

# 2022 Annual Report



**Commonwealth of Virginia  
Auditor of Public Accounts**

**Staci A. Henshaw, CPA**



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

December 17, 2022

The Honorable Glenn Youngkin  
Governor of Virginia

Members, Joint Legislative Audit  
and Review Commission

I am pleased to submit the **2022 Annual Report of the Auditor of Public Accounts** in accordance with § 30-141 of the Code of Virginia. This report primarily covers audits we completed from July 1, 2021, through June 30, 2022, and provides you with an overview of some of the more significant activities and audit results from that time frame. Through the audits we perform and the other activities in which our staff engage, we strive to provide unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds. We utilize a values-based leadership approach, identifying four core values that we believe best represent our Office and staff. Throughout this report, we have reflected how our Office demonstrated those values during fiscal year 2022. All of our reports are available on our agency website at [www.apa.virginia.gov](http://www.apa.virginia.gov).

I want to thank our staff for their hard work and dedication. Our staff are key to the Office achieving its mission and accomplishing its work plan. For the ninth consecutive year, the Richmond Times-Dispatch recognized the Office as one of Richmond's Top Workplaces. Our accomplishments are due, in no small part, to the working environment and commitment to quality advocated by our management team and staff.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

# OUR MISSION

The Auditor of Public Accounts serves Virginia citizens and decision makers by providing unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds.



# OUR CORE VALUES

## **Collaborative**

We work together to create greater value.

## **Engaged**

We see what needs to be done and participate or become involved.

## **Knowledgeable**

We are well-informed and insightful.

## **Professional**

We act in a manner that reflects favorably on ourselves, our co-workers, and the APA.

# 2022 HIGHLIGHTS



- Published the *Comparative Report of Local Government Revenues and Expenditures* which is a compilation of financial information for the Commonwealth's cities, counties, and towns
- Performed local government fiscal distress monitoring and issued our results in the *Monitoring Local Governments for Fiscal Distress* report in April 2022
- Maintained Commonwealth Data Point, the Commonwealth's transparency website



- Provided audit coverage over \$82 billion in expenses for the Commonwealth, including \$32 billion in federal spending through our audit of the Commonwealth's Annual Comprehensive Financial Report and Single Audit for fiscal year 2021
- Issued 70 reports for audits of state agencies, colleges and universities and authorities, 38 of these reports included audit findings
- Issued 21 special reports covering various issues, including reviews of pension and other post-employment benefit information
- Issued reports for reviews of 73 Circuit Courts; 192 General, Juvenile and Domestic Relations, and Combined District Courts; and 139 local Constitutional Officers; of these reports, 102 included audit findings



- Reviewed and responded to nine proposed changes in accounting standards from standard setting regulatory bodies
- Internally provided continuing professional education for our staff through over 35 different training classes
- Staff presented information at 13 different conferences and professional organizations



- Recognized as one of Richmond's Top Workplaces by the Richmond Times-Dispatch and Energage for the ninth consecutive year
- Finalized our [5-year Strategic Plan](#) which focuses on data analytics and digital initiatives in keeping up with changes in the auditing profession

## – TABLE OF CONTENTS –

	<u>Page</u>
<b><i>We are</i> COLLABORATIVE</b>	<b>1-8</b>
Supporting Local Government	1-6
Working with Other Oversight Entities	6
Maintaining Commonwealth Data Point	6-7
Monitoring Reported Fraud	7
Managing Audit Contracts for Certain Entities	8
<b><i>We are</i> ENGAGED</b>	<b>9-20</b>
Reporting on Mandatory Audits	9-13
Using a Risk-Based Approach for Non-mandatory Audits	13-16
Performing Special Reviews	17-19
Monitoring the Impact of New Lease Accounting Standard	19-20
<b><i>We are</i> KNOWLEDGEABLE</b>	<b>21-25</b>
Ensuring Our Staff are Knowledgeable	21-22
Monitoring Auditing Standards and Regulations	22-23
Sharing Knowledge	24
Being Leaders in Our Profession	25
<b><i>We are</i> PROFESSIONAL</b>	<b>26-29</b>
Recognizing the Accomplishments of Our Staff	26-27
Finalizing Our Strategic Plan	28
Administrative and Financial Highlights	28-29
<b>APPENDIX A: Office Overview</b>	<b>30-31</b>
<b>APPENDIX B: Summary of Reports Issued</b>	<b>32-39</b>
<b>APPENDIX C: APA Staff</b>	<b>40-42</b>



## We Are COLLABORATIVE

In addition to auditing activities, the Office performs a variety of other functions throughout the year to assist in improving accountability and financial management in the Commonwealth. Many of these functions are collaborative in nature and involve working with others including local governments, other auditors and Commonwealth entities. The following section highlights some of these other functions that our Office provided in fiscal year 2022.

### Supporting Local Government

#### *Comparative Report of Local Government Financial Activity*

Annually the Office prepares the [Comparative Report of Local Government Revenues and Expenditures \(Comparative Report\)](#), which is a compilation of financial information provided by the Commonwealth's cities, counties, and those towns over a 3,500 population threshold or having a separate school system. The published [Comparative Report for the fiscal year ended June 30, 2021](#), contains the localities' financial data derived from their fiscal year 2021 audited financial reports, which our Office has received and reviewed as of May 16, 2022.

During our report preparation process, we review each locality's financial data by performing various analytics through review of the locality's audited annual financial report and the Office's uniform reporting guidelines to ensure the reliability and material accuracy of the data. For the fiscal year 2021 Comparative Report, 37 localities did not submit their required transmittal data to our Office by the December 15 statutory deadline. Additionally, 56 localities did not submit their fiscal year 2021 audited financial reports to our Office by the statutory deadline. The localities' untimely submission of information continues to affect the completion of our review process over the data and further delays the issuance of the report. Footnote 3 in [the Notes to the 2021 Comparative Report](#) contains a list of the localities that were late in submitting their transmittal data and audited financial reports and also shows those localities that have had ongoing delays with sending in their required financial information.

---

*For the fiscal year 2021 Comparative Report, 37 localities did not submit their required transmittal data and 56 localities did not submit their audited financial report by the statutory deadline.*

---

At the time of our final report issuance in May 2022, the Cities of Emporia, Hopewell, Norton, and Petersburg; and the Counties of Accomack, Bedford, Brunswick, King William, Lee, Prince William, Pulaski, and Warren did not provide their auditors financial information in sufficient time to meet the statutory deadline for auditing their annual financial statements, and they did not submit the final transmittal data in sufficient time for our final report publication. Accordingly, we did not include these 12 localities in our final 2021 report issuance. Our Office has since received the fiscal year 2021 audited

financial reports and transmittal data for the Cities of Emporia and Norton and the Counties of Accomack, Bedford, Brunswick, King William, Lee, Prince William, Pulaski, and Warren. The City of Hopewell continues to remain delayed with submitting its fiscal year 2021 audited financial report and transmittal data. The City of Petersburg has submitted its fiscal year 2021 audited financial report; however, the city continues to remain delayed with submitting its transmittal data. We include data for all delayed localities in an amended version of the fiscal year 2021 Comparative Report once we receive all required reporting information.

### *Local Fiscal Distress Monitoring*

The Virginia Acts of Assembly directs the Office to establish a prioritized early warning system and annually monitor data and information from this system to identify potential fiscal distress in local governments across Virginia. We perform this monitoring over the cities, counties, and towns required to have an annual audit and submit audited financial reports to our Office. As part of this system, the Office calculates 12 financial ratios using data from each locality's audited financial statements and analyzes the results of each locality's ratio performance using a points-based methodology. We also review any trends showing significant increases in total points from year to year. As evaluated in our ratio model, a higher number of points for each ratio, and in total for all ratios combined, indicate the locality is generally showing an unfavorable performance in the ratio analysis. Additionally, our model includes a qualitative component that analyzes demographic factors and other external and qualitative information specific to a locality. We perform this qualitative assessment on a locality that receives total ratio points that meet or exceed our established 45-point threshold of points for all 12 financial ratios. The Office also performs a qualitative assessment over a locality if we are unable to review the locality's financial data as part of the ratio analysis due to the locality's delay with submitting its audited annual financial report to our Office.

Based on the results of the ratio and qualitative analyses, we classify each locality into either one of two categories: locality identified for further follow-up through our financial assessment questionnaire and review process, or locality not identified for follow-up for the current monitoring process. If the Office has identified a locality as needing further follow-up, we send written notification to the local governing body and management of our determination based on the results of our analyses. At the conclusion of our follow-up review process, our Office further evaluates whether a locality is indeed experiencing any factors or conditions that may indicate a situation of fiscal distress to determine if a recommendation for state assistance is necessary.

During 2022, we finalized the prior year monitoring process and published our formal report, [Monitoring for Local Government Fiscal Distress](#), in April 2022, which covered the results of the 2020 and 2021 monitoring processes. As noted in this report, we continued to monitor the ratio trends for the City of Buena Vista when reviewing fiscal years 2019 and 2020 audited financial statement data, and we noted significant downward trends in the ratio analysis for the city. Accordingly, the Office formally corresponded with the city's governing body and management and requested to perform additional follow-up through our financial assessment questionnaire and review process. The Office continued to correspond with the city's management during 2022 to request their response and participation in our review process. The city formally responded to our request in May 2022, and in June 2022, the city

submitted their completed financial assessment questionnaire for our review process. We also completed our analysis over the City of Buena Vista’s fiscal year 2021 financial ratios as part of our 2022 monitoring process and noted significant improvements in the city’s ratios, particularly those ratios that measure fund balance reserves. Our Office will coordinate with management to schedule our final follow-up meeting to finalize our review process. As part of this final review, we will discuss the results of the city’s completed questionnaire and obtain a better understanding of certain factors that may have contributed to the city’s results in our analyses, along with understanding the policies and plans the City of Buena Vista has in place to continue to move forward and improve its financial position.

Additionally, during the year, we began our 2022 monitoring process, performing the ratio analysis based on the audited fiscal year 2021 financial statement data and evaluating applicable localities based on results of the ratio analysis in our qualitative assessment. Based on our assessment of the ratio and qualitative analyses for all localities evaluated in the 2022 process, we identified two new localities for further follow-up through our financial assessment questionnaire and review

---

*During the 2022 monitoring process, our Office identified two new localities, the City of Radford and the Town of Clifton Forge, for further follow-up through our financial assessment questionnaire and review process. We also continued to qualitatively identify and review the City of Hopewell.*

---

process—the City of Radford and the Town of Clifton Forge. We also continued to qualitatively review and identify the City of Hopewell as part of our 2022 monitoring process. We identified the City of Radford based on the city’s high number of total ratio points for the fiscal year 2021 and downward trends and factors noted in the ratio and qualitative analyses. Additionally, we identified the Town of Clifton Forge based on the town’s total ratio points consistently noted over the last fiscal years 2021, 2020, and 2019, related to decreasing fund balance reserves and overall negative fund balance over these three fiscal years. The results of our initial analyses do not indicate that these two localities are in fiscal distress but only indicate a preliminary determination to perform further follow-up review. The Office will complete our 2022 monitoring and follow-up review process during 2023 and will issue a formal report to provide further information on the results of the 2022 monitoring process.

### *Pension and Other Postemployment Benefits*

As discussed later in the [Pensions and Other Postemployment Benefits](#) section of the report, the Commonwealth and its local governments implemented new accounting standards related to pensions and other postemployment benefits (OPEB) several years ago. Annually, the Virginia Retirement System (System) provides the actuarial valuation reports and other financial reporting information to the participating local government employers for their financial statements to support reporting in compliance with these standards. Likewise, our Office publishes the reports that include our audit opinions over the System’s plan schedules and applicable financial amounts for the various pension and OPEB plans in which local governments participate. This information is available on the [Pension and OPEB Standards](#) section of our website.

Throughout 2022, our Office continued to provide essential information and resources to the local governments and the CPA firms performing their audits to ensure compliance with these standards



for their financial statements. Our Office also provided support to continue assisting the local governments in understanding the substantial changes involved with these standards by providing technical guidance and outreach to keep the local governments, political subdivisions, and the CPA firms informed on the pension and OPEB information.

### *Auditing Guidelines*

While our Office does not audit the financial statements of the Commonwealth's local governments, we do establish guidelines, or audit specifications, that the CPA firms must follow when auditing local governments. The specifications assist state agencies in making sure that the auditing firms understand and include audit procedures of state grants and contracts, as well as detail how auditors should perform audit work unique to Virginia local governments. During the current year, the Office continued its efforts to work with the CPA firms that perform local government audits and applicable state agencies, to enhance audit efficiencies in meeting the overall objectives of the specifications.

