

ANNUAL REPORT

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Auditor of Public Accounts

Commonwealth of Virginia

Staci A. Henshaw, CPA



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P.O. Box 1295
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August 28, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Members, Joint Legislative Audit
and Review Commission

I am pleased to submit the **2023 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, 2022, through June 30, 2023, 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.

The governmental auditing environment in the Commonwealth continues to become more complex and challenging due to many factors. New financial reporting and auditing requirements, as well as recruiting and retaining staff, are just a few of the challenges we face. Our Office has continued to adapt and develop new and innovative approaches so that we can continue to produce high quality work that strengthens financial management in the Commonwealth. Our Office uses a values-based leadership approach where we have identified four core values that we believe best represent our Office and staff. Throughout this report, we have discussed how our Office demonstrated those values this past year.

I want to thank our staff for their hard work and dedication. Our staff are the key to our Office achieving its mission and accomplishing its work plan. For the tenth consecutive year, our Office was recognized as one of Richmond's Top Workplaces by the Richmond Times-Dispatch. 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

2023 Results & Highlights

Commonwealth of Virginia, State Agencies, and Institutions

- Audited the Commonwealth's financial statements for fiscal year 2022, providing audit assurance over \$94 billion in revenues, \$84 billion in expenses, and \$166 billion in assets
- Issued the 2022 Single Audit Report which contains the results of the audits of the Commonwealth's financial statements, as well as 26 major federal programs, and included 111 findings and recommendations related to 21 different entities
- Issued 64 individual reports for audits of state agencies, institutions, and authorities, 33 of which included findings and recommendations
- Performed 11 internal control questionnaire reviews and communicated results to agency management, including a total of 36 individual matters that required management's attention
- Issued 17 special reports including pension and other post-employment benefit information reviews and our second higher education comparative report

Local Government and the Commonwealth's Judicial System

- Published the Comparative Report of Local Government Revenues and Expenditures, which is an annual compilation of financial information for the Commonwealth's localities
- Performed local government fiscal distress monitoring and identified several localities for further review and monitoring
- Issued over 470 reports, containing 101 findings and recommendations, related to local government and the Commonwealth's Judicial System, including 89 circuit courts, 133 district courts, 85 juvenile and domestic relations courts, and 135 reports on collections of Commonwealth revenues at the local level

Other Office Highlights

- Recognized as one of Richmond's Top Workplaces by the Richmond Times-Dispatch and Enrgeage for the tenth consecutive year
- Continued implementation of our [5-year Strategic Plan](#) which focuses on technological initiatives and other opportunities for innovation to reflect awareness of the future of the auditing profession
- Began collaboration with the Division of Legislative Automated Systems to update and modernize our website
- Maintained Commonwealth DataPoint, the state's transparency website

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About the Auditor of Public Accounts

The Auditor of Public Accounts (Office) acts as the General Assembly’s eyes and ears, independently monitoring and reporting on the financial management of Commonwealth resources. Our Office 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 Office operates like a CPA firm, with the Auditor serving as the managing partner.

Our Office is led by the Auditor of Public Accounts, a constitutional officer appointed to a four-year term. Staci A. Henshaw was appointed the Auditor of Public Accounts in February 2021. She has been with the Office since September 1994, and most recently served as the Deputy Auditor prior to her appointment. The Auditor’s responsibilities and authority are established in the Code of Virginia and the Virginia Constitution. The Auditor reports to the General Assembly through the Joint Legislative Audit and Review Commission (JLARC) who is responsible for approving the [Office's Work Plan](#) annually.



Staci A. Henshaw, CPA

Our Office’s primary focus is conducting required audits such as the audit of the Commonwealth’s Annual Comprehensive Report, the Single Audit of federal funds, and annual audits of the Commonwealth’s higher education institutions. In addition to the audits of agencies and institutions, we also perform a variety of other functions to strengthen financial management in the Commonwealth. These include maintaining the Commonwealth’s transparency website, overseeing local government audits by independent public accounting firms, and monitoring fiscal distress in Virginia’s local governments, just to name a few of our other responsibilities.

