



Quarterly Report Summary

January 1, 2011 to March 31, 2011

Pending Changes In Government Financial Reporting: The future may take us where we have been . . . Are we ready?

Federal Laws enacted and proposed will substantially change accounting and financial reporting requirements for the Commonwealth and those agencies and institutions that regularly issue debt. The Commonwealth will need to continue to emphasize replacing its antiquated financial systems to address these changes. This is part of our report on the Agencies of the Secretary of Finance. www.apa.state.va.us/reports/AgenciesSecofFinance2010.pdf (page 1)

Status of Major System Development Projects

Most projects are on schedules and budget. However, some projects continue to experience problems. (page2)

Secretaries of Health and Human Services and Transportation

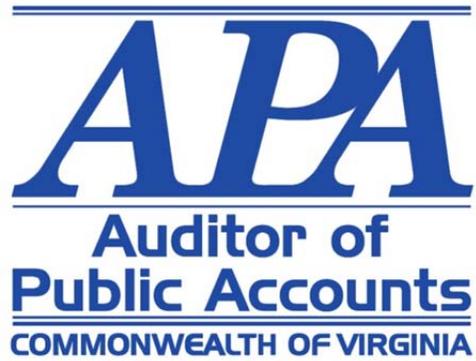
The reports on the Secretaries of Health and Human Services and Transportation include all the agencies under these Secretaries and any significant financial issues facing those agencies such as Medicaid funding. The reports are on our web site at www.apa.state.va.us/reports/HHR2010.pdf and www.apa.state.va.us/reports/CTF_10.pdf.

Comparative Reports Released

The Comparative Report of Local Government is an annual report that provides the General Assembly, local governing bodies and officers a valuable analytical tool to review fiscal activities, presented in a uniform presentation across units of government. The comprehensive overview of the fiscal operations of the Commonwealth's Circuit and District Courts provides this information for these courts.

www.apa.state.va.us/data/download/local_government/comparative_cost/Cost%2010.xls
www.apa.state.va.us/reports/CourtCost09w_oAppendix.pdf

During this quarter, we also released the Single Audit Report of federal grants and contracts received by the Commonwealth of Virginia in fiscal 2010. We will be happy to provide you any reports in their entirety, or you can find all reports listed in this document at our website <http://www.apa.virginia.gov/reports.cfm>. We welcome any comments concerning this report or its contents.



- TABLE OF CONTENTS -

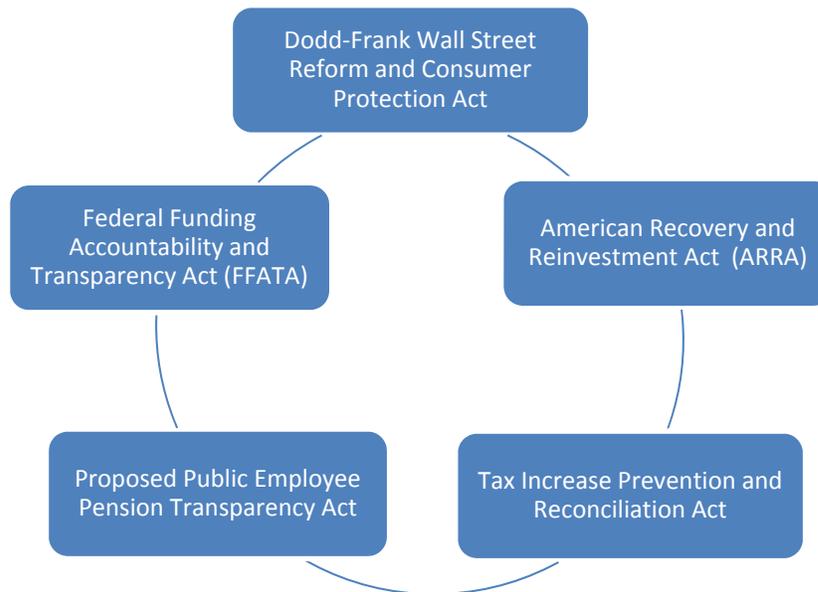
<i>Agencies under the Secretary of Finance</i>	<i>1</i>
<i>Progress Report on Selected System Development Projects</i>	<i>2</i>
<i>SUMMARY OF REPORTS ISSUED</i>	<i>3-6</i>

Agencies of the Secretary of Finance

PENDING CHANGES IN GOVERNMENT FINANCIAL REPORTING:

The future may take us where we have never been . . . Are we ready?

The governmental financial reporting landscape is changing. Citizens, federal and state legislatures, and investors all have called on state and local governments to provide additional and more timely financial information concerning government financial activities. You only need to take a look at regulations that the federal government has passed or proposed in recent years to get a perspective on the breadth of changes that are coming our way.