### *Quality Control Reviews*

The Office is not responsible for procuring a local government's auditing firm nor overseeing its work during the process. However, annually, our Office selects a sample of the CPA firms used by the local governments and other Commonwealth agencies to conduct a post issuance quality control review. These reviews ensure the firm's audit work complies with auditing standards and the requirements of the federal government, if the local government receives federal funds, as well as ensuring compliance with the audit specifications mandated by our Office. Our annual quality control reviews are in addition to the external peer reviews that CPA firms must periodically undergo. At the conclusion of our review process, we communicate the results of our reviews in a published report to the CPA firm. In addition, we include the applicable local government or entity whose audit is selected for review, the Virginia Society of Certified Public Accountants, and the Virginia Board of Accountancy on a notification of our issued reports. Firms can receive a report rating of pass, pass with deficiencies, or fail. Firms that receive a rating of fail are scheduled for a repeat review in the following year.

For our 2022 review process, the Office reviewed three separate CPA firms and selected three locality audits, one authority audit, and one Commonwealth agency audit for the fiscal year ending June 30, 2021. During 2022, we completed our reviews and issued five pass reports to the three CPA firms that performed these audits.

---

*During our 2022 quality control review process, the Office reviewed three separate CPA firms and selected three locality audits, one authority audit, and one Commonwealth agency audit for fiscal year 2021.*

---

During our 2022 process, we also planned to perform a follow-up review of a locality audit for another CPA firm, which had been deferred during prior year reviews because of challenges resulting from the COVID-19 pandemic and other internal issues at the firm. During the year, we continued outreach with the partner for this CPA firm and provided multiple extensions for the firm to provide us the required review information. However, we were not able to complete our review over the CPA firm's audit

because the firm could not timely provide our Office the necessary documentation to facilitate our review process. During 2023, the Office will issue a formal report to this CPA firm with the results that we could not complete our review.

Additionally, we monitor compliance with federal requirements through our analysis of Single Audit reports related to federal funds across the Virginia local governments that are required to issue this report each fiscal year. As part of this review process, we obtain report data for all Virginia local governments from the Federal Audit Clearinghouse and perform various data analytics designed to detect non-compliance with specific federal auditing and reporting requirements. During 2021 and 2022, the federal government granted reporting extensions to entities required to complete a Single Audit for the fiscal years 2020 and 2021 in response to the impact from the COVID-19 pandemic. Accordingly, the Office expects to finalize the results of this analysis in early 2023 and will communicate any potential Single Audit reporting issues as necessary during our 2023 review process.

During presentation opportunities to local government groups, as well as in guidance published in our Uniform Financial Reporting Manual, we continue to highlight our recommendation that local governments, in performing due diligence when contracting with a public accounting firm, incorporate the review of our quality control reports issued for prospective auditing firms. We also emphasized that localities should evaluate the quality of the firm by reviewing the American Institute of Certified Public Accountants' (AICPA) most recently published peer review results of the firm, which are publicly available on the AICPA's website. To continue assisting local governments with their assessment to ensure they are contracting with a quality CPA firm for their annual audits, we publish on our website the most recently issued quality control reports over CPA firms auditing the Commonwealth's local governments, along with copies of these reports for the last six years of reviews. These reports are available under the [Quality Control Review Reports](#) page on the Local Government section of our website.

### *Local Report Information on Our Website*

The Local Government section of our website provides the audited financial statements and the internal control and compliance reports for the 171 localities required to report annually to the Office. As part of our continued efforts to increase transparency and provide valuable information for the Commonwealth and its constituents, the Office publishes additional local government information and reports on our website each year. In addition to the 171 localities required to annually report to our Office, § 15.2-2511 of the Code of Virginia requires any town with fewer than a population of 3,500 that voluntarily contracts for an audit, to submit the audit results to our Office upon completion of the audit. Accordingly, we also publish any audit report that our Office receives from an applicable town that voluntarily elected to receive an audit.

---

*As part of our continued efforts to increase transparency and provide valuable information for the Commonwealth and its constituents, the Office publishes additional local government information and reports on our website.*

---

In addition to the locality's audited financial statements and reports on internal control and compliance, a locality may receive a written management letter from its auditor. A separate letter may be issued to emphasize other reporting matters that the auditing firm judges to be important enough to bring to management's attention but not at a significant level for inclusion in the locality's audit report. The Virginia Acts of Assembly requires that our audit specifications include the requirement that any auditor communication related to other internal control deficiencies or financial matters, which merit the attention of locality management and the governing body, must be communicated in the form of an official, written management letter. Because this letter may provide additional insight regarding internal control deficiencies over financial matters, we believe that making the management letters available on our website provides useful information alongside the local government audited financial reports.

Further, our Office publishes the audited financial reports that we receive annually from a local authority, board, district, commission, or other political subdivision in accordance with § 30-140 of the Code of Virginia. Also, if an applicable locality has a stormwater utility program pursuant to § 15.2-2114 of the Code of Virginia, the locality is required to file an annual stormwater utility report with our Office. Accordingly, we provide these annual reports on our website along with the other required local government annual reporting.

### [Working with Other Oversight Entities](#)

Throughout the year, we coordinate with other legislative and executive branch entities that perform oversight and review functions sharing information and, at times, working together to capitalize on our respective expertise. We also meet annually with members of the Governor's cabinet to provide information about the audits we have performed over the last year as well as to gather information to assist us in assessing risk related to future audits.

The Office of the State Inspector General (OSIG) and Joint Legislative Audit and Review Commission (JLARC) are two entities with which we have regular communication. We frequently share information with them concerning the scope and results of specific audits when they are beginning reviews of agencies or programs that we have recently covered in our work plan.

### [Maintaining Commonwealth Data Point](#)

Section 30-133 of the Code of Virginia requires our Office to compile and maintain a searchable database on our website that contains certain state expenditure, revenue, and demographic information. We meet this requirement through our operation and maintenance of [Commonwealth Data Point](#). We update Commonwealth Data Point monthly with statewide data provided by the Department of Accounts and quarterly with data obtained from agencies, higher education institutions, and other sources, as needed. In addition, we research and respond to citizen's inquiries about information on Commonwealth Data Point.

The site currently includes over six years of expenses, revenues, budgets, and salaries; clear, concise visualizations; and contact information for each agency, all built upon a platform that complies with modern web standards. Commonwealth Data Point also contains various demographic information

that is updated as it becomes available. Information and visualizations are included for, but not limited to, statewide population, public school enrollment, and prison population. Our office continually evaluates additional information that could be displayed on the website.

To access information relating to fiscal years prior to 2017, as well as past local government financial activity, users can visit the archived version of Data Point, now known as Legacy Data Point. Commonwealth Data Point can be found at [datapoint.apa.virginia.gov](http://datapoint.apa.virginia.gov) and Legacy Data Point can be found at [legacydatapoint.apa.virginia.gov](http://legacydatapoint.apa.virginia.gov).

**Monitoring Reported Fraud**

In accordance with § 30-138 of the Code of Virginia, we periodically receive reports of circumstances indicating a reasonable possibility of fraudulent transactions involving officers or employees of state or local governments. This Office conducts an initial review of all reports received and, based on the nature and circumstances of each report, determines how best to proceed. The majority of reports and related situations result in this Office, the Office of the State Inspector General, and the State Police coordinating our activities with agency, institution and locality officials, and local law enforcement. Table 1 outlines the volume of activity reported to our Office, including a breakdown of new reports by type of entity, during fiscal years 2020 through 2022.

**Fraud Report Activity – Fiscal Years 2020 - 2022**

Table 1

	FY 2020	FY 2021	FY 2022
Outstanding cases at July 1	28	25	13
New reports:			
Courts	1	0	2
Local Governments	7	5	1
Institutions of Higher Education	1	3	4
State Agencies	18	14	5
Total new reports	27	22	12
Closed reports	30	34	14
Active cases at June 30	25	13	11

## Managing Audit Contracts for Certain Entities

We also serve the Commonwealth by procuring certified public accountant (CPA) firms and managing contracts for annual audits of legislative agencies and several other Commonwealth related entities. In addition to the legislative agencies, during fiscal year 2022, we managed audit contracts for the following entities:

- Central Virginia Transportation Authority
- Fort Monroe Authority
- Hampton Roads Transportation Accountability Commission
- Virginia529
- Virginia Commercial Space Flight Authority
- Virginia Passenger Rail Authority
- Virginia Port Authority (including Virginia International Terminals)
- Virginia Resources Authority
- Virginia Tobacco Settlement Financing Corporation.



## We Are ENGAGED

The Office performs a variety of audits each year, including financial, federal, and performance audits. We spend the majority of our time performing audits mandated by the Code of Virginia, federal regulations, and bond or accreditation requirements. Our audit results are used by various entities to evaluate the Commonwealth's fiscal management. To the extent our resources allow, we also perform special projects and other agency reviews covering a wide array of topics.

Our reports on these audits and other reviews include recommendations for improving internal controls and addressing non-compliance with state and federal regulations and provide information from Commonwealth, secretarial, and agency perspectives. The following section highlights the results of some of these audits completed during fiscal year 2022. [Appendix B](#) contains a complete list of all reports we issued during the fiscal year.

### Reporting on Mandatory Audits

Most of our mandated audits are financial statement audits, including the audits of the Commonwealth's Annual Comprehensive Financial Report (ACFR) and Higher Education Institutions. Our mandated audits also include the Single Audit of federal funds expended by the Commonwealth. We summarize our observations and findings for the more significant mandatory audits completed this year below.

#### *ACFR and Single Audit*

The Commonwealth's ACFR is an audit of the statewide financial statements used by bond rating agencies and others to assess the fiscal health of the Commonwealth. The Code of Virginia mandates the completion of the audit by December 15 each year. As part of the 2021 ACFR audit, we performed procedures over the financial activity at agencies and universities, obtaining coverage over \$95 billion in revenues and \$82 billion in expenses for the Commonwealth and its components. Through this work, we also gained coverage over \$150 billion in assets, consisting primarily of capital assets, cash and investments, and receivables; \$113 billion in pension and other employee benefit trust fund assets; as well as \$73 billion in liabilities.

We also perform work at ACFR material agencies and other agencies to support the Commonwealth's Single Audit of federal funds. The Single Audit report serves to communicate not only findings related to federal compliance testing, but also internal control and compliance matters related to the ACFR audit. As a result, we complete this work in time to issue the

---

*The Single Audit report serves to communicate not only findings related to federal compliance testing for ACFR material and other agencies, but also internal control and compliance matters related to the ACFR audit.*

---

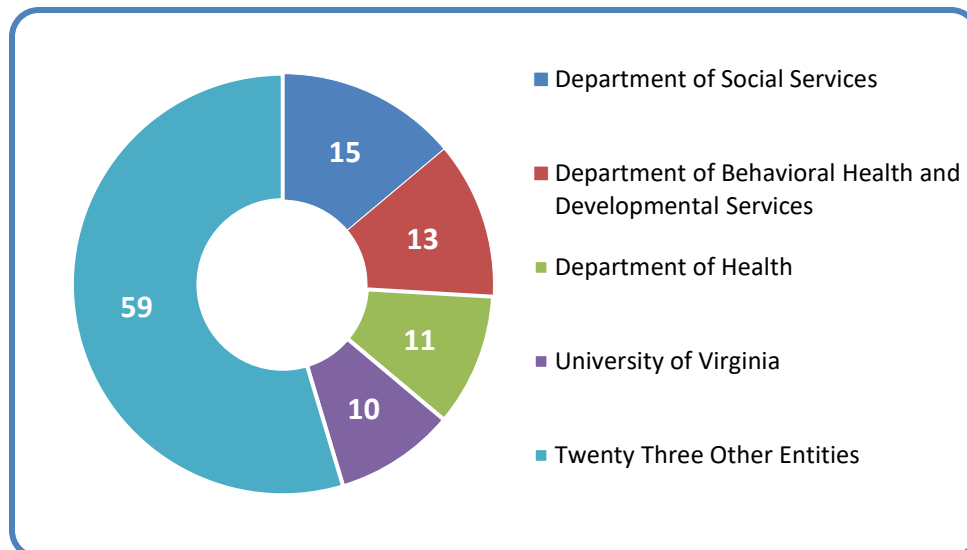
Single Audit report within 60 days of the conclusion of the ACFR audit, which is approximately 45 days ahead of the federally mandated deadline.

We perform federal compliance testing for the Single Audit to fulfill the audit requirements to which the Commonwealth commits to when it accepts federal funds. Most state entities that are part of the Commonwealth are subject to audit under the Single Audit. For fiscal year 2021, federal expenses increased 40 percent from \$23.3 billion to \$32.5 billion from the prior year, which is a 121 percent increase from the year before the pandemic (2019). All else being equal, given the three-year cyclical nature of auditing programs, we estimate that the additional funding, programs, and prior year material audit findings required us to audit six additional federal programs, a 66 percent increase, as compared to a comparable pre-pandemic year (2018). Although we performed additional work in this area, it is worth noting that the Commonwealth was the first state to submit and have its fiscal year 2021 audit accepted by the Federal Audit Clearinghouse, among the states with a June 30<sup>th</sup> fiscal year end that file an individual Single Audit for the majority of the state’s federal expenses.

Our testing for the 2021 ACFR and Single Audit resulted in 92 separate findings with recommendations across 27 different entities. As seen in Chart 1, 49 of the 92 (53%) findings are from three agencies in the Health and Human Resources secretariat and one university.

