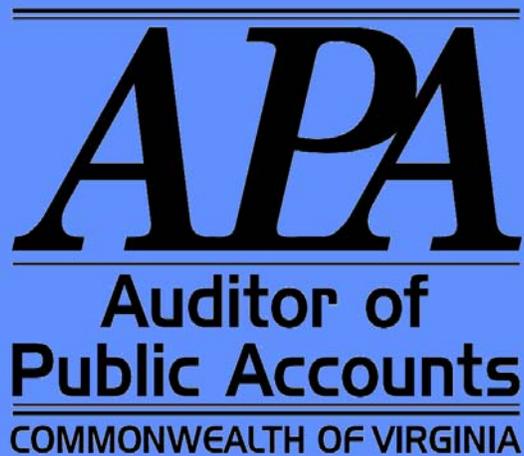


**DIVISION OF SELECTED AGENCY
SUPPORT SERVICE**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2007**



AUDIT SUMMARY

Our audit of the Division of Selected Agency Support Services for the year ended June 30, 2007, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving internal control and its operation necessary to bring to management's attention; and
- no instances of noncompliance with applicable laws and regulations.

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AGENCY BACKGROUND AND FINANCIAL INFORMATION

This report includes the financial activity of the agencies below. The Secretary of Administration’s (Secretary) Division of Selected Agency Support Services provides administrative support for these agencies.

Secretary of the Commonwealth	Office of Commonwealth Preparedness
Virginia-Israel Advisory Board	Office for Substance Abuse Prevention
Interstate Organization Contributions	Citizen’s Advisory Committee

The Division also keeps financial records for the Offices of the Governor and Lieutenant Governor and the Governor’s Cabinet Secretaries. We issue separate reports on these entities.

Secretary of the Commonwealth

The Secretary of the Commonwealth performs the following duties:

- serves as custodian of the Governor’s official records;
- handles services of process on some defendants in civil actions, processes extraditions, and restores civil rights;
- registers and regulates lobbyists;
- appoints and regulates notaries public;
- researches and coordinates recommendations for gubernatorial appointments to boards and commissions;
- compiles and publishes the Report on the Secretary of the Commonwealth;
- maintains conflict of interest statements filed by state officials; and
- maintains the Governor’s Executive Journal and papers.

The Secretary’s Office receives General Fund appropriations. The Secretary also collects notary fees, trademark fees, and various other fees and deposits them directly into the General Fund of the Commonwealth. These collections totaled \$2,917,997 in fiscal year 2007. The table below does not include these collections since they are not available to the Secretary to fund operations. The following tables summarize budget and expenses for the Secretary’s Office in fiscal year 2007.

Budget Analysis for Fiscal Year 2007

Funding Source:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
General Fund appropriations	<u>\$1,795,201</u>	<u>\$1,803,964</u>	<u>\$1,798,558</u>

Expenses for Fiscal Year 2007

Personal services	\$1,288,952
Contractual services	360,029
Continuous charges	120,356
Supplies and materials	20,556
Equipment	3,053
Transfer payments	<u>5,612</u>
Total	<u>\$1,798,558</u>

Virginia-Israel Advisory Board

The Virginia-Israel Advisory Board provides advice to the Governor on ways to improve economic and cultural links between the Commonwealth and the State of Israel, with a focus on the areas of commerce and trade, art and education, and general government. No members of the Board receive compensation for their services. The Board does not receive an original appropriation each year, but receives an appropriation transfer from the Department of Business Assistance. The following tables summarize budget and expenses for the Board in fiscal year 2007.

Budget Analysis for Fiscal Year 2007

Funding Source:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
General Fund appropriations	=	<u>\$144,485</u>	<u>\$144,440</u>

Expenses for Fiscal Year 2007

Personal services	\$102,211
Contractual services	37,981
Continuous charges	3,000
Supplies and materials	<u>1,248</u>
Total	<u>\$144,440</u>

Interstate Organization Contributions

Interstate Organization Contributions are memberships to the National Governor's Association and other national organizations paid with General Funds. The only expenses are the state's dues to the national organizations. The following table summarizes budget and expenses in fiscal year 2007.