The Dodd-Frank Act requires studies of the municipal securities market and of the role and importance of the Governmental Accounting Standards Board. The Tax Increase Prevention and Reconciliation Act requires governments to withhold three percent of their payments for many goods and services and remit the withheld amount to the federal government. Further, the ARRA and FFATA require additional disclosures on how the Commonwealth spends funds it receives from the federal government. Because of these regulations, the Commonwealth has already made changes to the Commonwealth's existing financial systems and processes. Further, the proposed regulations and studies have the potential to require extensive changes in the future.

Are we ready in Virginia? We all recognize that it takes time to implement such changes as replacing outdated financial systems and reengineering our financial processes. While the Commonwealth is taking steps in the right direction in modernizing its financial systems as we state in this report, it still has work to do in this area. In addition, while a modern financial system will provide some of the flexibility and technology needed to address future reporting requirements, the Commonwealth needs to implement additional changes to its financial reporting processes to meet these demands. In this report we provide a status on the Commonwealth's efforts to modernize its financial systems and processes.

Progress Report on Selected System Development Projects

This report reflects our on-going review of \$381 million in Commonwealth systems development projects. The following systems development projects have risks that could change the project's scope, delay the implementation schedule, and/or increase the project's cost.

- Performance Budgeting; Planning and Budget's aggressive implementation schedule has delayed some original functionality to later phases.
- Financial Management System and the Unemployment Insurance Modernization Project; the Employment Commission may not have reliable long-term financial resources for these projects.
- Modernization; the Retirement System has rescheduled the implementation dates for the project.
- Integrated Financial Management System; Rehabilitative Services has terminated the project.
- EAGLES; Professional and Occupational Regulation re-scheduled the project and its budget.

Our review goal is to detect problems at the earliest possible point and alert decision makers to this information, thereby reducing potential project failures. In this report, we highlight the progress of selected projects we are actively monitoring as well as any recommendations that pertain to improving their project management practices.

SUMMARY OF REPORTS ISSUED

The following reports on audit were released by this Office during the period January 1, 2011, to March 31, 2011. Those reports which included findings in the area of internal controls or compliance are indicated by an (*) asterisk.

Administration

State Board of Elections for the years ended June 30, 2009 and 2010*

Commerce and Trade

Department of Housing and Community Development for the year ended June 30, 2010*

Virginia Board of Accountancy for the year ended June 30, 2010

Virginia National Defense Industrial Authority for the years ended June 30, 2009 and 2010

Virginia Tourism Authority for the year ended June 30, 2010

Education

Library of Virginia for the period July 1, 2008 through June 30, 2010

Southern Virginia Higher Education Center for the years ended June 30, 2009 and 2010

Colleges and Universities

George Mason University for the year ended June 30, 2010*

George Mason University Intercollegiate Athletic Programs for the year ended June 30, 2010

James Madison University Intercollegiate Athletic Programs for the year ended June 30, 2010

Longwood University Intercollegiate Athletic Programs for the year ended June 30, 2010

Norfolk State University Financial System Implementation Project as of March 30, 2011*

Norfolk State University Intercollegiate Athletic Programs for the year ended June 30, 2010*

Northern Virginia Community College Reaccreditation Review for the year ended June 30, 2010

Old Dominion University for the year ended June 30, 2010*

Old Dominion University Intercollegiate Athletic Programs for the year ended June 30, 2010

Radford University Intercollegiate Athletic Programs for the year ended June 30, 2010

The College of William and Mary in Virginia Intercollegiate Athletic Programs for the year ended June 30, 2010

University of Virginia Intercollegiate Athletic Programs for the year ended June 30, 2010

Virginia Commonwealth University for the year ended June 30, 2010

Virginia Commonwealth University Intercollegiate Athletic Programs for the year ended June 30, 2010

Virginia Military Institute Intercollegiate Athletic Programs for the year ended June 30, 2010

Virginia Polytechnic Institute and State University for the year ended June 30, 2010*

Virginia Polytechnic Institute and State University Intercollegiate Athletic Programs for the year ended June 30, 2010
Virginia State University Intercollegiate Athletic Programs for the year ended June 30, 2010

Finance

Agencies of the Secretary of Finance for the year ended June 30, 2010*

Health and Human Resources

Agencies of the Secretary of Health and Human Resources for the year ended June 30, 2010*
Commonwealth Health Research Board for the years ended June 30, 2009 and June 30, 2010
Virginia Department for the Aging for the years ended June 30, 2009 and June 30, 2010*

Natural Resources

Marine Resources Commission for the two-year period ending June 30, 2010
Virginia Museum of Natural History for the three-year period ended June 30, 2010*

Public Safety

Virginia Department of Emergency Management for the year ended June 30, 2010*
Department of Juvenile Justice for the fiscal years ended June 30, 2009 and June 30, 2010*

