

**COMMONWEALTH'S ATTORNEYS' SERVICES COUNCIL
WILLIAMSBURG, VIRGINIA**

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 1999 THROUGH DECEMBER 31, 2001**



AUDIT SUMMARY

Our audit of the Commonwealth's Attorneys' Services Council for the period July 1, 1999 through December 31, 2001 found:

- amounts reported in the Commonwealth Accounting and Reporting System were fairly stated;
- an internal control matter that we consider a reportable condition; however, we do not consider this matter to be material weakness; and
- no instances of noncompliance with applicable laws and regulations tested that are required to be reported.

The reportable condition is explained in detail in the section of this report titled "Internal Control and Compliance Finding and Recommendation."

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April 25, 2002

The Honorable Mark R. Warner
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Vincent F. Callahan, Jr.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

INDEPENDENT AUDITOR'S REPORT

We have audited the financial records and operations of the **Commonwealth's Attorneys' Services Council (Council)** for the period July 1, 1999 through December 31, 2001. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objectives, Scope, and Methodology

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 Council's internal control, and test compliance with applicable laws and regulations.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the Council's operations. We also tested transactions and performed such other auditing procedures as we considered necessary to achieve our objectives. We reviewed the overall internal accounting controls, including controls for administering compliance with applicable laws and regulations. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances:

Expenditures
Revenues

We obtained an understanding of the relevant internal control components sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the Council'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.

The Council'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.

Our audit was more limited than would be necessary to provide assurance on internal control or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal control, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal control to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

Audit Conclusions

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

We noted a certain matter involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves matters coming to our attention relating to deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Council's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial records. The reportable condition entitled "Strengthen Controls over Accounting Procedures" is described in the section titled "Internal Control Finding and Recommendation." We believe that the reportable condition is not a material weakness.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards.

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.

EXIT CONFERENCE

We discussed this report with management at an exit conference held on May 10, 2002.

AUDITOR OF PUBLIC ACCOUNTS

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aom:36

INTERNAL CONTROL FINDING AND RECOMMENDATION

Strengthen Controls over Accounting Procedures

The Council does not consistently practice proper bookkeeping procedures. Specifically, we identified the following issues.

- The Council issued a \$21,858 duplicate vendor payment in June 2000 that went undetected by Council staff. Since our audit, the Council has contacted the vendor to confirm the credit balance and initiate the recovery process.
- The Council did not properly draw down funds from the United States Justice Department for the Project Exile grant. During fiscal year 2001, the Council drew down \$40,000 but only expended \$11,000. Therefore, the Council had \$29,000 of unexpended federal funds for Project Exile at year-end. Federal grant regulations require that grant recipient only request federal grant funds when it is time to pay incurred costs.

Management should coordinate training for the fiscal staff to increase their knowledge and understanding of applicable state and federal guidelines and automated system processes. Furthermore, management should provide oversight and guidance to staff to ensure proper use of Council resources. By strengthening their internal control processes, the Council can ensure data integrity as well as compliance with state and federal regulations.

THE COUNCIL'S OPERATIONAL AND FINANCIAL HIGHLIGHTS

Agency Background

The Commonwealth's Attorneys' Services Council (Council) located at the William and Mary Law School in Williamsburg, Virginia, provides a professional organization for the education, training, service, and coordination of technical efforts for the 120 locally-elected Commonwealth's Attorneys. The Council sponsors six training programs each year to enhance the professional status of the Commonwealth's Attorneys. In addition, the Council conducts research, gathers and disseminates information to attorneys, and maintains close contact with the Office of the Attorney General and with all attorneys for the Commonwealth.

The Council developed the Virginia Commonwealth's Attorneys' Information System (VCAIS). The system tracks court cases and includes information such as types of cases, the charges, parties, attorneys, presiding judges, and legal deadlines. Additionally, the system streamlines proceedings by printing out legal documents such as subpoenas and extracting data such as the numbers of domestic violence cases or the number of driving under the influence (DUI) convictions. The local Commonwealth's Attorneys' offices fund and maintain the system on their computers and networks. Currently, 20 localities use the VCAIS system. It is the long-range goal of the Council to have the installation of the system in all Commonwealth's Attorneys' offices.