Budget Analysis for Fiscal Year 2007

Funding Source:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
General Fund appropriations	<u>\$238,166</u>	<u>\$238,166</u>	<u>\$238,166</u>

Office of Commonwealth Preparedness

The Office of Commonwealth Preparedness works with federal, state, and local officials, as well as the private sector, to develop a coordinated security and preparedness strategy and implementation plan. The Office serves as the liaison between the Governor and the federal as well as local governments and first responders on emergency prevention, preparedness, response, and recovery issues. The Office receives a general fund appropriation.

The Office was originally under the Governor's Office and became a stand alone agency in fiscal year 2007. In 2007, the Office received an appropriation transfer of \$478,956 from the Governor's Office to completely fund operations.

Budget Analysis for Fiscal Year 2007

Funding Source:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
General Fund appropriations	<u>\$621,472</u>	<u>\$1,080,365</u>	<u>\$1,003,794</u>

Expenses for Fiscal Year 2007

Personal services	\$872,149
Contractual services	58,573
Continuous charges	42,841
Supplies and materials	8,400
Equipment	<u>21,831</u>
Total	<u>\$1,003,794</u>

Office for Substance Abuse Prevention

The Office for Substance Abuse Prevention helps coordinate the Commonwealth's substance abuse prevention activities. The Office cooperates with federal, state, and local agencies, private and public agencies, interested organizations, and individuals in order to prevent substance abuse within the Commonwealth. This office works with Virginia Commonwealth University to provide these services.

The Office's funding comes primarily from federal grant funds transferred from the Department of Mental Health, Mental Retardation, and Substance Abuse Services and the Department of Education. In fiscal year 2007, the Office also received \$35,000 in special revenue funding from the Department of Alcoholic Beverage Control in an effort to prevent tobacco and alcohol abuse by youth. The following tables summarize budget and expenses for the Office in fiscal year 2007.

Budget Analysis for Fiscal Year 2007

Funding Source:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
Federal trust	\$ 600,000	\$600,000	\$506,252
Special revenue	-	35,000	35,000
Total	<u>\$ 600,000</u>	<u>\$635,000</u>	<u>\$541,252</u>

Expenses for Fiscal Year 2007

Personal services	\$149,779
Contractual services	363,093
Continuous charges	20,443
Supplies and materials	4,523
Equipment	<u>3,414</u>
Total	<u>\$541,252</u>

Citizens' Advisory Council

The Citizens' Advisory Council on Furnishing and Interpreting the Executive Mansion is established as an advisory council in the executive branch of state government to operate as a nonprofit charitable organization. The Council did not receive any additional funding this year, but relied on a carryover cash balance to provide funding for the structural preservation of the Executive Mansion and the restoration of its contents. The following tables summarize budget and expenses for the Council in fiscal year 2007.

Budget Analysis for Fiscal Year 2007

Funding Source:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenses</u>
Special revenue	<u>-</u>	<u>\$44,247</u>	<u>\$6,374</u>

Expenses for Fiscal Year 2007

Contractual services	\$5,175
Supplies and materials	<u>1,199</u>
Total	<u>\$6,374</u>



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

October 29, 2007

The Honorable Timothy M. Kaine
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Thomas K. Norment, Jr.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We have audited the financial records and operations of the **Division of Selected Agency Support Services** for the year ended June 30, 2007. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recording financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the Division's internal controls, and test compliance with applicable laws and regulations.

Audit Scope and Methodology

The Division'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.

Expenditures
Appropriations
Revenues

We performed audit tests to determine whether the Division'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 observation of the Division's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

Conclusions

We found that the Division properly stated, in all material respects, the financial amounts recorded and reported in the Commonwealth Accounting and Reporting System. The Division 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 no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Exit Conference and Report Distribution

We discussed this report with management on October 31, 2007.

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 public record.

AUDITOR OF PUBLIC ACCOUNTS

LCW:cj
cj:

DIVISION OF SELECTED AGENCY SUPPORT SERVICES

As of June 30, 2007

Katherine K. Hanley
Secretary of the Commonwealth

Dennis M. Johnson, Director
Director, Division of Selected Agency Support Services

Robert P. Crouch, Jr.
Office of Commonwealth Preparedness

Ralph Robbins
Executive Director, Virginia-Israel Advisory Board

Wayne Turnage
Chief of Staff, Interstate Organization Contributions

Marilyn P. Harris
Director, Office for Substance Abuse Prevention