**Number of ACFR and Single Audit Findings by Entity – Fiscal Year 2021**

Chart 1

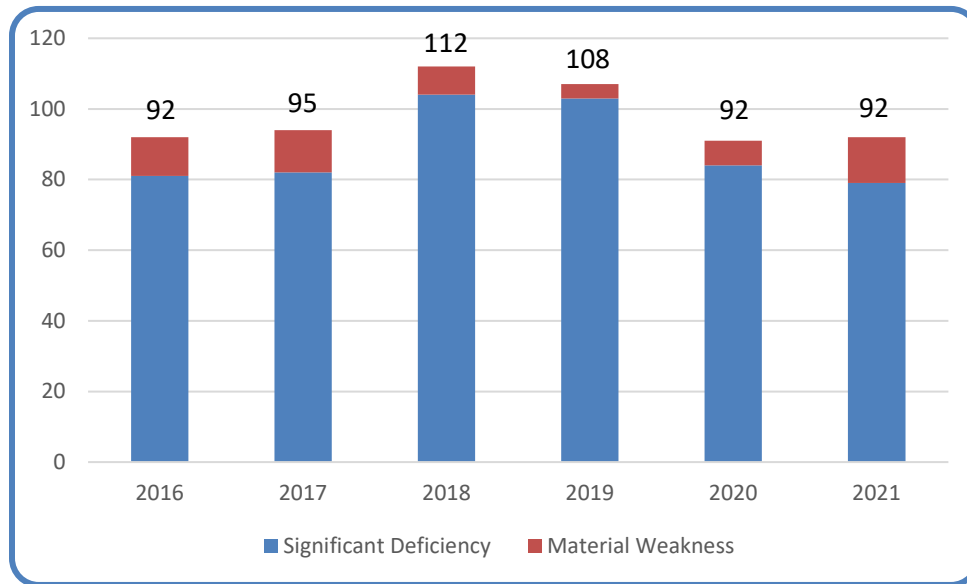


Note: Five findings reported deficiencies at multiple entities. For this graph, these deficiencies are broken-out and included to the total of each entity impacted.

Auditing standards require us to evaluate the severity of each internal control finding and classify them as a significant deficiency or material weakness, with material weakness being the most critical classification. We must classify findings as a material weakness when there is a reasonable possibility that a material misstatement of the entity’s financial information will not be prevented or detected and corrected on a timely basis due to a deficiency in internal control. Chart 2, for each year, provides the total number of findings and a breakdown of the severity of the findings reported in the Single Audit for fiscal years 2016 through 2021.

**Number and Severity of Findings Reported in the Single Audit  
Fiscal Years 2016 through 2021**

Chart 2



While the total number of findings remained the same from fiscal year 2020 to 2021, the number of material weaknesses increased by six, from seven to 13. Seven entities are responsible for the material weaknesses reported in the Single Audit for fiscal year 2021. Virginia Employment Commission had five material weaknesses with Housing and Community Development and Health each having two. Additionally, Emergency Management, Medical Assistance Services, Social Services, and Small Business and Supplier Diversity each had one material weakness.

Consistent with prior years, information systems security related findings in 2021 represent a significant portion of the total findings for the Commonwealth, 34 (or 37%). We review information systems security controls as part of our audits since the information we audit is stored in, processed by, and reported out of automated systems. The specific information security controls that we audit in a particular fiscal year depend on overall audit objectives, scope, and risk. Therefore, we do not audit the same information systems security controls across all agencies in one fiscal year.

Chart 3 provides more information about the nature of these findings by indicating the applicable control family. The Commonwealth of Virginia’s Information Security Standard, SEC 501 (Security Standard) adopts the Information System Security Control Families from the National Institute of Standards and Technology (NIST) to categorize controls that the Commonwealth is required to apply to its information systems. According to NIST, a control family “contains security controls related to the general security topic of the family. Security controls may involve aspects of policy, oversight, supervision, manual processes, actions by individuals, or automated mechanisms implemented by information systems and devices.” Consistent with recent years, access control findings represent nearly 20 percent of findings in the information systems security area.



## Information Systems Security Findings by Control Families – Fiscal Year 2021

Chart 3



*Note: Nine findings reported deficiencies with multiple control families. For this graph, the deficiencies are broken-out and included in the total for each control family impacted.*

Finally, for additional information about findings, we once again included two listings of all findings in Appendix I of the Single Audit. The first list organizes all findings by topical area, and the second list organizes all findings by the applicable entity. A user of the Single Audit report can use these lists to analyze audit findings by topical area or agency and to obtain a finding's number, which the user can use to locate more information about a finding within the Single Audit report. The [2021 Single Audit](#) report is available on our Office's website.

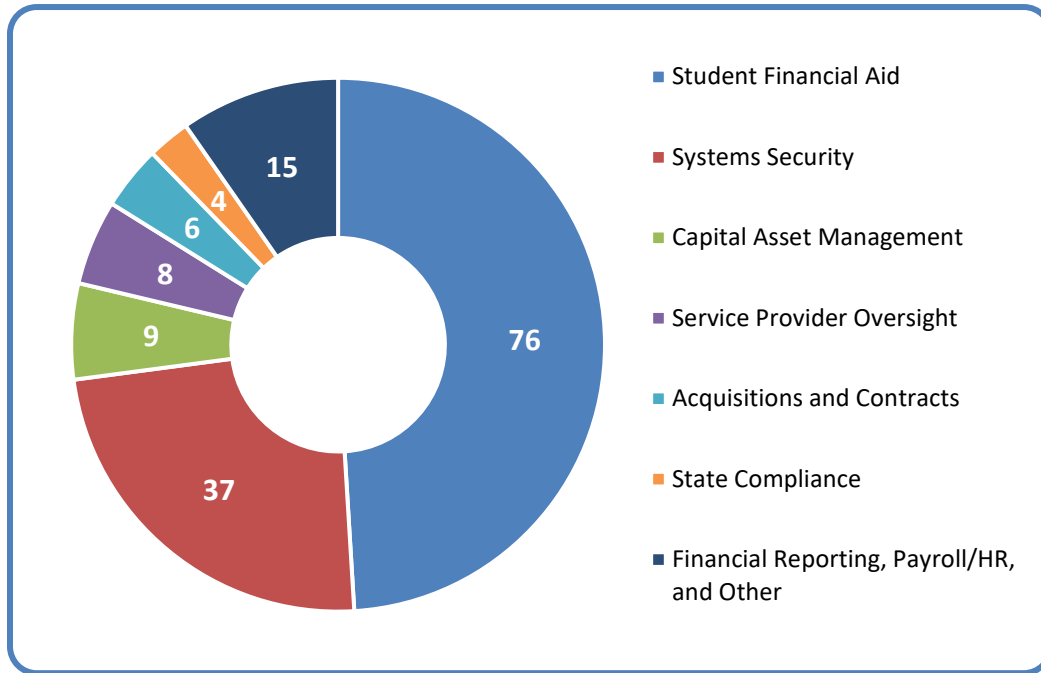
### Higher Education

In fiscal year 2022, we issued reports for financial statement audits related to the Commonwealth's higher education institutions, including the Virginia Community College System and its 23 community colleges. As part of our Single Audit of federal funds, we released separate summary reports detailing higher education institution compliance related to federal Education Stabilization Funds provided as part of pandemic relief funding and compliance with student financial aid requirements associated with federal funding. We also performed follow-up reviews at multiple institutions with previously issued and unresolved findings. In addition to federal compliance testing, we also performed a reaccreditation review at John Tyler Community College and issued a separate report on student financial aid requirement compliance for the University of Virginia's College at Wise to assist these institutions in satisfying their reaffirmation of accreditation obligations. Lastly, our office completed additional procedures at nine higher education institutions over their National Collegiate Athletic Association activities.

While we issued unqualified opinions on the financial statements of each of these institutions, we reported 155 internal control and compliance findings distributed among these institutions. These findings addressed a variety of issues, but the majority of the issues reported were related to compliance with financial aid requirements and information system security weaknesses as seen in Chart 4.

**Higher Education Institution Findings by Control Families**

Chart 4



**Using a Risk-Based Approach for Non-mandatory Audits**

There are approximately 70 agencies that are subject to audit by our Office that do not have a mandatory annual audit requirement and, generally, these agencies do not have financial activity that is required to be audited in support of the ACFR or Single Audit of federal funds. We perform a risk analysis annually for these agencies considering certain criteria such as the relative amount of revenues and expenses, results of external reviews such as federal program audits, number and significance of prior audit findings, and turnover in key positions. We also look for unusual trends or changes in financial activity and contact the agency to discuss any recent changes or concerns. Based on this analysis, we divide the agencies into two pools. Agencies with lower risk are assigned to Pool I and agencies with a higher risk are assigned to Pool II. These pools are subject to change each year depending on the risk rating and we provide additional information on the approaches used for each pool below.

*Pool I*

We have several approaches for auditing Pool I agencies. Annually, our Office conducts an Internal Control Questionnaire Review project which includes all agencies in Pool I at least once every three years. During the review, we send each agency a questionnaire to complete covering significant organizational areas and activities, including payroll and human resources; revenues and expenses;

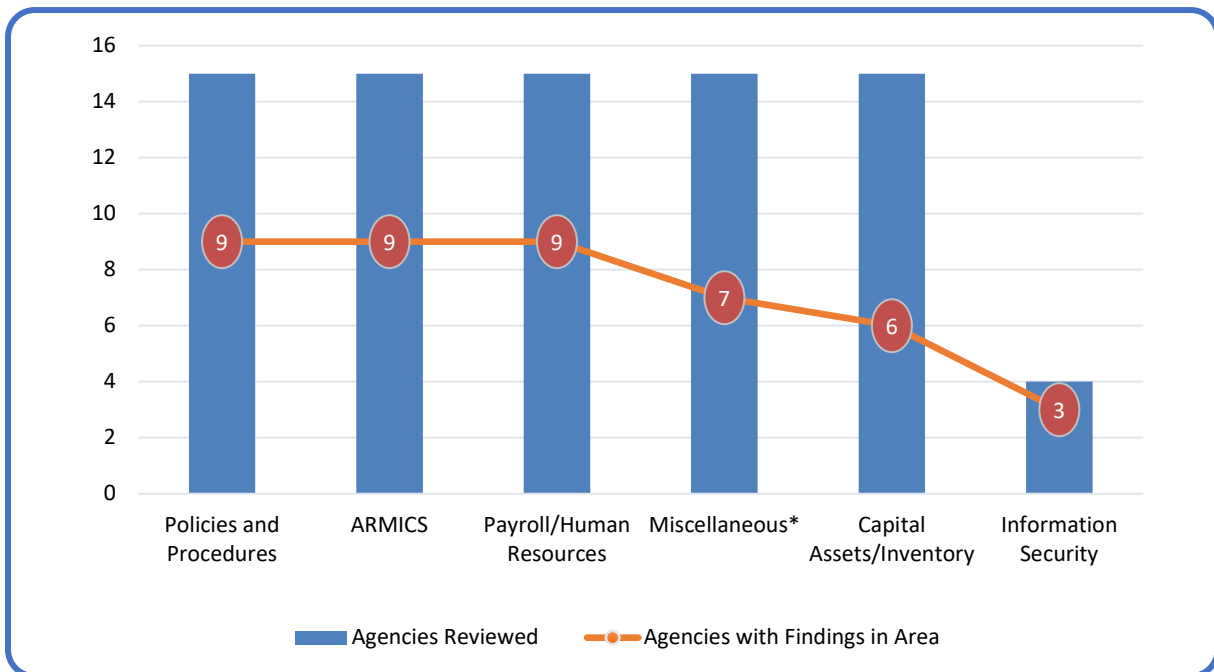
procurement and contract management; capital assets and leases; grant and debt management; and information technology and security. The questionnaire focuses on key controls over these areas and activities.

We review agency responses and supporting documentation and design procedures to target risks or business functions deemed significant. Depending on the results of our initial procedures, we may perform additional procedures including reviewing evidence to determine select transactions are executed in accordance with policies and procedures and conducting inquiries with management. After we complete the on-site review, we provide a letter to management reporting the results and highlighting any key areas of interest. In addition, we issue a report with the accumulated results for all agencies after the project is complete.

During 2022, we issued a report summarizing the results of the internal control questionnaires performed primarily during 2021 and highlighting the common deficiencies identified across agencies reviewed. This review included 16 agencies and we issued recommendations for improvements in internal controls to 15 of these agencies. As shown in Chart 5, the areas with the most findings were related to policies and procedures and the payroll/human resources area. The [Internal Control Questionnaire Results Summary](#) is located on our website. We also use the results of this process in our risk-based analysis, which could result in the agency being included in Pool II or identify topics for our special project for Pool I agencies.

**Frequency of Internal Control Questionnaire Findings – Fiscal Year 2021**

Chart 5



\*Miscellaneous areas vary by agency and include areas such as e financial reconciliations, financial reporting, procurement and contract management, revenues/expenses, grants, and debt.

