



OFFICE OF THE LIEUTENANT GOVERNOR

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2013**

AUDIT SUMMARY

Our audit of the Office of the Lieutenant Governor for the year ended June 30, 2013, 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 operations 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 BACKGROUND AND FINANCIAL INFORMATION

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 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 2012 and 2013

	<u>2013</u>	<u>2012</u>
Original budget	\$329,525	\$323,803
Final budget	\$342,870	\$328,029
Actual expenses	\$327,199	\$323,195

Budget and Expense Analysis for Fiscal Year 2013

Original appropriations	\$329,525
Adjustments:	
Adjustment for employee salary and benefits changes	<u>13,345</u>
Total adjusted appropriations	<u>342,870</u>
Expenses:	
Personal services	231,270
Continuous charges	79,045
Contractual services	16,231
Supplies and material	484
Equipment	<u>169</u>
Total expenses	<u>327,199</u>
Unexpended balance	<u>\$ 15,671</u>



Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 20, 2013

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable John M. O'Bannon, III
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, 2013. 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 the Office's internal controls, and test compliance with applicable laws, regulations, contracts and grant agreement.

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 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. 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.

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 September 24, 2013.

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

AVG/clj

OFFICE OF THE LIEUTENANT GOVERNOR

As of June 30, 2013

William T. Bolling, Lieutenant Governor

DIVISION OF SELECTED AGENCY SUPPORT SERVICES

Dennis M. Johnson, Director