Agency Financial Information

Funding Sources

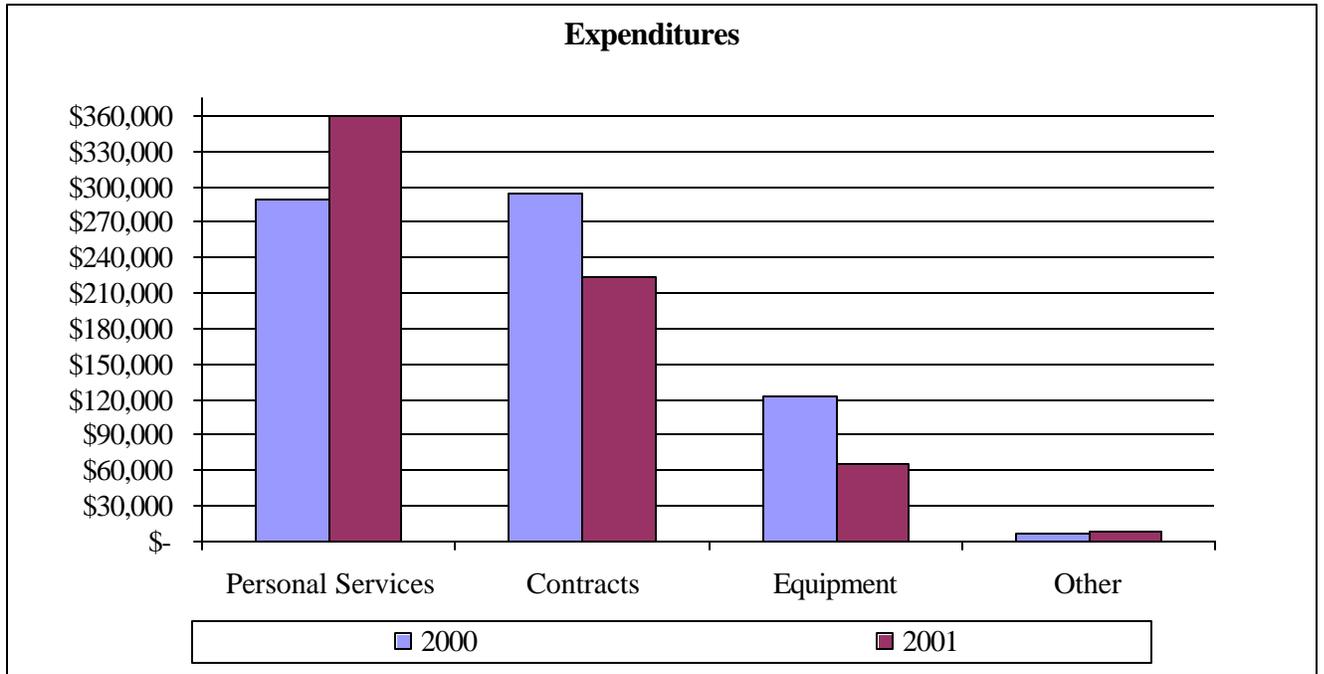
	Original General Fund Appropriation	Additional Agency Appropriations	Final Adjusted Appropriation and Percentage Increase
Fiscal Year 2000	\$528,221	\$188,334	\$716,555 35.65%
Fiscal Year 2001	\$639,510	\$ 53,330	\$692,840 8.34%

Program funding comes primarily from General Fund appropriations. The table above shows the additional appropriations the Council received during fiscal years 2000 and 2001. In fiscal year 2000, the Council's increased appropriation primarily resulted from a \$100,000 transfer from the Public Defender Commission to assist with costs for VCAIS development and implementation and a \$65,354 re-appropriation to increase the Council's training program. In fiscal year 2001, the additional appropriation represents the carry forward of unspent prior year funding for VCAIS. The Council received federal funds totaling \$66,763 and \$51,907 in fiscal years 2000 and 2001, respectively. The Council received \$622,145 in their original general fund appropriations for fiscal year 2002. As of December 31, 2002, the Council's appropriations changed by a net increase of \$21,491.

The proposed budget for the 2003-2004 biennium includes a funding reduction of \$119,000, or approximately 17 percent, each fiscal year. The Council's reduction spending plans includes decreasing funding for the six training programs they sponsor each year. The Council also identified methods to reduce administrative expenses such as printing fees and storage costs. The Council submitted their proposal for approval to the Secretary of Public Safety. The Council does not anticipate any federal grant awards in fiscal year 2002; however, the Council is applying for awards for fiscal year 2003.

Expenditures

In fiscal years 2000 and 2001, the Council's expenditures totaled \$713,757 and \$657,606, respectively. The following graph depicts the breakdown of expenditures for the Council.



THE COMMONWEALTH'S ATTORNEYS' SERVICES COUNCIL
Williamsburg, Virginia

Susan B. Williams, Esquire
Director

Linda D. Curtis, Chairman

Charles S. Sharp, Vice-Chairman

C. Phillips Ferguson, First Vice-Chairman

Council Members

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Roy F. Evans, Jr.	Paul H. Thomson
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