The agencies in Pool I are also subject to audit every year under a special project that focuses on one specific area that is determined to be significant. We determine the specific area of focus based on the results of prior audits and internal control questionnaire results. We use risk analysis to determine which agencies will have detailed procedures completed in this area and will perform limited procedures at the remaining agencies. We issue a comprehensive report at the end of the project detailing the results for the agencies selected for review.

---

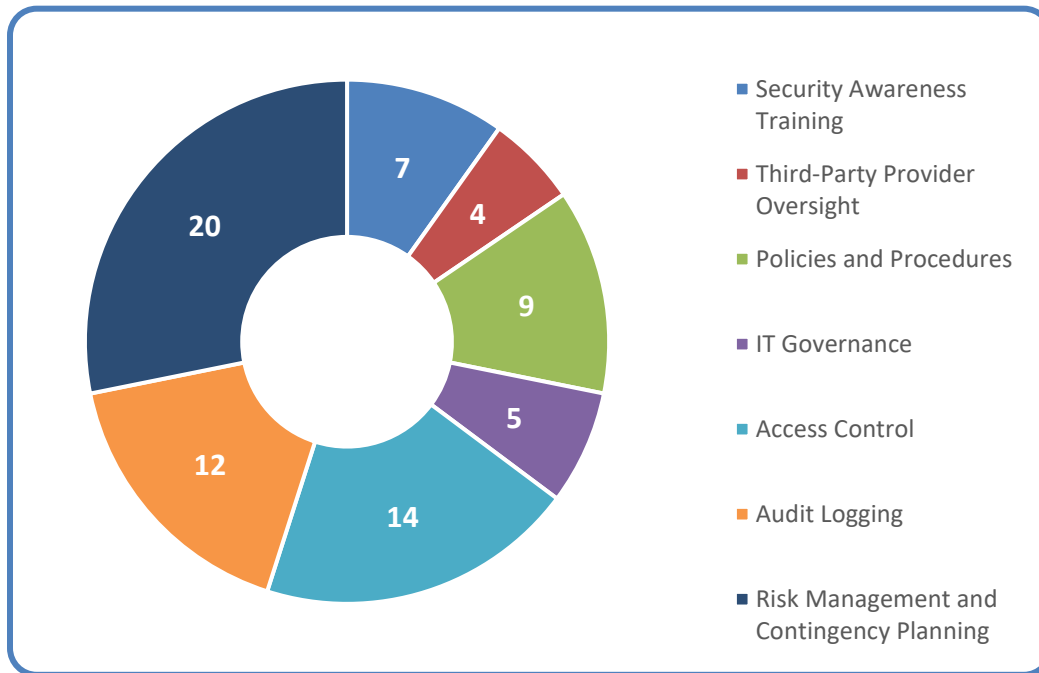
*Pool I agencies are subject to audit annually under a special project that is determined to be significant for the agencies in this pool and, also, receive an internal control questionnaire review at least once every three years.*

---

During fiscal year 2022, we completed work and issued a report related to the information systems security area at 19 Pool I agencies. This report focused on seven information system security controls areas and included 71 individual findings which are summarized by control area in Chart 6.

**Information System Security Findings by Control Area – Pool I Agencies**

Chart 6



*Pool II*

Given that Pool II agencies are generally designated as higher risk, we perform an audit of each agency; however, the audit objectives and scope vary from the audits that we have traditionally performed. Generally, agencies classified in Pool II will stay in the audit cycle for a minimum of three years, and we will plan our work accordingly. We use a risk-based approach to determine the scope of the review for each agency selected. Therefore, our reports have a more limited scope, focusing on specific areas that we select for review versus an agency-wide approach. This allows us to cover selected areas in more depth and additional areas that we may not have previously covered as we were focused

areas in more depth and additional areas that we may not have previously covered as we were focused primarily on significant financial cycles as opposed to those that may have higher risk. During fiscal year 2022, we issued reports for six Pool II agencies, and several of these reports are summarized below.

### Virginia Department of State Police

For our audit of the [Virginia Department of State Police for fiscal year ended June 30, 2020](#), we selected prior audit findings where State Police had implemented corrective action to perform follow up procedures to determine if the findings had been resolved. These findings were related to the Information Technology, Property and Finance, and Human Resources Divisions. We also performed additional procedures over select cycles within these divisions. We determined nine findings were resolved as corrective action was sufficient. We also reported four new findings and eight repeat findings from prior audits where the corrective action did not sufficiently resolve the issue. We did not review management's corrective action over 32 findings we had identified as deferred.

### Department of General Services

We audited the [Department of General Services'](#) (General Services) surplus property operations administered by the Office of Surplus Property Management and information system security controls for various divisions for the fiscal year ended June 30, 2020. We also followed up on one prior audit finding related to financial system reconciliations and two areas identified in the Internal Control Questionnaire Review completed in June 2019 related to internal service funds and authorized expenses signature listings. We issued six internal control findings with three findings related to surplus property or disposals and one finding related to database security. We also issued a risk alert related to improving audit log monitoring. This is a risk to the agency; however, it is outside of the control of General Services' management alone and requires the action and cooperation of the Virginia Information Technologies Agency management.

### Virginia Commission for the Arts

The audit of the [Virginia Commission for the Arts for the year ended June 30, 2021](#) covered significant fiscal processes and followed up on findings and recommendations from a special review in 2019. In our fiscal year 2021 report, we issued four findings which were all partial repeats as the Commission had made some progress addressing the prior issues. We also recommended management evaluate language in the Code of Virginia related to the Virginia Arts Foundation Fund to determine if the language was appropriate or relevant given the nature of the Fund's financial activity. As a result of the recommendation, Commission management worked with the 2022 General Assembly to pass legislation that updated the Code language to improve the transparency of this Fund for taxpayers who contribute to it.

## Performing Special Reviews

### *Pensions and Other Postemployment Benefits Special Reviews*

#### Pensions

In addition to performing the annual audit of the System's financial statements, we have continued to include approximately 3,000 additional hours in our annual work plan to audit the requirements of the pension standards. This mandatory work is the result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2015, which covered accounting and reporting of pension activity by employers.

---

*Our annual work plan increased by approximately 3,000 hours when the Commonwealth implemented new pension standards in fiscal year 2015.*

---

At the System, our annual work includes a review of various schedules prepared by the System's actuary and guidance prepared by the System for use by the Commonwealth's agencies and higher education institutions as well as its localities. We also perform additional testing of census data provided by agencies and higher education institutions. Further, we continue to provide guidance and reporting requirements related to local government audits. See the [Supporting Local Government](#) section of this report for more information on our efforts regarding the Commonwealth's localities.

#### Postemployment Benefits Other Than Pensions

Similar to the standards addressing accounting and financial reporting for pension plans and pension activity by employers, GASB issued standards for accounting and reporting for postemployment benefits other than pensions (OPEB). GASB Statement No. 75, which covers participating employer accounting and reporting of postemployment benefits other than pensions, was effective for fiscal year 2018.

The System administers all but one of the Commonwealth's other postemployment benefit plans, including Group Life Insurance, the Retiree Health Insurance Credit Program, the Disability Insurance Trust Fund, the Line of Duty Death and Disability Program, and the Virginia Local Disability Program. The remaining OPEB program, Pre-Medicare Retiree Healthcare, is administered by the Department of Human Resource Management (Human Resource Management). Some state and local entities also administer their own plans or participate in plans administered by other entities, and they are responsible for ensuring they comply with the standards related to these plans.

At the System, we continue to include over 1,000 additional hours in the work plan to audit the requirements of GASB Statement No. 75. We also include an additional 600 hours at Human Resource Management to audit the Commonwealth's Pre-Medicare Retiree Healthcare program. The additional hours for the System and Human Resource Management primarily included review of the other postemployment benefit plan schedules and the related actuary reports.

## Pension and OPEB Resources

Annually, the System provides the actuarial valuation reports, schedules of the applicable pension and other postemployment benefit amounts, footnote disclosure information, and other financial reporting guidance to the participating state and local government employers for their financial statements to enable them to comply with GASB Statement Nos. 68 and 75. Likewise, once our work is complete, our Office publishes the reports that include our audit opinions over the plan schedules and applicable pension and other postemployment benefit amounts for the various pension and OPEB plans. All of this information is available on the [Pension and OPEB Standards](#) section of our website. In addition, Human Resource Management provides the actuarial valuation report, schedule of applicable other postemployment benefit amounts, footnote disclosure information, and other financial reporting guidance for the plan it administers to participating employers to enable them to comply with GASB Statement No. 75 when preparing their financial statements. Likewise, once our work is complete, our Office publishes the report that includes our audit opinion over the plan schedule and applicable other postemployment benefit amounts for the Pre-Medicare Retiree Healthcare plan.

### *Revenue Stabilization Fund Calculations*

Annually, we issue a report which includes calculations for the Revenue Stabilization Fund as required by Article X, Section 8 of the Virginia Constitution and § 2.2-1829 of the Code of Virginia. The information in this report is used during the Commonwealth's budget development process. As of June 30, 2021, the balance in the Revenue Stabilization Fund was \$639.6 million. During fiscal year 2021, there was a mandatory required deposit of \$77.4 million. This deposit to the Revenue Stabilization Fund was required based on actual tax collections during the 2019 fiscal year. There were no withdrawals from the fund during the year. The General Assembly is not required to make a mandatory deposit to the Revenue Stabilization Fund for fiscal year 2022 based on fiscal year 2020 certified tax revenues. Access the [Full Report](#) on our website.

### *Revenue Reserve Fund Calculations*

The Revenue Reserve Fund is a special non-reverting fund that the Governor and General Assembly can use to offset certain anticipated shortfalls in revenues when appropriations based on previous forecasts exceed expected revenues in subsequent forecasts. In conjunction with the requirement for our Office to certify tax revenues used in determining if there is a constitutionally required deposit to the Revenue Stabilization Fund, § 2.2-1831.3 of the Code of Virginia requires us to report on the amount that can be paid into the Revenue Reserve Fund. The Code of Virginia also requires us to report the amount by which the fund is below the maximum amount permitted. Our Office issues this report on November 1st of each year, which aligns with the Revenue Stabilization report issuance date. As of June 30, 2021, the balance in the Revenue Reserve Fund was \$855.8 million. The balance of the fund does not exceed the maximum fund allowed. A deposit to the Fund was not required during fiscal year 2022 based on certified tax revenue for fiscal year 2021. Access the [Full Report](#) on our website.

## Summary Reports of Judicial and State Account Audits

Annually, we issue summary reports related to certain work we perform over the Commonwealth's court system, as well as state funds collected by local Constitutional Officers. These reports allow stakeholders to more readily identify trends in findings across courts and localities and better understand the financial impact of these findings.

In 2022, we issued the [Virginia District Court System Statewide Report](#) summarizing the findings from our audit of the District Court System for the fiscal year ended June 30, 2020.

Our audits resulted in findings in 49 courts, some of which had multiple findings, and we issued repeat findings for 12 District Court audits. The report includes an appendix containing a summary of results by court. We also issued our [Report on Collections of Commonwealth Revenues by Local Constitutional Officers](#) for the year ended June 30, 2021, which summarizes the findings we have previously communicated to the individual Sheriffs, Treasurers, and Commonwealth's Attorneys and the respective local governing body upon completing our individual audits. Our audits resulted in findings at 23 localities. We have listed the findings in the report by constitutional officer and locality. We limited our work in local government to the collection of Commonwealth revenues by Constitutional Officers, excluding Clerks of the Circuit Court, which we audit separately.

---

*Annually, we issue summary reports for the work we perform over the Commonwealth's District Courts and state funds collected by local Constitutional Officers to allow stakeholders to identify trends across courts and localities.*

---

## Monitoring the Impact of New Lease Accounting Standard

In 2017, GASB issued Statement No. 87, Leases with an original implementation date of fiscal year 2021. However, Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* postponed the effective date of this accounting standard by 18 months. It will become effective for fiscal year 2022 and will significantly change the way governments account for leases. Under the new model, operating and capital leases no longer exist. Governments will report all leases as financing transactions, resulting in recording an intangible asset and a liability for every lease except short term leases (less than 12 months). This standard will dramatically change the Commonwealth's financial statements by increasing the amount of assets and liabilities reported.

---

*Beginning in fiscal year 2022, the Commonwealth will be required to implement a new lease accounting standard. Under the new standard, most of the Commonwealth's \$468.9 million in operating leases, which currently are not reported as liabilities in the financial statements, will become lease liabilities.*

---

Annually, we audit the Commonwealth's proper recording and reporting for its leases at the Department of Accounts and the Department of General Services. For fiscal year 2021, the Commonwealth's primary government had \$27.8 million in capital lease liabilities and \$468.9 million in operating lease commitments, which are not reported as liabilities in the Commonwealth's ACFR. Under the new standard, most of the operating lease commitments will become lease liabilities. This change could potentially impact the Commonwealth's debt capacity model, resulting in a reduced capacity for debt issuance.



