



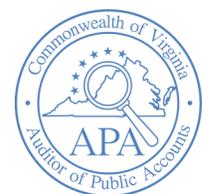
# OFFICE OF THE LIEUTENANT GOVERNOR

## REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2015

Auditor of Public Accounts  
Martha S. Mavredes, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

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## AUDIT SUMMARY

Our audit of the Office of the Lieutenant Governor for the fiscal year ended June 30, 2015, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System and Cardinal;
- 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 or other matters that are required to be reported.

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## AGENCY HIGHLIGHTS

The Lieutenant Governor’s major activities include: serving as the President of the Senate, representing the Commonwealth at ceremonial functions, serving on boards and commissions, serving as liaison between federal and local governments on specific projects at the request of local officials, and responding to inquiries from constituents. The Division of Selected Agency Support Services in the Office of the Secretary of Administration provides administrative support to the Lieutenant Governor.

The Office of the Lieutenant Governor (Office) receives its funding from General Fund appropriations. The following tables summarize budget and expense information for the Office. The majority of the Office’s expenses are payroll expenses for the Lieutenant Governor and his support staff.

### Budget Analysis for Fiscal Years 2014 and 2015

	2015	2014
Original budget	\$351,038	\$330,528
Final budget	410,082	357,983
Actual expenses	298,145	306,822

### Budget and Expense Analysis for Fiscal Year 2015

Original appropriations	\$351,038
Adjustments:	
Discretionary re-appropriation of prior year unexpended General Fund cash balances	51,161
Transfer from Central Appropriations for employee salary increases, benefit changes and other amounts	<u>7,883</u>
Total adjusted appropriations	410,082
Expenses:	
Personal services	221,145
Continuous charges	58,096
Contractual services	17,150
Supplies and material	1,289
Equipment	<u>465</u>
Total expenses	<u>298,145</u>
Unexpended balance	<u>\$111,937</u>



# Commonwealth of Virginia

*Auditor of Public Accounts*

Martha S. Mavredes, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

June 7, 2016

The Honorable Terence R. McAuliffe  
Governor of Virginia

The Honorable Robert D. Orrock, Sr.,  
Chairman, Joint Legislative Audit  
And Review Commission

We have audited the financial records and operations of the **Office of the Lieutenant Governor** for the year ended June 30, 2015. 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 and Cardinal, review the adequacy of the Office's internal controls, and test compliance with applicable laws, regulations, contracts, and grant agreements. The Office transitioned to Cardinal, the Commonwealth's new accounting and financial reporting system, on October 1, 2014.

## **Audit Scope and Methodology**

The Office'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, 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. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

Expenses including payroll  
Appropriations

We performed audit tests to determine whether the Office'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, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the Office's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses.

### **Conclusions**

We found that the Office properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System and Cardinal. The Office 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, regulations, contracts, and grant agreements 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 June 14, 2016.

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

ZLB/alh

## AGENCY OFFICIALS

OFFICE OF THE LIEUTENANT GOVERNOR

As of June 30, 2015

Ralph S. Northam, Lieutenant Governor

DIVISION OF SELECTED AGENCY SUPPORT SERVICES

Dennis M. Johnson, Director