Our Mission and Core Values

Our Office’s overall mission is ***to serve Virginia’s citizens and decision makers by providing unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds.*** We use a value-based leadership approach to accomplish our mission, based on the following four core values which we believe best represent our Office and staff.



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.

Our Staff

The Office is made up 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 professional organizations.

Our Office's expertise is spread over **11 Specialty Teams** regularly trained in specific skills to help meet the Office's mission. These teams cover a wide variety of technical areas related to our audits as follows:

Acquisitions and Contract Management
Capital Asset Management
Compliance Assurance
Data Analysis
Higher Education Programs

Information System Security and Office Technology
Local Government and Judicial Systems
Process Innovation
Reporting and Standards
Risk Analysis and Monitoring

In addition, our *Human Capital and Business Operations* team is responsible for a variety of functions including recruiting, personnel, accounting and budgeting, and communications.

Our Funding

Our Office receives most of its funding from the General Fund of the Commonwealth. Table 1 shows budget and expense activity for the Office for fiscal year 2023. The majority of expenses are personnel-related expenses for the close to 120 employees of our Office.

Budget and Expense Activity for Fiscal Year 2023

Table 1

Funding Source	Original Budget	Adjusted Budget	Actual Expenses
General Fund	\$13,704,429	\$15,645,781	\$14,449,317
Special Revenue	1,933,403	1,933,403	1,505,826
Total	\$15,637,832	\$17,579,184	\$15,955,143

Our Office is audited annually, along with other legislative agencies, by an independent public accounting firm. The results of the fiscal year 2023 audit are publicly available on the [Office's website](#).



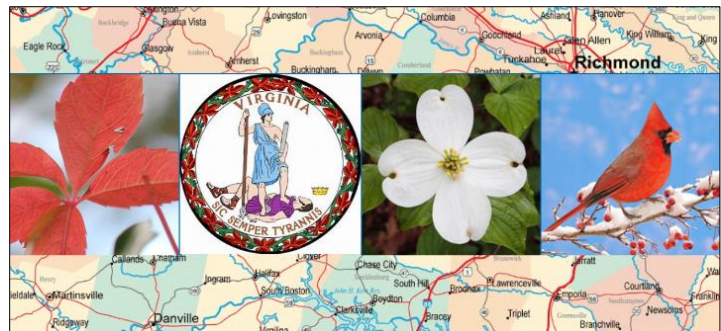
We Are Collaborative

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 various Commonwealth entities. The following section highlights some of these other functions that our Office provided in fiscal year 2023.

Supporting Local Government

Comparative Report of Local Government Financial Activity

Annually, our 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 localities. The Comparative Report provides a uniform presentation of local government financial information in accordance with reporting guidelines set forth in the Office's [Uniform Financial Reporting Manual](#). All Virginia cities and counties, along with certain towns, are required to submit transmittal data needed to achieve uniform presentation, as well as their audited financial statements, to our Office by December 15, in accordance with § 15.2-2510 of the Code of Virginia. Once we receive the information, we review and analyze the data to ensure the reliability and material accuracy of the data for the report. The published [Comparative Report for the fiscal year ended June 30, 2022](#), contains the localities' financial data derived from their fiscal year 2022 audited financial reports, which our Office received and reviewed as of May 30, 2023.



For the fiscal year 2022 Comparative Report, 75 localities did not submit the required reporting information to our Office by the December 15 statutory deadline. The localities' untimely submission of their information continues to affect the completion of our internal review and further delays the final issuance of the Comparative Report. Footnote 3 in the Notes to the 2022 Comparative Report contains a list of the localities that were late in submitting their information as well as those localities that have had ongoing delays with sending in their required financial information. At the time of our final report issuance in May 2023, there were 18 localities that still had not submitted their reporting information. As a result, we did not include these localities in our 2022 Comparative Report. Our Office will include the data for all localities in an amended version of the 2022 Comparative Report once we receive all required information.