The Commonwealth has two systems that state agencies use to account for leases. The Department of General Services manages a system that includes all real estate leases. The Department of Accounts manages a system that includes all other leases, such as equipment leases. GASB Statement No. 87 requires that governments recognize and measure existing leases using the facts and circumstances that exist at the beginning of the period of implementation, which is July 1, 2021, not the inception of the lease. With the postponement of the effective date, the Departments of Accounts and General Services had an additional year to gather data, assess all of its leases, and implement changes to its lease systems by July 1, 2021, to successfully implement the new standard for fiscal year 2022. We will audit the Commonwealth's implementation of GASB Statement No. 87 for fiscal year 2022 and report on the results in fiscal year 2023.



## We Are KNOWLEDGEABLE

To ensure that our staff have the knowledge they need to properly perform our audits, we have a formalized training and continuous education program that combines internal and external training. In addition, we continuously monitor the activities of various standard-setting and regulatory bodies, providing feedback on proposed changes. We strive to help protect the interests of the Commonwealth and its localities and ensure we remain knowledgeable of the standards we must follow in performing our audits and that agencies must follow in accounting for and reporting their financial activity. We share the knowledge we have gained through our training, monitoring, and audit activities with various state, local, and other professional organizations to ensure they are aware of changing accounting standards and federal regulations, activities of our Office, and results of our projects. Participating with these organizations also serves as a way for our Office to gather information to help us continue improving our audits.

### Ensuring Our Staff are Knowledgeable

Ensuring that our staff have the knowledge and skills they need is one of our top priorities. We have an established training program that provides our auditors with a variety of general and specialized training throughout their careers. New hires receive internal training for the first two years that provides essential auditing and accounting skills and knowledge about the Commonwealth's operations. Our knowledgeable staff develop and present all internal classes.

---

*Our staff remained engaged and knowledgeable through training provided in virtual, in person and hybrid settings.*

---

Following the COVID-19 pandemic, we began transitioning to a hybrid work environment and we have used this transition period to implement new technologies and explore different approaches for providing effective and efficient training for our staff. We now offer training through virtual, in person, and hybrid settings depending on which format is most effective given the nature of the training. The flexibility and adaptability of our staff has allowed us

to continue to provide high quality internal training to our staff to ensure they remain engaged and knowledgeable.

Annually, each auditor receives at least 40 hours of training. After the first two years, staff continue to receive annual training from internal and external sources related to governmental accounting and auditing standards as well as personal development in the areas of supervision and leadership. Some of our key external training providers include Association of Certified Fraud Examiners (ACFE); Association of Government Accountants (AGA); American Institute of Certified Public Accountants (AICPA); National Association of State Auditors, Comptrollers, and Treasurers (NASACT); Virginia Government Finance Officers Association (VGFOA); Virginia Society of Certified Public Accountants (VSCPA); and the Virginia Commonwealth University Performance Management Group. In

addition, specialized training classes enable staff to develop an advanced level of knowledge in their selected area of expertise. We carefully consider the needs of each staff member so that all staff do not receive the same training. Instead, our auditors meet semi-annually with their supervisors to develop an individualized training plan for the following year that considers audit experience, expertise, and areas of development in work performance.

As further discussed in the Monitoring Standards and Regulations Section, we review documents issued for comment by the various standard-setting bodies to stay well-informed of the applicable auditing and accounting standards. In addition, we hold an annual accounting and auditing update for all staff with internal and external presenters who discuss new and emerging issues related to standards. At our May 2022 standards update, internal and external experts presented information on new accounting and auditing standards that would affect the upcoming fiscal year 2022 audits as well as standards that would become effective over the next several years. They also shared the results of our internal quality control reviews and updates to our audit resources to ensure the continued quality of our audit documentation.

### Monitoring Auditing Standards and Regulations

During the year, our Office reviewed proposed changes by the various standard-setting bodies that govern the auditing standards we follow and the accounting standards that Virginia state and local governments must follow when reporting their financial activity. We also reviewed documents issued by federal oversight entities that establish regulations we must follow when auditing federal awards and state and local governments must follow when expending federal awards.

---

*We are proactive in monitoring and providing feedback on the activities of various standard-setting and regulatory bodies to help protect the interests of the Commonwealth.*

---

Being a part of this process allows us to stay informed of upcoming changes so that we can provide technical advice to the General Assembly, state agencies and institutions, and local governments in the Commonwealth. In addition, by providing feedback to the standard-setting and regulatory bodies on proposed changes, we help protect the interests of the Commonwealth in circumstances where we do not agree with the proposed changes. Table 2 summarizes the documents that we reviewed and to whom we provided responses during the year.

## Summary of Standards-Related Documents Reviewed in Fiscal Year 2022

Table 2

Standard-Setting Entity	Document Reviewed
AICPA	Exposure Draft: <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations</i>
AICPA	Exposure Draft: <i>A Firm’s System of Quality Management and Engagement Quality Reviews</i>
AICPA	Exposure Draft: <i>Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards</i>
AICPA	Exposure Draft: <i>Amendment to AU-C Section 935</i>
AICPA	Exposure Draft: <i>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-To Auditors)</i>
GASB	Exposure Draft: <i>Accounting Changes and Error Corrections – an amendment of GASB No. 62</i>
GASB	Exposure Draft: <i>Communication Methods in General Purpose External Financial Reports that Contain Basic Financial Statements: Notes to the Financial Statements</i>
GASB	Exposure Draft: <i>Omnibus 20XX</i>
OMB	2022 Compliance Supplement, Appendix XI to Uniform Guidance, 2 CFR Part 200

Note: OMB – Office of Management and Budget

Consistent with the previous year, our Office provided OMB with formal comments on its proposed changes to federal regulations that will impact Single Audits and grants management at the state and local level. We participated in several rounds of feedback on multiple documents related to the 2022 Compliance Supplement. When reviewing these documents, we shared noted changes with the Department of Accounts, to ensure they could make necessary adjustments to ensure the Commonwealth’s compliance with federal requirements. Also, our Compliance Assurance Specialty Team Leader worked with the National State Auditors Association (NSAA) to continue monthly meetings among member states to discuss and share information related to all aspects of Single Audits.

Our Compliance Assurance Specialty Team Director continued to represent the Commonwealth of Virginia by presenting at this year’s Single Audit Roundtable meeting. At this event, federal officials, a representative from NSAA, representatives from all the major accounting firms, and representatives from a few states’ audit organizations exchanged ideas, problems, solutions, and best practices for performing Single Audits. Furthermore, the Compliance Assurance Specialty Team Director served on the AICPA taskforce that recommended amendments to AU-C Section 935 to ensure it continued to harmonize with other auditing standards. Additionally, the project manager for our Single Audit of federal funds assisted members of the federal inspector general community and staff of the Pandemic Response Accountability Committee to refine the guidance that federal awarding agencies will use as they develop their performance and special reporting sections of the OMB’s 2023 Compliance Supplement.

## Sharing Knowledge

Throughout the year, we provide information on a variety of topics to various groups including legislative staff and members, state and local government officials and organizations, higher education groups, and other professional organizations. Table 3 highlights the groups and organizations to which Office staff provided information during the fiscal year and a brief summary of topics covered.

**Summary of Presentations in Fiscal Year 2022 By Type of Organization and Topic**

Table 3

State Government Related Organizations	
<b>College and University Auditors of Virginia Annual Conference</b>	Provided information on the Office's 2023 work plan and results of our fiscal year 2022 audits, the Higher Education Comparative Report, and new financial reporting standards impacting higher education audits
<b>Fiscal Officers of Colleges and Universities State Supported</b>	Provided information on the Office's 2023 work plan and results of our fiscal year 2022 audits, the Higher Education Comparative Report, and new financial reporting standards impacting higher education audits
Local Government Related Organizations	
<b>Treasurer's Association of Virginia Annual Conference</b>	Provided an overview of the Office's annual audit process and information on internal controls over state income collections
<b>Virginia Sheriff's Institute Spring Conference</b>	Provided an overview of the Office's role in auditing sheriffs and a summary of information in the Office's Virginia Sheriff's Manual
Other Professional Organizations	
<b>AGA-Roanoke Chapter</b>	Provided information on the basic and advanced features of Microsoft Excel
<b>AGA Professional Development Training</b>	Provided information on Government Auditing Standards that auditors must follow as they navigate the pandemic in their own practices, and in their audits of related federal funding
<b>Cherry Bekaert Government and Public Sector Seminar</b>	Provided an overview on the Office's oversight responsibilities for local government and an update of various topics affecting local government financial reporting, including an update on the Office's annual local fiscal distress monitoring process
<b>National Association of State Budget Officers</b>	Provided information on what to expect from a Single Audit and how to prepare for one, as well as a summary of audit findings related to Coronavirus Relief Funds
<b>Single Audit Roundtable</b>	Provided information on the importance of a high quality Compliance Supplement and challenges for auditors
<b>NSAA and AIPCA Meeting – Student Financial Aid Focus</b>	Provided information, along with other stakeholder groups, on the draft version of the 2022 Compliance Supplement
<b>NSAA Annual Conference</b>	Provided an update on Single Audits including an overview of increased federal expenses and the impact on state audit organizations
<b>NSAA IT Conference Workshop</b>	Provided an overview of new programs created by the federal government's response to the pandemic
<b>VGFOA Conference</b>	Provided an overview on the Office's oversight responsibilities for local government and an update of various topics affecting local government financial reporting, including an update on the Office's annual local fiscal distress monitoring process

**Being Leaders in Our Profession**

In addition to making presentations to various state, local, and other groups, our staff also participate in leadership roles in various groups that are opportunities for professional development as well as opportunities to have a voice in the activities that impact our Office and the entities that we audit. Table 4 lists organizations in which our staff participate in leadership roles. Due to their relevance to the work we perform, in some cases, we have multiple staff involved in a particular committee.

**Summary of External Organization Involvement – Fiscal Year 2022**

Table 4

External Organization	Leadership Role
ACFE - Central Virginia Chapter	President
AGA Intergovernmental Partnership Steering Committee	Committee Member
<b>AICPA:</b> Compliance Audit Task Force Government Audit Quality Center Governmental Accounting and Auditing Update Conference Technical Committee Government Performance and Accountability Committee	Member Executive Committee Member Chair Committee Member
GFOA Industry Working Group on Municipal Market Disclosure	Group Member
<b>NASACT:</b> Committee on Accounting, Reporting, and Auditing  Communications Work Group COVID-19 Accountability Workgroup GASAC Subcommittee Leases Implementation Work Group	Co-Chair and Committee Members Group Member Group Member Subcommittee Member Co-Chair and Members
<b>NSAA:</b> Audit Standards and Reporting Committee Data Analytics Work Group Excellence in Accountability Awards Committee Human Resources Committee IT Conference Program Medicaid Collaboration Subcommittee Single Audit Committee	Chair and Members Committee Members Committee Members Committee Members Committee Member Committee Members Vice Chair and Member
<b>VSCPA:</b> Accounting and Auditing Advisory Committee Board of Directors Innovation Advisory Council Young Professionals Advisory Council	Vice Chair Member Council Member Council Members



## We Are PROFESSIONAL

Our mission drives us each day to support the Commonwealth in new and innovative ways. Over the years, we have developed a solid organizational structure of professional staff on which to perform our constitutionally driven responsibilities. To learn more about our structure and the types of individuals that work at the Office, please see our Office Overview document at [Appendix A](#).

### [Recognizing the Accomplishments of Our Staff](#)

We recognize that our staff are key to achieving our mission. Therefore, we strive to create a positive work environment that will continue to help us recruit and retain talented staff. A few of the ways we strive to create a positive work environment include offering flexible work schedules and having periodic events to recognize staff accomplishments such as our Employee Appreciation and new-hire welcome luncheons, providing totes with snacks and other items as our staff transitioned into the summer, a “fiscal” New Year’s Eve celebration, and a Fall Festival event that provided opportunities for staff to re-energize during the peak of our busy season.

In addition, each Specialty Team sponsors an event during the year with an activity that fosters collaboration and allows our staff that are frequently working away from our Office to interact with each other. We also celebrate the professional achievements of our staff by making officewide announcements of their successes and through the issuance of bonuses or salary adjustments. Further, as discussed in the We are Knowledgeable section above, we work to ensure that we are providing our staff with the training they need to help us maintain a high level of audit quality while developing future leaders for our Office.

### *[Maintaining a Positive Work Culture](#)*

Maintaining a positive work culture contributes to our ability to fulfill our mission. As we transitioned from a primarily virtual work model to a hybrid one, we ensured our staff had the information and resources to make this transition successful. We continued to leverage our use of technology to enhance the work experience for our staff, providing larger monitors for staff to use in the office, and updating the technology in our training room to better facilitate meetings with individuals outside of the office. We also continued to provide video updates to communicate important officewide changes to our staff, ensuring everyone had access to information in a timely manner. We continued to expand our use of Microsoft Teams, using all functionality of the application to effectively collaborate with one another whether working in the office or remotely.

