



Quarterly Report Summary

April 1, 2010 to June 30, 2010

Judicial System Audit Shows Need To Improved Automated Systems

To improve administrative processes, strengthen controls and increase timeliness will require the Executive Secretary to improve Automated Systems supporting the Judicial System. The current funding mechanism will take time to generate sufficient resources to make the changes. (pages 1-2)

Data Standards Will Make Systems and Processing More Efficient

Health and Human Resource agencies lack of data standards prevent make intake processing inefficient. The lack of data standards adds to the cost of new systems and prevents the exchange of information to speed processing. (page 2-3)

Process Improvements Could Increase Productivity and Officer Availability

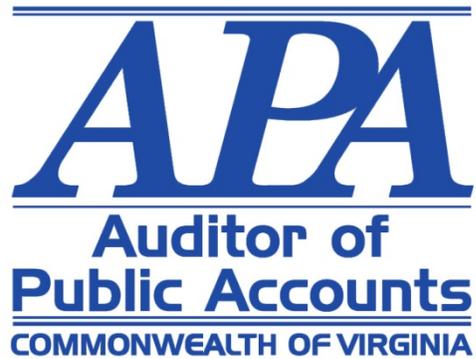
Completing financial and other system implementations at State Police could increase productivity and officer availability. Reducing preparation time for time records by 30 minutes a week per officer would be the equivalent of adding 18 officers. (page 3)

Commonwealth's Internal Audit Function Is Working

Generally, the Commonwealth's Internal Audit function is working. Agency internal auditors have not had external reviews required by national standards due to agency budget reductions. (pages 3-4)

During this quarter, we also issued reports covering the "Review of Agency Performance Measures," "Department of Criminal Justice Services," and "Progress Report on Selected System Development Projects in the Commonwealth."

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.



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Virginia's Judicial System except funds collected and managed by the Clerks of the Circuit Court for the year ended June 30, 2009

Background

This is our first comprehensive review of all of the agencies within Virginia's Judicial System. With the exception of the funds collected and managed by the Clerks of the Circuit Court, this shows the overall operation of the Judicial Branch and complements our report *Collections and Costs of Operating the Circuit and General District Courts by Locality*.

The Virginia Judicial System report includes the following courts and agencies:

- Circuit Courts
- Clerk of the Supreme Court
- Clerk of the Court of Appeals
- General District, Juvenile and Domestic Relations, and Combined Courts (District Courts)
- Indigent Defense Commission
- Judicial Inquiry and Review Commission
- Magistrates
- Office of the Executive Secretary of the Supreme Court of Virginia
- Virginia Criminal Sentencing Commission
- Virginia State Bar
- Virginia State Board of Bar Examiners

This audit approach has given us the ability to review the direction provided to the courts and magistrates by the Chief Justice and the Office of the Executive Secretary and allowed us to report back to them on the courts' and magistrates' implementation of fiscal policies and internal controls. We have provided both the individual courts' and magistrates' information about our reviews as we conducted them and have provided periodic reports to the staff of the Executive Secretary of our findings and comments.

We have audit findings which require the establishment of statewide policies and procedures and also, in some cases, involve several agencies within the Judicial Branch. Fundamental to understanding these findings is an awareness of the technology and systems administered by the Office of the Executive Secretary.

Status of Information Technology

The Office of the Executive Secretary develops and maintains information technology systems for the Supreme Court, Court of Appeals, Circuit and District Courts, and the Magistrates. These systems provide case management, record financial activities for the courts, process personnel and payroll information, assist in paying vendors, and maintain accounting records. Although Circuit Court Clerks do not have to use these systems, only three have elected not to use these systems.

Most of the systems operated by the Office of the Executive Secretary were developed and implemented in the 1980's. While the systems have undergone maintenance for statutory changes, these systems have remained relatively the same during this period. This lack of change is a function of the limited resources available for upgrading and improving these systems.

In 2006, legislation created a Court Technology Fund to provide resources for system development efforts, and the Office of the Executive Secretary has begun updating and modernizing a number of the systems. Several of the findings in this report provide interim solutions to some issues, but recognize that the ultimate solution to many of the issues is the development and implementation of new systems.

We recognize that some of our recommendations will not be immediate priorities of the modernization efforts of the Office of the Executive Secretary because of funding constraints. However, we believe that improving court operations will depend in the long term on addressing these issues.

