



DEPARTMENT OF EMERGENCY MANAGEMENT

AUDIT OF SELECT BUSINESS CYCLES

Auditor of Public Accounts

Staci A. Henshaw, CPA

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AUDIT SUMMARY

We audited the Department of Emergency Management's (Emergency Management) internal controls and compliance related to fleet management, and training and travel expense reimbursement for the period of July 1, 2018, through December 31, 2020, and information system security for the period of July 1, 2020, through April 30, 2022. Lastly, we reviewed corrective actions for one audit finding and a comment to management from a prior audit report.

We found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial reporting system;
- no matters involving internal control and its operations necessary to bring to management's attention;
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to a prior audit finding identified as resolved in the Findings Summary in the Appendix.

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AUDIT SCOPE OVERVIEW

Emergency Management's mission is to protect the lives and property of Virginia's citizens and visitors from emergencies and disasters by coordinating the State's emergency preparedness, mitigation, response, and recovery efforts. The Auditor of Public Accounts considers Emergency Management a cycled agency. A cycled agency is one that does not have a mandated annual audit requirement. We perform a risk analysis annually for all cycled agencies considering certain criteria to determine which agencies and areas to audit.

Our audit of Emergency Management focused on information systems security, fleet management, and training and travel reimbursement as we consider these three areas qualitatively or quantitatively significant to the operations of the agency. For information systems security, we reviewed Emergency Management's information technology risk management planning and database security. We reviewed individual vehicle purchases for proper purchase orders and approval to test fleet management. In addition, we performed analytical review over training and travel reimbursements.

Our audit also included follow up procedures over one prior audit finding related to the management of the Radiological Emergency Preparedness Fund and a comment to management from our 2018 audit pertaining to the Emergency Management's increasing operating expenses and its ability to sustain this level of spending going forward. To determine if management has adequately addressed this comment, we also reviewed staffing levels and information technology expenses.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 24, 2022

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

We have audited the fleet management operations, and training and travel expense reimbursement and related internal control processes for **Department of Emergency Management (Emergency Management)** for the period of July 1, 2018, through December 31, 2020, and information systems security related internal control processes for the period of July 1, 2020, through April 30, 2022. 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 Scope and Objectives

Our audit's primary objectives were to evaluate the accuracy of transactions as recorded in the Commonwealth's accounting and financial reporting system or other agency financial system; review the adequacy of Emergency Management's internal controls; and test compliance with applicable laws, regulations, contracts, and grant agreements. We also reviewed corrective actions for an audit finding from a prior audit report. See [Finding Summary](#) included in the Appendix. In addition, we reviewed corrective actions to a comment to management from a prior audit report.

Audit Methodology

Emergency Management's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. 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, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. We performed audit tests to determine the nature and extent of our audit procedures whether the Emergency Management’s controls were adequate, had been placed in operation and were being followed. Our audit also included test of compliance with provisions of applicable laws, regulations contracts, and grant agreements as they pertain to our audit objectives.

Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the Emergency Management’s operations. We performed analytical procedures, including budgetary and trend analysis. We confirmed relevant internal control of information systems with outside parties. We also tested details of transactions to achieve our objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusions

We found that the Emergency Management properly stated, in all material respects, transactions recorded and reported in the Commonwealth’s accounting and financial reporting system

We noted no matters involving internal control and its operation pertaining to information systems security, fleet management, and training and travel expense reimbursement that we consider necessary to be reported to management. The results of our tests of compliance as they pertain to information systems security, fleet management, and travel and training expense reimbursement with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Emergency Management has taken adequate corrective action with respect to the comment to management reported in a prior audit pertaining to Emergency Management’s increasing operating expenses and its ability to sustain this level of spending going forward. In addition, Emergency Management has taken adequate corrective action with respect to a prior audit finding listed as resolved in the Findings Summary in the Appendix.

Exit Conference and Report Distribution

We discussed this report with management on April 5, 2022.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

KJS/clj

FINDINGS SUMMARY

Finding	Follow Up Status	Year Issued
Continue to Improve Management of the Radiological Emergency Preparedness Fund	Resolved	2018



COMMONWEALTH OF VIRGINIA

Department of Emergency Management

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SHAWN G. TALMADGE
State Coordinator of
Emergency Management

ERIN SUTTON
Chief Deputy State Coordinator
of Emergency Management

April 8, 2022

Ms. Staci A. Henshaw, CPA
Auditors of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

RE: APA Audit Report on the Department of Emergency Management

Dear Ms. Henshaw:

The Department of Emergency Management has reviewed and agrees with the report that the Auditor of Public Accounts (APA) conducted regarding the department's performance from July 1, 2018 – December 21, 2020.

The Virginia Department of Emergency Management would like to thank the APA staff that was assigned to our agency with regards to their courtesy and professionalism exhibited during the audit.

Sincerely,

Erin Sutton
Chief Deputy Coordinator

Cc: Shawn Talmadge
Ms. Cheryl Adkins

*Saving lives through effective emergency management and homeland security.
"A Ready Virginia is a Resilient Virginia."*

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DEPARTMENT OF EMERGENCY MANAGEMENT

As of January 2022

Shawn Talmadge
State Coordinator

Cheryl Adkins
Deputy State Coordinator for Financial Management and Chief Financial Officer