Local Fiscal Distress Monitoring

The Virginia Acts of Assembly directs our Office to establish a prioritized early warning system and annually monitor data and information from this system to identify potential fiscal distress within local governments across Virginia. The early warning system involves multiple components, which include analyzing 12 financial statement ratios as well as qualitative information, such as demographic and other external, nonfinancial factors. Based on the results of the ratio and qualitative analyses, we identify certain localities for additional follow-up through our financial assessment questionnaire and review process.

During the 2022 monitoring process, our Office performed analysis on fiscal year 2021 audited financial statement data and other data and identified two new localities, the City of Radford and the Town of Clifton Forge, for our follow-up review process. In addition, our Office continued our monitoring and outreach with the City of Buena Vista based on the results of our prior year analysis. We also continued our review over the City of Hopewell and identified the city for our follow up review process.

As part of our 2022 monitoring, we completed additional review and follow-up discussions with City of Radford officials to obtain a better understanding of certain budgetary and operational aspects that contributed to the city's results in our analyses. Additionally, we discussed the city's financial strategies and plans to continue to move forward and improve its financial position. Based on the results of our follow-up review process, we did not identify the city as fiscally distressed in the context of the Commonwealth's early warning system. Radford City Council and management are closely monitoring the city's situation and have implemented strong budgetary and financial policies and strategies to continue to work toward improving the city's financial position.

During the 2022 monitoring process, the office identified the city of Hopewell, the city of Radford, and the town of Clifton Forge for our follow-up review process. We also continued our monitoring and outreach with the city of Buena Vista based on the results of our prior year analysis.

During the 2022 process, the City of Buena Vista and Town of Clifton Forge also responded to our initial outreach and submitted completed financial assessment questionnaires to our Office. However, these two localities did not make any formal request to further participate in our follow-up review process. Accordingly, we were only able to perform limited review of their questionnaires and ratio results from the 2022 analysis. Based on our review of Buena Vista's most recent audited financial information and improvements we noted in the ratio analysis, we concluded that the city does not appear to be fiscally distressed in the context of the Commonwealth's early warning system. For the Town of Clifton Forge, we performed only limited evaluation of its ratio results, since we did not have the opportunity to complete any follow-up discussions with town officials to obtain additional understanding of factors contributing to the town's results. Further, since the town was delayed in submitting its fiscal year 2022 annual financial report, we were not able to gain any insight into financial strategies and plans the town may have to move forward and improve its financial position. Our Office

will continue to monitor the town and will perform additional outreach with the town if we note any further declining trends or concerns in future.

Lastly, our Office continued to review the City of Hopewell and formally identified the city for our follow-up review process. During 2022, the city completed the assessment questionnaire and requested to participate in our follow-up review process. We completed additional review and discussions with city officials to obtain a better understanding of certain budgetary and operational aspects that contributed to the city's results in our analysis. Based on completion of the review process, our Office observed certain internal, organizational factors and conditions that may indicate a situation of distress related to Hopewell's inability to submit its audited financial reports timely. Accordingly, we provided a written recommendation that the Commonwealth consider providing state assistance to further assess and help remediate Hopewell's situation.

Based on our follow-up review with the city of Hopewell, we recommended the Commonwealth consider providing state assistance to further assess and help remediate the city's inability to submit its audited financial reports timely. During 2023, the Commonwealth engaged an external advisory firm to assist the city with creating a stabilization and turnaround plan.

city officials to obtain a better understanding of certain budgetary and operational aspects that contributed to the city's results in our analysis. Based on completion of the review process, our Office observed certain internal, organizational factors and conditions that may indicate a situation of distress related to Hopewell's inability to submit its audited financial reports timely. Accordingly, we provided a written recommendation that the Commonwealth consider providing state assistance to further assess and help remediate Hopewell's situation.

In early 2023, the Governor and General Assembly approved state assistance by providing funding to engage an external consulting firm to provide turnaround advisory services for the city. The advisory firm completed its assessment in May 2023 and provided several key findings

and priority recommendations to support the city with implementing immediate actions towards addressing the issuance of timely and reliable audited annual financial reports, along with providing information to assist the city in executing an effective stabilization and turnaround plan.