Statewide Issues

Statewide issues are those internal control findings or compliance issues that the Office of the Executive Secretary of the Supreme Court, as the District Court and Magistrate administrator, should consider addressing either in new guidelines, new processes, or by providing training to help all District Courts and Magistrates improve in the areas noted. We developed findings and recommendations in the following areas: *“Enhance Fines and Costs Collection Procedures,” “Improve Public Defender, Court Appointed Attorney, Criminal Fund, and Involuntary Commitment Fund Processes,”* and *“Establish and Enforce Leave Approval Process for General District, Juvenile and Domestic Relations District, and Combined Courts Clerks.”*

Enterprise Data Standards for Human Services as of March 2010

The intake process for human services, which includes health and social services, in the Commonwealth is inefficient. Agencies within the Health and Human Resources Secretariat are collecting the same demographic information on the same individuals multiple times and inconsistently verifying the information with outside sources.

This review inventoried the demographic data the Commonwealth collects to manage human services, determined how agencies share this data, and identified barriers for expanding the sharing and utilization of demographic data.

Our review found the agencies in the review are collecting and entering the same demographic data for the same individuals; inconsistently verifying data; have inconsistent data sharing agreements; and additionally there are no Commonwealth data standards for demographic data.

We recommend that the Secretaries of Health and Human Resources and Technology work with other Commonwealth agencies that collect demographic data to develop data standards for the

Commonwealth. In addition, any future systems development efforts should consider the systems' ability to share and communicate with other systems within the Commonwealth.

Virginia Department of State Police for the years ended June 30, 2009 and 2008

Our audit identifies opportunities for process improvements which the State Police and the Secretary of Public Safety may wish to consider. These recommendations could reduce administrative time spent by law enforcement officers, thereby allowing them more time to focus on their core mission. These recommendations are in the section "Recommendations for Process Improvement."

The time officers spend creating attendance records and performing other administrative tasks is individually insignificant. However, given that the State Police have more than 1,800 sworn officers, eliminating just 30 minutes of administrative time per officer each week would equate to adding nearly 18 officer's worth of productivity over a year. For each minute of administrative time eliminated from an officer's work week, the State Police could gain an additional 1,057 hours of agency-wide productivity for the year. That equates to more than one officer's worth of productivity for every two minutes diverted from administrative tasks to law enforcement tasks.

The State Police have made progress on correcting prior year findings. We found that the State Police have taken adequate corrective action to address five of the seven findings previously reported. We found that the State Police made progress toward resolving the remaining two but they remain unresolved. The unresolved findings include improving the employment eligibility verification process and improving fleet management monitoring and control.

Our audit also identified a security risk associated with Northrop Grumman and VITA's ability to provide adequate security over IT hardware infrastructure. Although the State Police have no control over the corrective action required to address this weakness, the weakness poses a significant risk to the agency and is disclosed in the section titled "Risk Alert."

Review of Commonwealth Internal Audit Functions as of March 2010

This report serves as a follow-up to our *Commonwealth Audit Resources and Inspector General* report and concentrates on the current state of the Commonwealth's internal audit functions. We reviewed the internal audit functions at 23 state agencies and 14 institutions of higher education. This report highlights trends among the various internal audit functions and their compliance with certain *International Standards for the Professional Practice of Internal Auditing (Standards)*. Our review found that the 37 internal audit functions generally comply with all but one of the professional standards we reviewed.

About 36 percent of applicable internal audit functions did not comply with the external assessment portion of the Standard's Quality Assurance and Improvement Program. The most common response for noncompliance with this standard was the prohibitive cost of the external review in a difficult economic environment.

For entities that have an internal audit function, this report offers management other recommendations to improve their oversight of the internal audit function and increase compliance with the external assessment standard.

Finally, this report serves to provide management with a framework to analyze the necessity and scope of internal audit functions. Management must consider numerous factors when determining the necessity and scope of an internal audit function for their entity. We provide some of these factors in Appendix B to this report. After consideration of these factors, management can choose one of four options for their entity:

1. Maintain their current internal audit function in scope and size.
2. Maintain an internal audit function but increase or decrease the function in scope or size.
3. Convert to an internal control or risk management function, similar to the positions at Correctional Education and Education.
4. Convert to an inspector general function within their entity, akin to the model at Corrections, Juvenile Justice, and Transportation.

Review of Agency Performance Measures for the year ended June 30, 2009

This report summarizes our review of the executive branch agency performance measures and provides recommendations based on our observations. Section 30-133 of the Code of Virginia requires the Auditor of Public Accounts to conduct an annual audit of performance measures and to review the related management systems used to accumulate and report the results.

