

DEPARTMENT OF FORENSIC SCIENCE

FOR THE PERIOD

JULY 1, 2008 THROUGH JUNE 30, 2009

APA

**Auditor of
Public Accounts**

COMMONWEALTH OF VIRGINIA

AUDIT SUMMARY

Our audit of the Department of Forensic Science for the period July 1, 2008 through June 30, 2009 found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- a matter involving internal control and its operations and noncompliance with applicable laws and regulations or other matters necessary to bring to management's attention; and
- adequate corrective action with respect to audit findings reported in the prior year.

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AUDIT FINDINGS AND RECOMMENDATIONS

Evaluate Risks Related to Aging Hardware and Non-Participation in the IT Partnership

Our review of Forensic Science's information security program found that the program does not adequately address the risks associated with its aging hardware and the delays in transitioning to the Commonwealth's IT Infrastructure Partnership contract with Northrop Grumman.

An aging hardware inventory presents several risks in Forensic Science's effectiveness and efficiency in carrying out its mission and providing proper data safeguards, as does the need to use resources to maintain security until becoming part of the Commonwealth's IT Infrastructure Partnership.

We recommend that Forensic Science allocate the necessary resources to evaluate the risks presented by aging hardware and the delay in participating in the Commonwealth's IT Infrastructure Partnership, and develop and implement a plan on how to mitigate those risks.

AGENCY HIGHLIGHTS

Forensic Science is a nationally accredited forensic laboratory system that provides forensic laboratory services to state and local law enforcement officials, medical examiners, local fire departments, and other state agencies. Forensic Science examiners evaluate and analyze evidence, provide technical assistance and training, and provide expert testimony on crime scene evidence.

Forensic Science provides services from four state-owned facilities. The agency’s administrative operations and the central laboratory are in Richmond. The three regional laboratories are in Manassas, Roanoke, and Norfolk. Each laboratory shares its building with an Office of the Chief Medical Examiner. Forensic Science’s Manassas regional laboratory, an 115,000 square-foot structure, is the newest of the agency’s four laboratories. The contractor substantially completed the building in May 2009, which is when Forensic Science moved in. Forensic Science is working with the contractor to resolve minor construction issues and expects to accept the project in fiscal year 2011.

Forensic Science’s primary funding source is the general fund, with a small amount of federal grant funding. The following table shows operating budget and expense information for fiscal years 2008 and 2009.

Analysis of Budgeted and Actual Operating Expenses

	<u>2009</u>	<u>2008</u>
Original Budget	\$37,209,975	\$33,861,990
Final Budget	\$39,121,360	\$37,172,893
Expenses	\$36,875,083	\$35,669,331
Authorized Staffing Level	315	317

Forensic Science’s overall 2008 budget increased during the year due to two administrative transfers from central budgetary accounts as well as additional federal grant awards. Forensic Science received a \$1.9 million transfer from central budgetary accounts for salary and fringe benefit increases and a \$1.4 million transfer for additional post conviction analysis on certain cases. Offsetting these increases were \$1.6 million in budget reductions as part of the Governor’s statewide budget reduction plan. Forensic Science implemented several actions to absorb these reductions including reducing their payments to the Virginia Institute for Forensic Science and Medicine and delaying replacement of some equipment.

In fiscal year 2009, Forensic Science implemented additional budget reductions of almost \$900,000. Forensic Science froze hiring and delayed payment on maintenance contracts to absorb these reductions. Overall, these decreases offset \$3 million in increased appropriations for additional federal grants awards for post conviction testing.

Forensic Science also had approximately \$58 million in capital project expenses during the two-year period for the new laboratory in Northern Virginia.

Forensic Cases

Forensic Science provides examination and analysis of crime scene evidence in the following disciplines: DNA and body fluid identification, controlled substances, drugs, toxicology, trace evidence, firearms/toolmarks, latent prints, blood pattern, digital and multimedia evidence, and questioned documents.

Consistent with the national trend between 2003 and 2006, Forensic Science experienced an increase in the demand for scientific analysis of evidence to support law enforcement investigations.

Over the past three years, however, Forensic Science has seen a decrease of almost 18 percent in caseloads, primarily due to a decrease in drug cases. In 2006, the General Assembly allowed law enforcement officers to use the results of marijuana field testing kits as evidence in court. Marijuana misdemeanor cases did not require significant resources, although the decrease in the number of cases does have some impact.