Transportation

Agencies of the Secretary of Transportation for the year ended June 30, 2010*

Special Reports

Commonwealth of Virginia Court Operations for the year ended June 30, 2009
Commonwealth of Virginia Single Audit Report for the year ended June 30, 2010*
Comparative Report of Local Government Revenue and Expenditures for the fiscal year ended June 30, 2010 (*Available January 28th at www.apa.virginia.gov*)
Progress Report on Selected Systems Development Projects in the Commonwealth as of March 2011*
Report to the Joint Legislative Audit and Review Commission for the quarter October 1, 2010 through December 31, 2010*

Clerks of the Circuit Courts

Cities:

City of Lynchburg - January 1, 2010 through December 31, 2010*
City of Radford – January 1, 2010 through December 31, 2010
City of Roanoke – January 1, 2010 through December 31, 2010
City of Suffolk – January 1, 2010 through December 31, 2010

Counties:

County of Appomattox – July 1, 2009 through December 31, 2010*
County of Craig – July 1, 2009 through June 30, 2010*
County of Grayson – January 1, 2010 through December 31, 2010
County of Madison – January 1, 2010 through December 31, 2010
County of Richmond – January 1, 2010 through December 31, 2010
County of Washington – July 1, 2009 through June 30, 2010

State Accounts

Counties:

County of Greene (Turnover) as of January 31, 2011

General Receivers

Cities:

City of Alexandria – for the year ended June 30, 2010
City of Charlottesville – July 1, 2009 through June 30, 2010*

Counties:

County of King George – for the fiscal year ended June 30, 2010*
County of Wise/City of Norton – July 1, 2009 through June 30, 2010*

Magistrates

Cities:

City of Danville - July 1, 2009 through June 30, 2010
City of Emporia - July 1, 2009 through June 30, 2010
City of Hopewell - July 1, 2009 through June 30, 2010
City of Norfolk – July 1, 2009 through June 30, 2010
City of Petersburg – July 1, 2009 through June 30, 2010
City of Poquoson – July 1, 2009 through June 30, 2010*
City of Portsmouth - July 1, 2009 through June 30, 2010

City of Richmond (Criminal) – July 1, 2009 through June 30, 2010
City of Roanoke – July 1, 2009 through June 30, 2010*

Counties:

County of Alleghany – July 1, 2009 through June 30, 2010*
County of Amelia – July 1, 2009 through June 30, 2010
County of Arlington - July 1, 2009 through June 30, 2010
County of Augusta – July 1, 2009 through June 30, 2010
County of Bath – July 1, 2009 through June 30, 2010
County of Botetourt – July 1, 2009 through June 30, 2010*
County of Brunswick - July 1, 2009 through June 30, 2010
County of Charles City - July 1, 2009 through June 30, 2010
County of Charlotte – July 1, 2009 through June 30, 2010*
County of Chesterfield – July 1, 2009 through June 30, 2010*
County of Culpeper - July 1, 2009 through June 30, 2010
County of Dinwiddie - July 1, 2009 through June 30, 2010
County of Essex – July 1, 2009 through June 30, 2010
County of Fairfax - July 1, 2009 through June 30, 2010
County of Fauquier - July 1, 2009 through June 30, 2010
County of Frederick – July 1, 2009 through June 30, 2010
County of Gloucester - July 1, 2009 through June 30, 2010
County of Hanover - July 1, 2009 through June 30, 2010
County of Henrico – July 1, 2009 through June 30, 2010
County of King William - July 1, 2009 through June 30, 2010
County of Loudoun – July 1, 2009 through June 30, 2010
County of Lunenburg - July 1, 2009 through June 30, 2010
County of Mecklenburg - July 1, 2009 through June 30, 2010
County of Montgomery – July 1, 2009 through June 30, 2010
County of Orange – July 1, 2009 through June 30, 2010
County of Page – July 1, 2009 through June 30, 2010
County of Pittsylvania - July 1, 2009 through June 30, 2010
County of Powhatan - July 1, 2009 through June 30, 2010
County of Prince William - July 1, 2009 through June 30, 2010*
County of Rockbridge – July 1, 2009 through June 30, 2010
County of Rockingham – July 1, 2009 through June 30, 2010
County of Scott - July 1, 2009 through June 30, 2010
County of Shenandoah - July 1, 2009 through June 30, 2010
County of Stafford – July 1, 2009 through June 30, 2010
County of Surry - July 1, 2009 through June 30, 2010
County of Tazewell - July 1, 2009 through June 30, 2010
County of Warren – July 1, 2009 through June 30, 2010
County of Washington – July 1, 2009 through June 30, 2010
County of Westmoreland - July 1, 2009 through June 30, 2010
County of York – July 1, 2009 through June 30, 2010*

*Denotes management control finding