We reviewed information on *Virginia Performs* for 48 key performance measures and nine productivity measures at selected agencies. Governor Kaine designated key performance measures as critical to the central operational purpose of each agency, and productivity measures show the costs associated with core business functions. We reviewed information on *Virginia Performs* to determine if the performance measure information was accurate, reliable, and understandable.

Performance management in the Commonwealth is an evolving process, and there has been significant improvement in the overall completeness and accuracy of reported performance measures information since our first review in 2002. Overall, we have found that performance measures results reported on *Virginia Performs* are accurate and reliable, but the usefulness of the information continues to be limited.

We continue to find that citizens and others may have difficulty understanding the information because performance measure names, descriptions, and methodologies are inaccurate, incomplete, and confusing. In addition, *Virginia Performs* does not include a link between the budget structure and amounts appropriated to the performance measures reported. The Commonwealth's current financial systems have inherent technological shortcomings that have hindered efforts to link budget and performance information. We have included both of these issues

in our previous reports, and until the various parties involved in the process address these issues, we believe information on *Virginia Performs* will be of limited usefulness to both those inside and outside of government.

Planning and Budget is in the process of developing and implementing a new budgeting and performance management system that will eventually replace *Virginia Performs*. Planning and Budget expects the new system will provide additional functionality that will help to address some of the findings in this report and the new administration should consider these as they move forward with this system initiative.

Department of Criminal Justice Services for the year ended June 30, 2009

At the Secretary of Public Safety's request, we adapted our audit of the Department of Criminal Justice Services to include a special review of its recent reorganization. Our special review found the following.

- No evidence that the reorganized structure of Criminal Justice Services prevents it from meeting its core functions.
- Selective managers do not fully support the recent reorganization as a permanent change.
- No evidence that the former organizational model prevented the agency from meeting its core functions either.

Additionally, our audit of Criminal Justice Services for the year ended June 30, 2009 found no other major issues.

Progress Report on Selected System Development Projects in the Commonwealth as of March 2010

This report reflects our on-going review of Commonwealth systems development projects totaling about \$110 million in budget.

Our goal is the detection of problems at the earliest possible point and to 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; along with any recommendations that pertain to improving their practices in project management. Specifically, this report highlights the following systems development projects.

- EAGLES, the web-enabled application to replace the current licensing and enforcement system for the Department of Professional and Occupational Regulation, which continues to not meet its planned completion dates.

- Performance Budgeting, Planning and Budget's project to replace aging and disparate budgeting applications with an integrated enterprise budgeting system, which started during this period.
- Integrated Financial Management System, Rehabilitative Service's project to implement a COTS application to support financial operations.
- Cardinal, Transportation's project to replace their financial system with a more modern enterprise wide financial management system that will eventually become a statewide application.
- CSI Systems Redesign, Motor Vehicle's reengineering project designed to replace its aging customer service system.

SUMMARY OF REPORTS ISSUED

The following reports on audit were released by this Office during the period April 1, 2010, to June 30, 2010. Those reports which included findings in the area of internal controls or compliance are indicated by an (*) asterisk.

Judicial Branch

Indigent Defense Commission for the year ended June 30, 2009*
Virginia's Judicial System for the year ended June 30, 2009*

Executive Departments

Agriculture and Forestry

Virginia Department of Agriculture and Consumer Services and the Virginia Agriculture Council
for the year ended June 30, 2009

Commerce and Trade

Virginia Tourism Authority for the year ended June 30, 2009

Education

Frontier Culture Museum of Virginia for the fiscal years ended June 30, 2008 and
June 30, 2009*
Gunston Hall for the years ended June 30, 2008 and June 30, 2009
Science Museum of Virginia for the years ended June 30, 2008 and June 30, 2009
Jamestown-Yorktown Foundation for the years ended June 30, 2008 and June 30, 2009*

Colleges and Universities

College of William and Mary in Virginia for the fiscal year ended June 30, 2009*
George Mason University for the year ended June 30, 2009
James Madison University for the years ended June 30, 2008, and June 30, 2009
Longwood University for the year ended June 30, 2009*
Radford University for the year ended June 30, 2009*
University of Mary Washington for the year ended June 30, 2009*
Virginia Military Institute for the fiscal year ended June 30, 2009
Christopher Newport University for the year ended June 30, 2009*

Natural Resources

Potomac River Fisheries Commission for the fiscal year ended June 30, 2009
Department of Environmental Quality for the years ended June 30, 2008 and June 30, 2009

Public Safety

Department of Corrections, Virginia Parole Board, and Virginia Correctional Enterprises for the year ended June 30, 2009*
Department of Veterans Services and the Veterans Services Foundation for the year ended June 30, 2009*
Virginia Department of State Police for the years ended June 30, 2008 and June 30, 2009*

