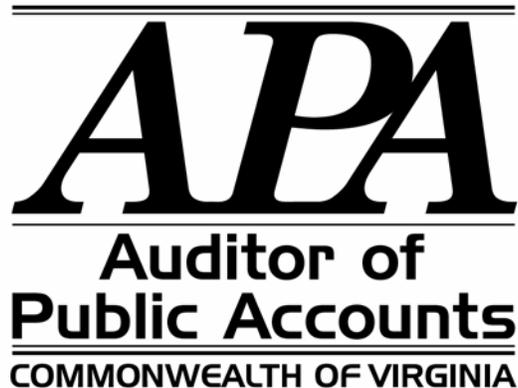


**VIRGINIA OFFICE FOR
PROTECTION AND ADVOCACY**

**REPORT ON AUDIT
FOR THE YEAR THREE-YEAR PERIOD ENDED
JUNE 30, 2004**



AUDIT SUMMARY

Our audit of the Virginia Office for Protection and Advocacy for the three-year period ended June 30, 2004, found:

- proper recording and reporting of transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving internal control and its operation that we consider material weaknesses; and
- no instances of noncompliance or other matters that required reporting.

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Agency Overview

The Virginia Office for Protection and Advocacy (Office) provides legal and advocacy services to protect and defend the rights of persons with cognitive, sensory, mental, and physical disabilities particularly in the areas of abuse, neglect, and discrimination. The Office also provides technical assistance, training, and referral information on available resources and services. The Office replaced the Department for Rights of Virginians with Disabilities on July 16, 2002.

Through its central office in Richmond and a field office in Virginia Beach, the agency provides various programs including those listed below.

- *Virginians with Disabilities Act Program* – Allows the Office to bring legal action in the event of unlawful discrimination in employment, voting, state programs and activities, education, transportation, housing, and access to places of public accommodation.
- *Help America Vote Act Program* – Monitors the way the Commonwealth and local Boards of Elections implement the Help America Vote Act with regard to persons with disabilities.
- *Developmental Disabilities Program* – Protects persons with developmental disabilities who have experienced abuse, neglect, or discrimination in education, housing, employment, community programs, treatment, and services.
- *Protection and Advocacy for Individuals with Mental Illness Program* – Protects the human rights and the access to services of mental health facility residents or persons recently discharged, or persons living in the community who have a mental illness.
- *Client Assistance Program* – Protects the rights and benefits of people who are applicants or clients of the Department of Rehabilitative Services, Department for the Blind and Vision Impaired, Center for Independent Living, or other programs funded under the Rehabilitation Act of 1973, as amended.
- *Assistive Technology Program* – Assists disabled individuals in obtaining access to assistive technology devices and services.

Financial Highlights

As illustrated in Table 1, federal grants are the primary funding source for the Office. Increases in the two federal programs, Developmental Disabilities and Protection and Advocacy for Individuals with Mental Illness, resulted in increasing the adjusted budget and actual expenses for fiscal year 2004. The Office does not anticipate an increase in federal funds for fiscal year 2005.

Table 1

<u>Original Budget to Actual Expenses</u>			
	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual Expenses</u>
Fiscal Year 2004:			
General	\$ 211,928	\$ 213,924	\$ 212,951
Special	307,665	307,665	104,743
Federal trust	<u>1,672,676</u>	<u>2,368,926</u>	<u>2,172,898</u>
Total	<u>\$ 2,192,269</u>	<u>\$ 2,890,515</u>	<u>\$ 2,490,592</u>
Fiscal Year 2003:			
General	\$ 211,733	\$ 208,949	\$ 208,942
Special	307,665	307,665	237,960
Federal trust	<u>1,672,676</u>	<u>1,862,676</u>	<u>1,810,442</u>
Total	<u>\$ 2,192,074</u>	<u>\$ 2,379,290</u>	<u>\$ 2,257,344</u>
Fiscal Year 2002:			
General	\$ 237,755	\$ 196,318	\$ 195,572
Special	250,000	250,000	213,344
Federal trust	<u>1,384,257</u>	<u>1,707,307</u>	<u>1,645,479</u>
Total	<u>\$ 1,872,012</u>	<u>\$ 2,153,625</u>	<u>\$ 2,054,395</u>

Source: Commonwealth Accounting and Reporting System

For fiscal years 2002 through 2004, personnel services account for the largest portion of total expenses.

Table 2

	<u>Expenses by Type</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Personal services	\$ 1,580,409	\$ 1,374,400	\$ 1,334,253
Contractual services	441,243	485,357	262,810
Continuous charges	201,158	178,018	214,887
Transfer payments	207,951	171,744	174,593
Supplies and materials	17,619	27,387	20,830
Equipment	<u>42,212</u>	<u>20,438</u>	<u>47,022</u>
Total	<u>\$ 2,490,592</u>	<u>\$ 2,257,344</u>	<u>\$ 2,054,395</u>



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

April 17, 2005

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

The Honorable Lacey E. Putneyr
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 **Virginia Office for Protection and Advocacy (Office)** for the three-year period ended June 30, 2004. We conducted our audit in accordance with the standards for performance audits set forth in Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objective, 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 Office's internal control, and test compliance with applicable laws, regulations, contracts and grant agreements.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the Office'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
Payroll

We gained an understanding of the overall internal control 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. We performed audit tests to determine whether the Office's controls were adequate, had been placed in operation, and were being followed.

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 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 System.

We noted no matters involving internal control and its operation that we consider to be material weaknesses. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to financial operations may occur and not be detected promptly by employees in the normal course of performing their duties.

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.

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 on May 23, 2005.

AUDITOR OF PUBLIC ACCOUNTS

JEP:whb

