	
<i>Financial related audits of these agencies support the CAFR audit and ensure adherence to laws and regulations and proper recording, internal controls and management of funds to support statewide transportation programs. The audit of the Department of Transportation also supports the Statewide Single Audit of federal funds. The results of these audits are included in the Report on the Secretary of Transportation Agencies.</i>	
Department of Aviation	200
Department of Motor Vehicles	1,225
Department of Rail and Public Transportation	415
Department of Transportation	3,520
Motor Vehicle Dealer Board	45
Report on Secretary of Transportation Agencies	<u>200</u>
Subtotal	5,605

AGENCIES AND INSTITUTIONS PROPOSED BUDGET

Executive Departments, continued**Veterans and Defense Affairs**

This financial related audit ensures the adherence to laws and regulations and proper recording, internal controls, and management of funds and covers both the Department of Veterans Services and the Veterans Services Foundation.

Veterans Services	700
Subtotal	700

Total	85,320
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Independent Agencies

Financial statement and financial related audits of these agencies support the CAFR audit, ensure adherence to state laws and regulations and proper internal controls, and satisfy various legislative requirements.

Assistive Technology Loan Fund Authority	150
State Corporation Commission	700
State Lottery Department	1,650
Tobacco Indemnification and Community Revitalization Commission	300
Virginia College Savings Plan	1,150
Virginia Foundation for Healthy Youth	180
Virginia Healthy Workforce Development Authority	100
Virginia Retirement System	2,725
Virginia Small Business Financing Authority	340
Wireless E-911 Service Board	200

Total	7,495
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LOCAL GOVERNMENTS, CLERKS, AND COURTS

The Comparative Report summarizes local government revenues and expenditures. Quality reviews are performed for selected local government audits submitted to the Auditor of Public Accounts. Compliance audits of judicial entities and constitutional officers ensure adherence to state laws and regulations and accountability for state funds.

Comparative Report and Quality Reviews	2,600
State Accounts (132)	4,300
Judicial Entities: Circuit Courts (114), District Courts (209), General Receivers (9)	13,700

Total	20,600
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AGENCIES AND INSTITUTIONS PROPOSED BUDGET

CYCLED AGENCIES

The following agencies are subject to audit testing when identified using various risk assessment tools and the results of prior audits. We audit these agencies on a one, two, or three-year cyclical basis considering the identified risk. Financial related audits of these agencies ensure adherence to laws and regulations and proper recording, internal controls, and management of funds for the programs they administer.

Cycled Agencies	4,000
A. L. Philpott Center	Department of State Police
Commonwealth Health Research Board	Department of the Treasury
Commonwealth's Attorney's Services Council	Frontier Culture Museum of Virginia
Compensation Board	Gunston Hall
Department for Aging and Rehabilitative Services	Indigent Defense Commission
Department for the Blind and Vision Impaired	Jamestown-Yorktown Foundation
Department for the Deaf and Hard-of-Hearing	Marine Resources Commission
Department of Accounts	New College Institute
Department of Criminal Justice Services	Office of State Inspector General
Department of Environmental Quality	Rappahannock River Basin Commission
Department of Fire Programs	Roanoke River Basin Commission
Department of Forensic Science	Southern Virginia Higher Education Center
Department of Forestry	Southwest Virginia Higher Education Center
Department of Health Professions	State Board of Elections
Department of Historic Resources	State Council of Higher Education for Virginia
Department of Housing and Community Development	Supreme Court of Virginia
Department of Human Resource Management	The Library of Virginia
Department of Juvenile Justice	The Science Museum of Virginia
Department of Labor and Industry	Virginia Board for People with Disabilities
Department of Military Affairs	Virginia Commission for the Arts
Department of Mines, Minerals, and Energy	Virginia Information Technologies Agency
Department of Planning and Budget	Virginia Criminal Sentencing Commission
Department of Professional and Occupational Regulation	Virginia Museum of Fine Arts
	Virginia Museum of Natural History
	Virginia School for the Deaf and the Blind
	Virginia Worker's Compensation Commission