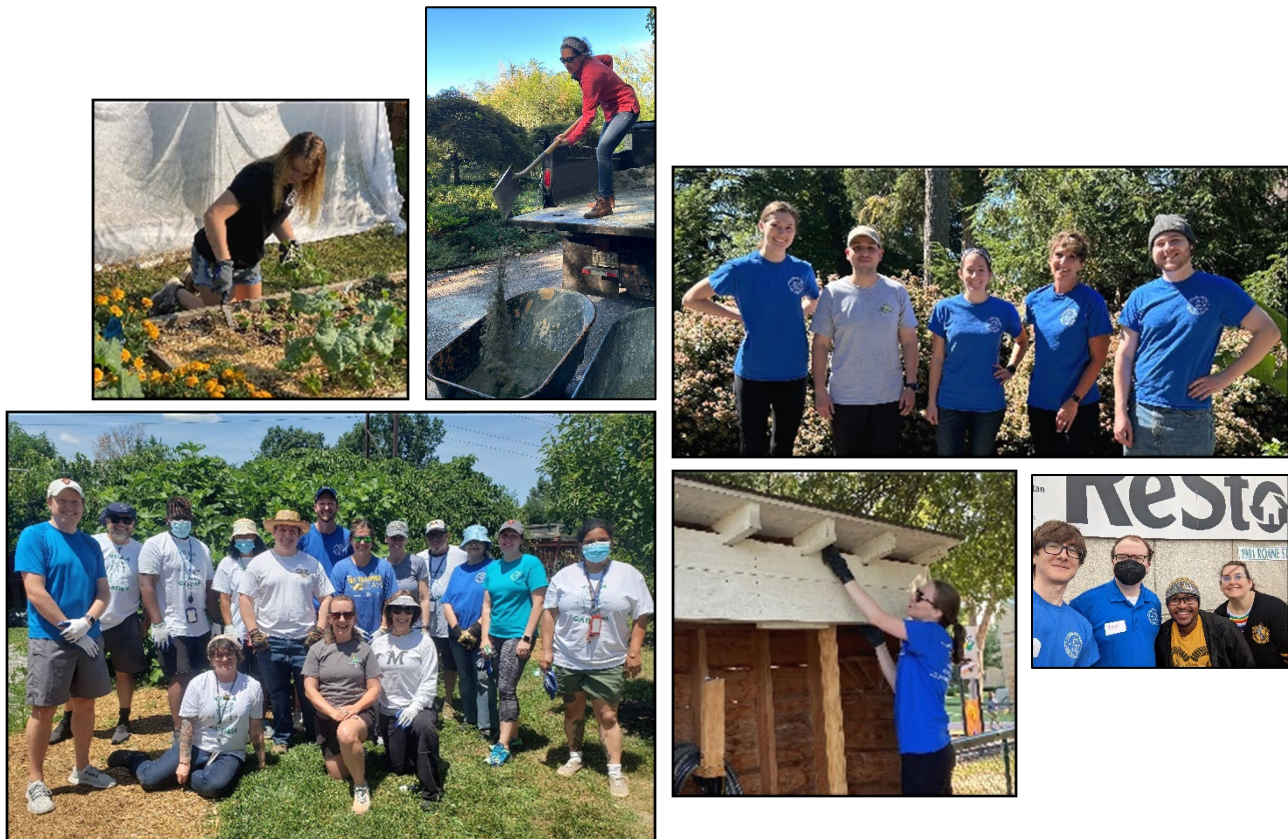
Because we believe the APA is a great place to work, for the past nine years we have participated in the Richmond’s Top Workplaces event sponsored by the Richmond Times-Dispatch and Energage. To

participate, employers and their employees completed anonymous surveys about their workplace. In March, as a result of the feedback received from our staff, the Auditor of Public Accounts was once again recognized as one of Richmond's Top Workplaces in the *Richmond Times-Dispatch*. This is the ninth consecutive year that we have received this recognition, and the APA is one of only nine employers that has been on the list for each of the nine years the program has been in existence.



Our staff believe in giving back to the communities in which we live, volunteering with multiple local organizations during the year, including Habitat for Humanity ReStore, Habitat for Humanity Build, Maymont Park, and Saint Joseph's Villa. Each of the events provided unique opportunities for staff to give back, including participating in the building of homes, freshening up gardens and grounds of outdoor facilities, to organizing and stocking shelves at the Habitat Restore warehouse.

In addition, during the holiday season, our staff came together and identified local charities to donate to, further demonstrating a commitment to those in need in our neighboring communities. Based on the generosity of our staff, our office was able to donate a variety of items for animals to the Richmond SPCA and 80 pounds of food to Feed More. Feed More communicated based on our office donation, the organization would be able to serve 66 more people during the holiday season. This act of kindness from our staff further displays the positive work culture at APA, that not only has an impact on our staff, but also in the communities in which we work.





## Finalizing Our Strategic Plan

During the year, we finalized the directives of our five-year strategic plan which focuses on addressing a digital transformation of our Office and reflects our awareness of the future of the auditing profession. We issued our [report](#) highlighting this plan in November 2022 and have already made strides with accomplishing some projects under the five main guiding directives. For instance, under the strategic directive which emphasizes a continued focus on human capital, we reinstated our internship program during the Fall of 2022, hiring four interns from universities in the Commonwealth. Using a hybrid model, we provided these students with a unique opportunity to gain real world auditing experience which allowed them to explore the diversity of state government while developing professional skills. This program was highly successful for the students who participated and our Office, as we continue to move forward in strengthening our talent pipeline while creating an awareness of the professional audit opportunities available in state government.

A related initiative that we continue to cultivate and expand upon is our use of Robotic Process Automation. With the use of this technology, we have currently automated a variety of manual administrative and audit-related processes, such as analyzing our Office firewall logs to performing data retrievals and imports in support of our annual audits. This has not only resulted in savings from an hours worked perspective, but also has provided a means to explore how we can use innovative solutions to enhance the work we perform.

## Administrative and Financial Highlights

### *Structure and Funding*

The Auditor of Public Accounts is a constitutional officer, serving as the external auditor for all non-legislative state entities of the Commonwealth. The General Assembly elects the Auditor to serve a four-year term, and the Auditor reports to the General Assembly through the Joint Legislative Audit and Review Commission. Virginia's Constitution and the Code of Virginia define the Auditor's duties. This structure provides independence from the agencies and institutions audited.

We receive approximately 89 percent of our funding from the General Fund of the Commonwealth with the remaining 11 percent resulting primarily from billings for federal, pension, and other postemployment benefits audit services we provide. Additionally, we annually bill and directly deposit revenue into the General Fund for local court and select agency audits, which was approximately \$540,000 during fiscal year 2022. Personnel costs make up approximately 90 percent of our budgeted expenses.

## Recruiting and Retaining Staff

We have continued our efforts to rebuild and maintain our staffing levels as shown in Table 5. While it is our goal to staff to our approved staffing level, we have experienced turnover over the years, losing staff to other Commonwealth entities and companies offering higher compensation and additional advancement opportunities, as well as family demands that arose during the COVID-19 pandemic. While we continue to actively recruit new staff, the strong market for accounting and auditing positions has hampered our recruiting efforts.

Table 5

Staffing Overview	
Approved staffing level	136
Actual Staff:	
June 30, 2018	132
June 30, 2019	123
June 30, 2020	120
June 30, 2021	125
June 30, 2022	123

We perform many of our audits because they have statutory mandates, support federal regulations, or fulfill bond covenant requirements. Other work performed by our Office, such as maintaining Commonwealth Data Point and performing local fiscal distress monitoring, fulfills additional statutory mandates. Over the last few years, the number of mandatory hours in our work plan have increased related to new standards, regulations, increased federal funding, and legislation, some of which we have discussed in other sections of this report. As a result, we have had to strategically manage our resources to ensure we accomplish our mandatory work, which has limited the number of new risk-based projects we have performed in recent years. We continue to look for new approaches and leverage technology to allow us to be more innovative and efficient in performing our work. To the extent feasible, we continue to build risk-based audits into our work plan and will commit staffing resources to these types of audits as they become available.

## Being Good Stewards

As reflected above, we strive to make the most of our available resources while ensuring we remain good stewards of the Commonwealth's funds. Table 6 below reflects our budget to actual performance for fiscal year 2022. Our budget to actual variance during fiscal year 2022 was the result of staff turnover.

**Analysis of APA Original and Adjusted Budget versus Actual Expenses by Funding Source**  
For the Year Ending June 30, 2022

Table 6

Funding Source	Original Budget	Adjusted Budget	Actual Expenses	Variance
General Fund	\$13,076,429	\$14,795,172	\$13,426,376	\$1,368,796
Special Revenue	1,851,284	1,851,284	1,384,906	466,378
<b>Total</b>	<b>\$14,927,713</b>	<b>\$16,646,456</b>	<b>\$14,811,282</b>	<b>\$1,835,174</b>



# Auditor of Public Accounts

## Commonwealth of Virginia

Staci A. Henshaw, CPA

### Who We Are

The Auditor of Public Accounts (APA) acts as the General Assembly’s eyes and ears, independently monitoring and reporting how state agencies and institutions spend taxpayers’ money. The agency helps the Commonwealth’s leaders address the challenges facing Virginia today by providing sound, reliable information and alternatives. The Auditor, a constitutional officer elected to a four-year term, reports to the General Assembly through the Joint Legislative Audit and Review Commission (JLARC). While the Auditor’s duties are defined by the Virginia Constitution and the Code of Virginia, JLARC approves the [APA Workplan](#) annually.

The APA serves as the external auditor for all independent, judicial, and executive branch state agencies and higher education institutions in the Commonwealth. In many respects, the Auditor’s Office operates like a CPA firm, with the Auditor serving as the managing partner.

The APA receives approximately 85 percent of its funding from the General Fund of the Commonwealth with the remaining 15 percent resulting from billings for federal, pension, and other postemployment benefits audit work.

### What We Do

The primary focus of the APA is conducting Code of Virginia and federally-mandated audits such as the Commonwealth’s Annual Comprehensive Financial Report (ACFR), the Single Audit of federal funds, and the Commonwealth’s higher education institutions. We also audit pension and other postemployment benefit amounts used by state and local government employers in preparing their financial statements.

In addition, the Auditor completes a risk assessment of the agencies and institutions not mandated for review and evaluates key issues facing the Commonwealth. Most non-mandated audits and reviews are designed to ensure that an agency has internal controls in place to protect the public’s money and that they spend it the way the General Assembly planned. We also evaluate agency and institutional compliance with state and federal laws and regulations. The Office’s remaining resources are dedicated to special projects focused on emerging issues that may require General Assembly consideration or action.

**OUR**  
**MISSION**  
*Serving Virginia citizens and decision makers by providing unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds*

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

# Professional, Knowledgeable Staff

## We're More Than Auditors

In addition to auditing, APA is charged with:

Maintaining Commonwealth Data Point, an online resource on State spending



Monitoring fiscal distress at Virginia's local governments



Investigating local, agency, and institutional fraud cases



Monitoring major IT projects and contracts



Reviewing all Virginia courts



Overseeing local government audits by public accounting firms



The Auditor's Office is comprised of a diverse group of professionals with a wide range of educational and professional backgrounds in accounting, business administration, finance, and information technology. From CPAs to MBAs to CISAs, our staff hold over 20 different types of professional certifications and are actively involved in relevant professional organizations, such as the National Association of State Auditors, Comptrollers, and Treasurers (NASACT), the Association of Certified Fraud Examiners (ACFE), and the Information Systems Audit and Control Association (ISACA). The office expertise is spread over 11 specialty teams regularly trained in specific skills to help meet the agency's mission covering areas such as capital asset and contract management, higher education programs, information technology, judicial systems, and strategic risk and project management.

## How Can We Help?

General Assembly members can request technical assistance from the Auditor's Office in understanding the financial operations of the Commonwealth and its localities. Simply call or e-mail the Auditor with your question or request.

Likewise, state agencies and institutions can make similar requests regarding specific areas of focus for review within their organizations by contacting our office directly.

## Our Reports

APA's reports provide process and policy change recommendations to help the Commonwealth avoid costs or enhance its fiscal management of agency programs. Each year in the fall, the APA submits an [Annual Report](#) to the General Assembly, which highlights the previous year's reports and emerging issues. This and all reports issued by our Office since 1998 are available on our website: [www.apa.virginia.gov/](http://www.apa.virginia.gov/)



Collaborative / Engaged / Knowledgeable / Professional

Auditor of Public Accounts, P.O. Box 1295, 101 N. 14th Street, Richmond, VA 23219, (804) 225-3350

## Summary of Reports Issued

## APPENDIX B

The following is a listing of all reports and letters issued by the Auditor of Public Accounts during the fiscal year ended June 30, 2022. We have organized this section to correspond, where applicable, with the Engaged section of the report. In some cases, audits support multiple aspects of our work plan. For purposes of this section of the report, we have only listed an audit in the most relevant category. An asterisk (\*) indicates the report includes audit findings and recommendations.