New Caseload by Type and Fiscal Year*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Drugs	31,455	33,384	38,266	46,320	45,188
Toxicology	10,315	10,306	9,974	9,668	9,263
Firearms	5,905	5,845	5,094	4,949	4,405
DNA	4,689	4,254	3,836	3,717	3,747
Other	<u>7,199</u>	<u>7,890</u>	<u>7,545</u>	<u>7,686</u>	<u>8,268</u>
Total Cases	<u>59,563</u>	<u>61,679</u>	<u>64,715</u>	<u>72,340</u>	<u>70,871</u>

**Source: Workload Summary Projects for the fiscal years 2005 through 2009 from the Forensic Advantage System*

Forensic Science historically has not been able to keep up with the rising caseload, resulting in a backlog of cases; however, since 2006, the backlog and turnaround time have significantly decreased. In fiscal year 2009, the ending backlog of cases increased by 32 percent and the average days in process increased by two days over 2008. This is due to the reduction in scientific staff, which affected Forensic Science's completion of cases.

Caseload Summary by Fiscal Year – All Case Types*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Cases Including Beginning Backlog	63,930	67,067	80,176	92,400	87,424
Number of Cases Completed	58,362	63,022	74,704	77,143	67,353
Percentage of Cases Completed	91%	94%	93%	84%	77%
Ending Backlog	5,944	4,486	5,840	15,257	20,060
Average Days in Process	39	37	64	99	100

**Includes all forensic cases, as well as training and laboratory support
Source: Workload Summary from the Forensic Advantage System*

Forensic Science has taken multiple steps to address the backlog issue and decrease processing time. Forensic Science received additional positions and funding including the enactment of legislation to allow the use of marijuana field test kits as evidence in court. Forensic Science has also received federal grants to fund backlog reductions.



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

June 21, 2010

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Charles J. Colgan
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Department of Forensic Science** for the period July 1, 2008 through June 30, 2009. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recorded financial transactions in the Commonwealth Accounting and Reporting System, review the adequacy of Forensic Science's internal controls, test compliance with applicable laws and regulations, and review corrective actions of audit findings from prior year reports.

Audit Scope and Methodology

Forensic Science's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

- Federal grant revenues and expenditures
- I-9 compliance
- Payroll expenditures
- Small purchase charge card purchases
- Appropriations
- Information system controls

We performed audit tests to determine whether Forensic Science's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts and grant agreements, and observation of Forensic Science's operations. We reviewed the appropriate sections of the Code of Virginia and the 2008 Virginia Acts of Assembly. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

Conclusions

We found that Forensic Science properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System. Forensic Science records its financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting System.

We noted a matter involving internal control and its operation and compliance with applicable laws and regulations that requires management's attention and corrective action. This matter is described in the section entitled "Audit Findings and Recommendations."

Forensic Science has taken adequate corrective action with respect to audit findings reported in the prior year.

Exit Conference and Report Distribution

We discussed this report with management on June 21, 2010. Management's response has been included at the end of this report.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

GGG/alh



COMMONWEALTH of VIRGINIA

DEPARTMENT OF FORENSIC SCIENCE

June 28, 2010

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Walter J. Kucharski
Auditor of Public Accounts
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101 North 14th Street, 8th Floor
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Dear Mr. Kucharski:

This letter provides for the Department of Forensic Science's response to the audit finding identified during the audit of our fiscal year 2009 financial records and operations. The audit revealed that DFS' security program risk assessment did not address risks associated with aging hardware or the delays associated with transitioning to the Commonwealth's IT Infrastructure Partnership contract with Northrop Grumman (NG).

The aging hardware referred to in the audit finding relates to individual employee workstations. The Department did not previously assess that particular risk as being significant; however, this was not documented as it should have been. DFS has updated the risk assessment to specifically address this risk and the mitigating controls that are in place which currently reduce this risk to an acceptable level.

The Department recognizes that there are risks associated with the delay of transitioning to the Commonwealth's IT Infrastructure Partnership. While the Department has continuously evaluated these risks and taken action to mitigate identified risks, when appropriate, this was not documented as it should have been. DFS will allocate the necessary resources to document the current risks and mitigating controls. DFS has been working with all appropriate entities to address the items that have delayed our transformation while taking action to mitigate the risks associated with the delay. DFS continues to work with both VITA and NG on completing its transformation toward participation in the Commonwealth's IT Infrastructure Partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter M. Marone".

Peter M. Marone
Director

DEPARTMENT OF FORENSIC SCIENCE

Peter Marone
Director

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