Total**4,000**

SPECIAL PROJECTS CONTINUED FROM PRIOR YEAR

Project Title	Objectives	Carry Over Hours
Status Report on Electronic Health and Human Resources (eHHR) Program – Virginia’s Medicaid Modernization program	<ul style="list-style-type: none"> • Provide a report on the Commonwealth’s progress relative to implementing its new Medicaid eligibility system in support of the Affordable Care Act. 	100
Higher Education Alternative Financing Study	<ul style="list-style-type: none"> • Identify and evaluate the various alternative financing arrangements currently utilized by colleges and universities to fund projects across the Commonwealth. • Report on financing arrangements other than projects utilizing state bond programs to include agreements with Foundations and other related entities. 	400
Security of Internet Facing Websites	<ul style="list-style-type: none"> • Determine whether agencies’ internet facing websites are adequately protected to ensure data confidentiality, integrity, and availability. • Focus on web sites that have access to confidential (PII, HIPAA, FERPA, etc.) and mission critical data. • Review the Commonwealth’s security standard and whether it adequately addresses industry best practices for web site security. 	390
Review of Surplus Procedures for Electronic Devices with Storage	<ul style="list-style-type: none"> • Review the Commonwealth’s process to surplus (or return to vendor) electronic devices that contain storage capability, such as a hard disk. 	70
Statewide Review of Teleworking Data Risks	<ul style="list-style-type: none"> • Consider the use of non-Commonwealth issued devices and related teleworking risks and security around employees accessing agency networks from the outside. • Evaluate current teleworking policies and procedures for all Commonwealth agencies compared to best practices. • Determine if these policies and procedures have been implemented and are being followed. 	200

SPECIAL PROJECTS CONTINUED FROM PRIOR YEAR

Project Title	Objectives	Carry Over Hours
Statewide Review of Mobile Devices	<ul style="list-style-type: none"> • Perform a review of mobile devices (cellphones, tablets, and laptops) and the plans they use, including voice, text, and data, and the related costs. • Determine whether VITA has implemented adequate guidance over the management of these devices, and whether agencies are following the guidance and using the most cost effective plans. • Determine whether there are any other devices, such as pagers, that are obsolete but are still in use. 	175
Study of the Bureau of Facilities Management	<ul style="list-style-type: none"> • Review the Department of General Service's Bureau of Facilities Management (BFM) project management services to tenants of state owned buildings. • Evaluate the effectiveness of the process and procedures in place for agencies to obtain this service and for BFM to manage the service provided. • Determine whether there have been any recent changes in the process and if it is self-supporting. • Determine the charges/costs for these services and how they are recorded. 	580
Statewide Review of Travel	<ul style="list-style-type: none"> • Review and analyze travel activities and administration within the Commonwealth, including a review of existing travel regulations, expenses, and management functions. • Consider the need for travel and the availability of alternative meeting tools to potentially reduce costs. • Consider whether the Commonwealth could realize efficiencies and better ensure compliance with state travel regulations by having one central entity make travel arrangements. 	390

SPECIAL PROJECTS CONTINUED FROM PRIOR YEAR

Project Title	Objectives	Carry Over Hours
Study of the Usage of Sub-recipient Schedule of Expenditure of Federal Awards (SEFA)	<ul style="list-style-type: none"> • Determine if state agencies are using sub-recipient audited SEFA's as required in their oversight of federal funds by: <ul style="list-style-type: none"> - Reviewing and comparing sub-recipient SEFA's to the state agency's disbursements. - Investigating any differences and making adjustments as needed. 	140
Review of Performance Measures	<ul style="list-style-type: none"> • Address Section 30-133B of the <u>Code of Virginia</u> audit requirements 	145

AGENCY OFFICIALS

Martha S. Mavredes, CPA, CGMA, MBA
Auditor of Public Accounts

Staci A. Henshaw, CPA
Deputy Auditor of Public Accounts

Directors and Managers by Specialty Area	
Acquisitions and Contract Management	J. Michael Reinholtz, CPA, CISA, VCO, Master of Accounting
Budgeting and Performance Management	Linda C. Wade, CPA, CGFM, Graduate Certificate in Public Administration
Capital Asset Management	DeAnn B. Compton, CPA, VCCO
Compliance Assurance	George D. Strudgeon, CPA, CGFM
Comprehensive Annual Financial Report	LaToya D. Jordan, MBA
Data Analysis	April V. Cassada, CPA, CISA, CITP
Higher Education Systems	Eric M. Sandridge, CPA, CGFM
Human Resources and Business Operations	Roland N. Turner, CPA, CGMA Carnell N. Bagley, MBA, CPPB, VCO, Procurement Manager Jennifer D. Eggleston, CPA, CGFM, PeopleSoft Manager Berkeley A. R. Wolford, SPHR, Human Resources Manager
Local Government and Judicial Systems	Laurie J. Hicks, CPA, CFE, VCCO
IT Project Management	Karen K. Helderman, CPA, CISA, PMP
Information Systems Security and Office Technology	Goran G. Gustavsson, MBA, CISSP, CISM Wendi T. James, CCSA, CNE, Office Technology Manager
Reporting and Standards	Zachary L. Borgerding, CPA
Strategic Risk Management	Jennifer P. Bell Schreck, CPA, CISA, PMP