Agencies, Institutions, and Authorities	
Agency	Audit Period
<b>ACFR and /or Single Audit</b>	
Agencies of the Secretary of Finance*	July 1, 2020, through June 30, 2021
Agencies of the Secretary of Health and Human Resources*	July 1, 2020, through June 30, 2021
Agencies of the Secretary of Transportation*	July 1, 2020, through June 30, 2021
Commonwealth of Virginia Single Audit Report*	July 1, 2020, through June 30, 2021
Department of Corrections	July 1, 2020, through June 30, 2021
Department of Education including Direct Aid to Public Education*	July 1, 2020, through June 30, 2021
Department of General Services' Bureau of Real Estate Services*	July 1, 2020, through June 30, 2021
Department of General Services Epidemiology and Laboratory Capacity for Infectious Diseases	July 1, 2020, through June 30, 2021
Department of Housing and Community Development Audit of Select Federal Programs*	July 1, 2020, through June 30, 2021
Department of Human Resource Management	July 1, 2020, through June 30, 2021
Department of Small Business and Supplier Diversity*	July 1, 2020, through June 30, 2021
Education Stabilization Fund	July 1, 2020, through June 30, 2021
Local Government Investment Pool Program, Virginia College Building Authority, Virginia Public Building Authority, Virginia Public School Authority	July 1, 2020, through June 30, 2021
Student Financial Assistance Programs Cluster*	July 1, 2020, through June 30, 2021
Virginia Alcoholic Beverage Control Authority*	July 1, 2020, through June 30, 2021
Virginia Department of Emergency Management Audit of Select Federal Programs*	July 1, 2020, through June 30, 2021
Virginia Employment Commission*	July 1, 2020, through June 30, 2021
Virginia Information Technologies Agency*	July 1, 2020, through June 30, 2021
Virginia Lottery*	July 1, 2020, through June 30, 2021
Virginia Retirement System	July 1, 2020, through June 30, 2021
<b>Pensions and Other Post-Employment Benefits Special Reviews</b>	
Department of Human Resource Management Commonwealth of Virginia State Health Plans Program for Pre-Medicare Retirees	July 1, 2019, through June 30, 2020
Virginia Retirement System GASB 68 Schedules:	
Political Subdivision Retirement Plans	July 1, 2019, through June 30, 2020
State Employee Retirement Plan	July 1, 2019, through June 30, 2020
Teacher Retirement Plan	July 1, 2019, through June 30, 2020

**Pensions and Other Post-Employment Benefits Special Reviews (cont.)**

Virginia Retirement System GASB 75 Schedules: Disability Insurance Program Group Life Insurance Plan Line of Duty Act Program Political Subdivision Health Insurance Credit Plans State Health Insurance Credit Plan Teacher Health Insurance Credit Plan	July 1, 2019, through June 30, 2020 July 1, 2019, through June 30, 2020 July 1, 2019, through June 30, 2020 July 1, 2019, through June 30, 2020 July 1, 2019, through June 30, 2020 July 1, 2019, through June 30, 2020
Virginia Retirement System Management’s Assertions Related to Census Data for OPEB Plans	July 1, 2018, through June 30, 2019
Virginia Retirement System Management’s Assertions Related to Census Data for Pension Plans	July 1, 2018, through June 30, 2019
<b>Higher Education</b>	
Christopher Newport University*	July 1, 2020, through June 30, 2021
George Mason University*	July 1, 2020, through June 30, 2021
George Mason University Intercollegiate Athletic Programs	July 1, 2020, through June 30, 2021
James Madison University*	July 1, 2020, through June 30, 2021
James Madison University Intercollegiate Athletic Programs	July 1, 2020, through June 30, 2021
John Tyler Community College Review Report	July 1, 2020, through June 30, 2021
Longwood University*	July 1, 2019, through June 30, 2020
Longwood University Intercollegiate Athletic Programs	July 1, 2020, through June 30, 2021
Norfolk State University*	July 1, 2020, through June 30, 2021
Norfolk State University*	July 1, 2019, through June 30, 2020
Norfolk State University Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
Old Dominion University*	July 1, 2020, through June 30, 2021
Old Dominion University Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
Radford University*	July 1, 2020, through June 30, 2021
Radford University Intercollegiate Athletic Programs	July 1, 2020, through June 30, 2021
The College of William and Mary in Virginia*	July 1, 2020, through June 30, 2021
The College of William and Mary in Virginia*	July 1, 2019, through June 30, 2020
The College of William and Mary in Virginia Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
University of Mary Washington	July 1, 2019, through June 30, 2020
University of Virginia*	July 1, 2020, through June 30, 2021
University of Virginia Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
University of Virginia’s College at Wise*	July 1, 2019, through June 30, 2020
Virginia Commonwealth University*	July 1, 2020, through June 30, 2021
Virginia Commonwealth University Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
Virginia Community College System*	July 1, 2019, through June 30, 2020
Virginia Military Institute*	July 1, 2019, through June 30, 2020
Virginia Polytechnic Institute and State University	July 1, 2020, through June 30, 2021
Virginia Polytechnic Institute and State University Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
Virginia State University*	July 1, 2019, through June 30, 2020

<b>Pool II Cycled Agency Audits</b>	
Department of Conservation and Recreation*	July 1, 2019, through June 30, 2020
Department of Fire Programs*	July 1, 2019, through June 30, 2020
Department of General Services*	July 1, 2019, through June 30, 2020
Tobacco Region Revitalization Commission – Audit of Community Revitalization Payments	July 1, 2020, through June 30, 2021
Virginia Commission for the Arts*	July 1, 2020, through June 30, 2021
Virginia Department of State Police Audit of Select Business Cycles*	July 1, 2019, through June 30, 2020
Virginia Land Conservation Foundation	July 1, 2019, through June 30, 2020
<b>Internal Control Questionnaire Reviews</b>	
Assistive Technology Loan Fund Authority	As of May 2021
Commonwealth’s Attorneys’ Services Council	As of May 2021
Department of Aviation	As of June 2021
Department of Elections	As of July 2021
Department of Historic Resources	As of March 2022
Department of Mines, Minerals, and Energy	As of May 2021
Department of Professional and Occupational Regulation	As of June 2021
Department of Rail and Public Transportation	As of July 2021
New College Institute	As of June 2021
Office of Children’s Services	As of June 2021
Science Museum of Virginia	As of August 2021
State Compensation Board	As of July 2021
Virginia Board of Bar Examiners	As of June 2021
Virginia Department of Agriculture and Consumer Services	As of July 2021
Virginia Foundation for Healthy Youth	As of May 2021
Virginia School for the Deaf and the Blind	As of June 2021
<b>Other Mandatory or Risk Based Audits</b>	
Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology*	July 1, 2019, through June 30, 2020
Office of the Attorney General and Department of Law and Division of Debt Collection*	July 1, 2020, through June 30, 2021
Office of the Governor and the Governor’s Cabinet Secretaries*	July 1, 2020, through June 30, 2021
Office of the Lieutenant Governor	July 1, 2020, through June 30, 2021
Potomac River Fisheries Commission*	July 1, 2020, through June 30, 2021
Review of the Rappahannock River Basin Commission’s (RRBC) financial information, and the George Washington Regional Commission’s (GWRC)	July 1, 2020, through June 30, 2021
Virginia Biotechnology Research Partnership Authority	July 1, 2020, through June 30, 2021
Virginia Board of Accountancy	July 1, 2019, through June 30, 2020
Virginia Economic Development Partnership	July 1, 2020, through June 30, 2021
Virginia Lottery – Reports on Applying Agreed-Upon Procedures Cash4Life Mega Millions Megaplier Power Play Powerball	April 1, 2020, through March 31, 2021 April 1, 2020, through March 31, 2021 April 1, 2020, through March 31, 2021 April 1, 2020, through March 31, 2021 April 1, 2020, through March 31, 2021

<b>Special Reports</b>	
2021 Annual Report of the Auditor of Public Accounts	July 1, 2020, through June 30, 2021
Cycled Agency Information Systems Security Review*	July 1, 2018, through June 30, 2019
Comparative Report of Local Government Revenue and Expenditures	July 1, 2020, through June 30, 2021
General Fund Preliminary Annual Report	July 1, 2020, through June 30, 2021
Monitoring for Local Government Fiscal Distress 2020 and 2021 Report*	As of April 2022
Report on Collections of Commonwealth Revenues by Local Constitutional Officers*	July 1, 2020, through June 30, 2021
Revenue Reserve Fund Calculations	July 1, 2020, through June 30, 2021
Revenue Stabilization Fund Calculations	July 1, 2020, through June 30, 2021
Virginia District Court System Statewide Report*	July 1, 2019, through June 30, 2020



The following lists the general receivers, courts, magistrates, and state account reports issued during the fiscal year ended June 30, 2022. An asterisk (\*) indicates the report includes audit findings and recommendations. A hashtag (#) indicates an entity for which we issued two or more reports during the audit period.

<b>Judicial and State Accounts</b>			
<b>Circuit Courts</b>			
Albemarle*	Charlotte	Hopewell*	Radford
Alexandria*	Clarke*	King and Queen	Rappahannock
Alleghany	Craig	King William*	City of Roanoke
Amherst	Cumberland	Lee*	Roanoke County
Appomattox	Essex*	Loudoun	Rockbridge*
Arlington	Fauquier	Madison	Russell
Augusta	Floyd	Mecklenburg	Scott
Bedford*	Fluvanna	Nelson*	Shenandoah*
Bland	Frederick	New Kent*	Smyth
Botetourt	Giles	Norfolk*	Southampton
Bristol	Gloucester*	Northampton	Spotsylvania
Brunswick*	Goochland	Northumberland	Stafford
Buckingham	Grayson	Orange*	Virginia Beach
Buena Vista	Greensville	Petersburg*	Waynesboro
Campbell	Halifax*	Pittsylvania*	Westmoreland
Caroline*	Hampton*	Portsmouth*	Wise/City of Norton
Carroll*	Henrico*	Prince Edward	York
Charles City*	Highland	Pulaski	
<b>Circuit Court – Clerk Turnover Audits</b>			
King William	Westmoreland		
<b>General Receivers</b>			
Alexandria*	Buchanan*	Lynchburg#	Wise
Arlington*	Loudoun	Russell	
<b>General Receivers - Turnovers</b>			
Buchanan#			
<b>General District Courts</b>			
			City of Richmond (John Marshall Criminal-Traffic at Manchester)
Accomack*	City of Fairfax	Mathews#	
Albemarle#	Fairfax County	Mecklenburg*	City of Roanoke
Alexandria	Fauquier*	Middlesex#	Roanoke County#
Amherst	Franklin County	Montgomery#	Rockbridge
Appomattox	Frederick	Nelson*#	Rockingham
Arlington*	Fredericksburg	New Kent#	Shenandoah
Augusta*	Giles	Newport News	Smyth
Bedford#	Gloucester*	Norfolk	Spotsylvania
Botetourt*#	Halifax	Northampton	Stafford
City of Bristol	Hampton*	Northumberland	Staunton
Campbell	Hanover*	Orange	Suffolk*
Caroline*	Henrico*#	Page	Tazewell