Special Reports

Department of Criminal Justice Services Special Report on Organizational Structure and Report on Audit for the fiscal year ended June 30, 2009*
Enterprise Data Standards for Human Services, March 2010*
Progress Report on Selected Systems Development Projects in the Commonwealth, March 2010*
Report to the Joint Legislative Audit and Review Commission for the quarter January 1, 2010 through March 31, 2010*
Review of Agency Performance Measures for the year ended June 30, 2009*
Review of Commonwealth Internal Audit Functions, March 2010*

Clerks of the Circuit Courts

Cities:

City of Alexandria – October 1, 2008 through December 31, 2009
City of Bristol – April 1, 2009 through March 31, 2010
City of Buena Vista – October 1, 2008 through December 31, 2009*
City of Charlottesville – January 1, 2009 through December 31, 2009
City of Chesapeake – January 1, 2009 through March 31, 2010
City of Danville – October 1, 2008 through December 31, 2009*
City of Hampton – April 1, 2009 through March 31, 2010*
City of Hopewell – October 1, 2008 through March 31, 2010*
City of Lynchburg – September 1, 2008 through December 31, 2009*
City of Newport News – April 1, 2009 through March 31, 2010
City of Norfolk – January 1, 2009 through December 31, 2009*
City of Petersburg – January 1, 2009 through December 31, 2009*
City of Radford – December 1, 2008 through December 31, 2009*
City of Richmond – April 1, 2009 through December 31, 2009
City of Roanoke – January 1, 2009 through December 31, 2009*
City of Winchester – October 1, 2008 through December 31, 2009

Counties:

County of Amherst – April 1, 2009 through March 31, 2010*

County of Arlington – October 1, 2008 through December 31, 2009

County of Bath - October 1, 2008 through December 31, 2009*

County of Bedford – January 1, 2009 through March 31, 2010

County of Bland – April 1, 2009 through March 31, 2010

County of Campbell – April 1, 2009 through March 31, 2010*

County of Caroline – October 1, 2008 through December 31, 2009*

County of Clarke – January 1, 2009 through March 31, 2010

County of Culpeper – January 1, 2009 through March 31, 2010

County of Dickenson – October 1, 2008 through December 31, 2009*

County of Dinwiddie – October 1, 2008 through December 31, 2009

County of Fairfax – July 1, 2008 through March 31, 2010

County of Franklin – January 1, 2009 through December 31, 2009

County of Frederick - October 1, 2008 through December 31, 2009

County of Giles – October 1, 2008 through December 31, 2009*

County of Goochland – October 1, 2008 through March 31, 2010*

County of Grayson – October 1, 2008 through December 31, 2009*

County of Greene – January 1, 2009 through December 31, 2009*

County of Halifax – January 1, 2009 through March 31, 2010*

County of Henrico - October 1, 2008 through December 31, 2009

County of Henry – April 1, 2009 through March 31, 2010

County of Highland – January 1, 2009 through March 31, 2010*

County of Lancaster – January 1, 2009 through December 31, 2009

County of Madison – October 1, 2008 through December 31, 2009

County of Mathews – April 1, 2009 through March 31, 2010

County of Mecklenburg – January 1, 2009 through March 31, 2010

County of Middlesex – October 1, 2008 through December 31, 2009*

County of Nelson – April 1, 2009 through March 31, 2010

County of New Kent – January 1, 2009 through December 31, 2009

County of Northumberland – July 1, 2009 through December 31, 2009*

County of Nottoway – October 1, 2008 through December 31, 2009*

County of Page – January 1, 2009 through March 31, 2010

County of Patrick – April 1, 2009 through March 31, 2010*

County of Prince Edward – October 1, 2008 through December 31, 2009

County of Pulaski – January 1, 2009 through December 31, 2009*

County of Rappahannock (Turnover) – July 1, 2009 through February 28, 2010

County of Richmond – January 1, 2009 through December 31, 2009*

County of Russell – October 1, 2008 through December 31, 2009*

County of Scott – January 1, 2009 through February 28, 2010*

County of Southampton – April 1, 2009 through March 31, 2010

County of Surry – October 1, 2008 through December 31, 2009

County of Sussex – October 1, 2008 through December 31, 2009*

County of Tazewell – April 1, 2009 through March 31, 2010

County of Westmoreland – October 1, 2008 through December 31, 2009*

County of Wythe – April 1, 2009 through March 31, 2010

Magistrates

Counties

County of Rockingham – July 1, 2008 through June 30, 2009*

*Denotes management control finding