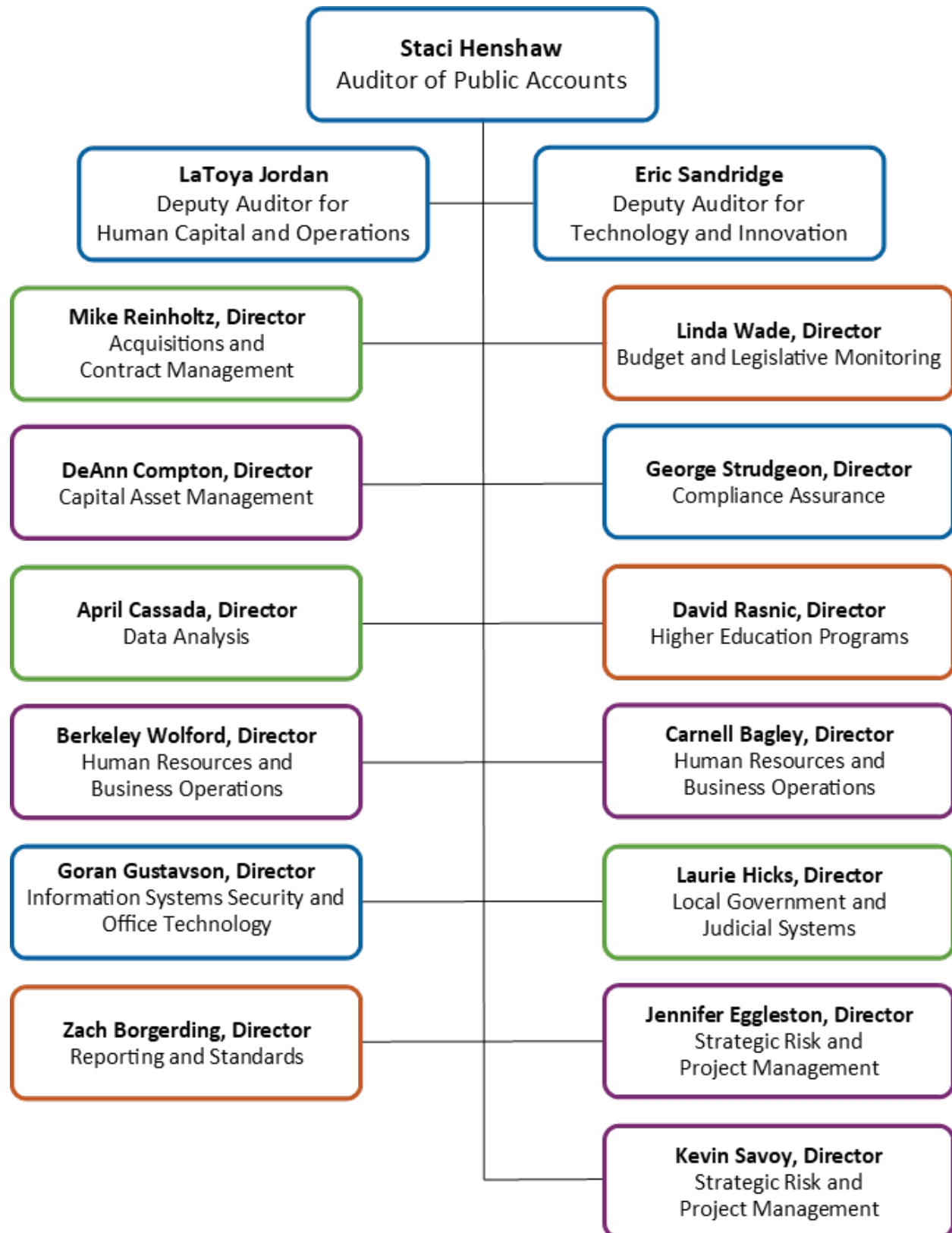
<b>General District Courts (cont.)</b>			
Carroll	Henry*#	Patrick#	Virginia Beach#
Charlotte*	Isle of Wight*	Petersburg	Warren
Charlottesville#	King and Queen	Pittsylvania#	Washington*
Chesapeake*	Lancaster	Portsmouth	Waynesboro
Chesterfield	Lee	Prince Edward*#	Westmoreland
Clarke*#	Loudon	Prince William*	Williamsburg*#
Colonial Heights*	Louisa	Pulaski	Winchester
Culpeper	Lynchburg*	City of Richmond (Civil Division)	Wise/City of Norton
Danville	Martinsville*#	City of Richmond (John Marshall Criminal/Traffic)*	Wythe
<b>Juvenile and Domestic Relations Courts</b>			
Accomack	Danville*#	Middlesex	Shenandoah
Albemarle#	Fairfax County*	Montgomery*#	Smyth
Alexandria	Fauquier*	Nelson#	Stafford*
Amherst#	Franklin County*#	Newport News*	Staunton*
Arlington*	Frederick	Norfolk	Suffolk*
Augusta*	Giles	Northampton*	Virginia Beach
Bedford	Gloucester	Northumberland	Warren
Botetourt*	Halifax	Page*	Washington
City of Bristol	Hampton	Patrick#	Waynesboro
Campbell	Henry*	Petersburg	Westmoreland*
Caroline	Isle of Wight	Portsmouth	Williamsburg/James City County
Carroll	Lancaster	Prince Edward	Winchester
Charlottesville*	Loudon*	Prince William*	Wise/City of Norton
Chesapeake	Louisa*	Pulaski	Wythe
Chesterfield	Lynchburg*	City of Richmond*	York#
Clarke	Martinsville	City of Roanoke#	
Colonial Heights	Mathews	Roanoke County#	
Culpeper	Mecklenburg*	Rockingham	
<b>Combined General District Courts</b>			
Alleghany*	Cumberland	Grayson	Prince George*#
Amelia	Dickenson	Greene	Radford
Bath	Dinwiddie	Greensville*	Rappahannock
Bland	Emporia*	Highland	Russell
Brunswick	Falls Church*	Hopewell	Salem
Buchanan	Floyd*	King George	Scott
Buckingham*	Fluvanna	Lunenburg	Southampton
Buena Vista	City of Franklin*	Madison	Surry#
Charles City	Galax	Nottoway	Sussex
Craig*	Goochland*	Powhatan	

<b>State Accounts</b>			
Accomack	Dickenson*	Lee *	Rappahannock
Albemarle	Dinwiddie	Lexington	City of Richmond
Alexandria	Emporia*	Loudoun *	Richmond County*
Alleghany	Essex	Louisa *	City of Roanoke*
Amelia	City of Fairfax	Lunenburg#	Roanoke County
Amherst	Fairfax County	Madison	Rockbridge
Appomattox	Falls Church	Manassas Park	Rockingham
Arlington	Fauquier	Martinsville	Russell*
Augusta	Floyd	Mathews	Salem
Bath	Fluvanna	Mecklenburg	Scott*
Bedford	City of Franklin	Middlesex	Shenandoah
Bland	Frederick	Montgomery	Smyth
Botetourt*	Fredericksburg	Nelson	Southampton
City of Bristol	Giles	New Kent	Spotsylvania
Brunswick	Gloucester	Newport News	Stafford
Buchanan*	Goochland	Norfolk*	Staunton
Buckingham	Grayson	Northampton	Suffolk
Buena Vista	Greene	Northumberland	Surry
Campbell	Greensville	Norton	Sussex
Caroline	Halifax	Nottoway	Tazewell
Carroll *	Hampton	Orange*	Virginia Beach
Charles City	Hanover	Page	Warren
Charlotte	Harrisonburg	Patrick	Washington
Charlottesville*	Henrico	Petersburg*	Waynesboro
Chesapeake	Henry	Pittsylvania	Westmoreland
Chesterfield	Highland*	Poquoson	Williamsburg
Clarke	Hopewell*	Portsmouth	Winchester
Colonial Heights	Isle of Wight	Powhatan	Wise
Covington	James City*	Prince Edward	Wythe*
Craig	King and Queen	Prince George	York
Culpeper	King George*	Prince William*	
Cumberland	King William	Pulaski	
Danville	Lancaster	Radford	
<b>State Accounts – Turnover Audits</b>			
Colonial Heights	Henrico#	Middlesex	
Hampton	Hopewell	Petersburg	
<b>Magistrates</b>			
District 1: City of Chesapeake*			
District 2: City of Virginia Beach*			
District 3: City of Portsmouth			
District 4: City of Norfolk#			
District 5: Cities of Franklin and Suffolk; Counties of Isle of Wight and Southampton			

### Magistrates (cont.)

District 6: Cities of Emporia and Hopewell; Counties of Brunswick, Greenville, Prince George, Surry, and Sussex*#
District 7: City of Newport News
District 8: City of Hampton
District 9: City of Williamsburg; Counties of Charles City, Gloucester, James City, King and Queen, King William, Mathews, Middlesex, New Kent, and York*#
District 10: Counties of Appomattox, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, and Prince Edward
District 11: Cities of Blackstone, Crewe, and Petersburg; Counties of Amelia, Dinwiddie, Nottoway, and Powhatan
District 12: City of Colonial Heights; County of Chesterfield*
District 13: City of Richmond#
District 15: City of Fredericksburg; Counties of Caroline, Essex, Hanover, King George, Lancaster, Northumberland, Richmond, Spotsylvania, Stafford, and Westmoreland
District 16: City of Charlottesville; Counties of Albemarle, Culpeper, Fluvanna, Goochland, Greene, Louisa, Madison, and Orange#
District 17: City of Falls Church and County of Arlington
District 18: City of Alexandria
District 19: County of Fairfax*
District 20: Counties of Fauquier and Loudoun
District 21: City of Martinsville; Counties of Henry and Patrick#
District 22: City of Danville; Counties of Franklin and Pittsylvania
District 23: Cities of Roanoke and Salem; County of Roanoke*
District 24: City of Lynchburg; Counties of Amherst, Bedford, Campbell, and Nelson*#
District 25: Cities of Buena Vista, Staunton, and Waynesboro; Counties of Alleghany, Augusta, Bath, Botetourt, Craig, Highland, and Rockbridge*
District 26: City of Winchester; Counties of Clarke, Frederick, Page, Rockingham, Shenandoah, and Warren*
District 27: Cities of Galax and Radford; Counties of Carroll, Floyd, Giles, Grayson, Montgomery, and Pulaski
District 28: City of Bristol; Counties of Bland, Russell, Smyth, Tazewell, Washington, and Wythe*
District 30: City of Norton; Counties of Buchanan, Dickenson, Lee, Scott, and Wise
District 31: County of Prince William
District 32: Counties of Accomack and Northampton

As of December 17, 2022



**Acquisitions and Contract Management**

**Mike Reinholtz, Director**

Noah Johnson, Audit Supervisor	Nathan Seifert, Auditor
Jonathan South, Audit Supervisor	Matthew Waskin, Auditor
Carl Fisher, Senior Auditor	Jacob Fleetwood-Tambo, Associate Auditor
Kaj Bjelstrand, Auditor	

**Budget and Legislative Monitoring**

**Linda Wade, Director**

Duane Miller, Audit Manager	Lauren Kiss, Auditor
Shatima Taylor, Audit Manager	Jared Gilbert, Associate Auditor
Sarah Lambert, Audit Supervisor	Abby Oren, Associate Auditor
Shaye Doherty, Auditor	

**Capital Asset Management**

**DeAnn Compton, Director**

Justin Ferrell, Audit Manager	Grayson Smith, Audit Supervisor
Katie Collins, Audit Supervisor	Candice Owens, Senior Auditor
Melinda Crawford, Audit Supervisor	Ethan Riley, Associate Auditor
Megan Richard, Audit Supervisor	

**Compliance Assurance**

**George Strudgeon, Director**

Mike Sidell, Audit Manager	Michael Gallo, Associate Auditor
Shahbaz Aftab, Senior Auditor	Jarris Hendricks, Associate Auditor
Emily Morones, Senior Auditor	John Linkous, Associate Auditor
Igor DeOliveira, Auditor	Brooke Passagaluppi, Associate Auditor

**Data Analysis**

**April Cassada, Director**

Samantha Boyd, Audit Manager	Benjamin Rubert, Associate Auditor
Debrah Stafford, Audit Manager	Skylar Stebbins, Associate Auditor
James Bigler, Senior Auditor	Danielle Tolford, Associate Auditor
Brent Copeland, Senior Auditor	Alina Valeeva, Associate Auditor
Erin Rodriguez, Senior Auditor	Zach Krigelman, Senior Database Administrator
Michael Walsh, Senior Auditor	
Daniel Burris, Auditor	Patrice Mays, Database Administrator
Brian Evans, Auditor	

**Higher Education Programs**

**David Rasnic, Director**

Jimmy Quesenberry, Audit Manager	Justin Rhodes, Senior Auditor
Scott Booker, Audit Supervisor	Ebony Wilkes, Senior Auditor
Gary Gammon, Audit Supervisor	Valarie Fridley, Auditor
Chuck Schauvliege, Audit Supervisor	Kimberly Morgan, Auditor
Meghan Finney, Senior Auditor	David Wagoner, Auditor
Jeannie Kim, Senior Auditor	Lizzie Swann, Associate Auditor
Nick Nonnemacker, Senior Auditor	

## Human Resources and Business Operations

Carnell Bagley, Director

Berkeley Wolford, Director

### Human Resources

Christina Hansen, HR Senior Specialist

Haley Clark, HR Specialist

### Accounting

Shannon Hargitt, Senior Accountant

Ashley Newman, Accountant

### Reports and Graphics Division

Chardon Jones, Senior Specialist

Vanessa Scherzer, Senior Specialist

Rebecca Hackett, Receptionist

## Information Systems Security and Office Technology

Goran Gustavson, Director

### Information Systems Security

Kristina Kemp, Audit Manager

Danese Seabourne, Audit Manager

Taylor Collins, Auditor

Jeffrey Rodgers, Auditor

Rhyson Brown, Associate Auditor

### Office Technology

Wendi James, Manager

Bob Gibbons, IT Staff

Wendy Hudson, IT Staff

Keith Vollero, SharePoint Administrator

## Local Government and Judicial Systems

Laurie Hicks, Director

Rachel Reamy, Audit Manager

Stephanie Serbia, Audit Manager

Randy Johnson, Senior Auditor

Daniel Stanley, Senior Auditor

Lindsey Tatum, Senior Auditor

Tracy Vaughan, Senior Auditor

Pamela Williams, Senior Auditor

Stephanie Crisman, Auditor

Chase Routten, Associate Auditor

## Reporting and Standards

Zach Borgerding, Director

Reann Chiappinelli, Audit Manager

Brian Deveney, Audit Manager

Holly Stout, Audit Manager

Susan Bagato, Audit Supervisor

Ryan Carter, Audit Supervisor

Ashley George, Audit Supervisor

Amy Stokes, Audit Supervisor

Sydney Rampey, Senior Auditor

Austen Wade, Auditor

William Clymer, Associate Auditor

Jez Wood, Associate Auditor

## Strategic Risk and Project Management

Jennifer Eggleston, Director

Kevin Savoy, Director

Jeff Finke, Audit Manager

Lauren Figg, Audit Supervisor

Lauren Griemsman, Audit Supervisor

Christian Langston, Audit Supervisor

Lindsey Lee, Senior Auditor

Scott Reynolds, Senior Auditor

Gracie Davidson, Auditor

Niamh Haines, Auditor