Providing Support for Local Opioid Settlement Funds Reporting

During July 2021, the Commonwealth and all 133 cities and counties entered into legal settlement agreements as part of national opioid litigation against the three largest pharmaceutical distributors, which will provide substantial funds over the next several years to participating states and local governments to help abate and remediate the national opioid epidemic. The Commonwealth and its localities are expected to receive over \$507 million in total with the Commonwealth directly receiving approximately \$390 million and the localities receiving approximately \$117 million. As a result of participation in the settlements, the Commonwealth and all cities and counties signed the Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding (Virginia MOU). The Virginia MOU established an allocation plan and formula for distributing the opioid settlement funds across the Commonwealth based on a measure of harm per capita to communities across Virginia. Additionally, during 2021, the General Assembly established the Opioid Abatement Authority (Authority) as an independent entity responsible for managing the Commonwealth's portion of the national settlement funds and overseeing the efforts to abate and remediate the opioid epidemic in the Commonwealth.

Throughout 2022 and 2023, our Office performed extensive research and worked with the Authority and its representative from the Attorney General’s office, along with collaborating with other states and professional organizations to gain an understanding of the opioid settlement funds. Further, our Office participated in multiple meetings with staff from the Governmental Accounting Standards Board; the National Association of State Auditors, Comptrollers and Treasurers (NASACT) Committee on Accounting, Reporting, and Auditing; and representatives from other states, to discuss financial reporting implications of the national opioid settlement payments. Our Office also provided outreach and guidance on both the state and local level to assist the Commonwealth and its localities with evaluating the impact of the opioid settlement funds on their financial reporting.

At the state level, our Office performed audit work to ensure the Commonwealth’s proper recording and reporting of the state’s share of the opioid settlement funds in the Commonwealth’s financial statements. Our audit work over the opioid settlement funds helped support our guidance developed to promote consistency in financial reporting across Virginia’s cities and counties. Our Office provided support to the local level through our continued collaboration with the Authority, providing technical support and various training opportunities, and issuing guidance to management and finance staff at the cities and counties and to the independent public accounting firms (CPA firms) that perform the local government audits through our published [Reporting Guidance for Opioid Settlement Funds](#). We provided guidance to ensure localities properly classify the revenue and expenses related to the cities and counties direct share of the opioid settlement funds. We also provided information focused on key reporting considerations from governmental accounting standards to ensure consistent and accurate reporting in the localities’ financial statements.

Quality Control Over Local Government Audits

Our Office does not audit the financial statements of the Commonwealth’s local governments; however, we establish guidelines, or audit specifications, that CPA firms must follow when auditing local governments. The specifications support the monitoring efforts at the state level by ensuring CPA firms understand and perform specific audit procedures over significant compliance areas related to various state grants, contracts, and other areas that are unique to Virginia local governments. Additionally, the specifications outline our quality control review process to ensure the quality of local government audits. Our Office is not responsible for procuring the local government audit contracts with CPA firms nor overseeing the audit work during the process. However, annually, our Office selects a sample of the CPA firms used by the local governments and other Commonwealth agencies and conducts a post-issuance quality control review to ensure the firm’s audit work complies with auditing standards as well as ensuring compliance with the audit specifications set forth by our Office.

At the conclusion of our review process, we communicate to the CPA firm the results of our review in a published report. In addition, when issuing the report to the CPA firm, we provide the results of our review to the applicable local government or entity whose audit we selected for review, the Virginia Society of Certified Public Accountants, and the Virginia Board of Accountancy. 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. These reports are available under the [Quality Control Review Reports](#) page on the Local Government section of our website.

Additionally, as part of our quality control review process, we monitor compliance with federal funds audit requirements through our analysis of Single Audit report results across Virginia local governments that are required to issue this report each fiscal year. We obtain report data for all available Virginia local governments from the Federal Audit Clearinghouse and perform various data analytics designed to detect noncompliance with specific federal auditing and reporting requirements. If necessary, we communicate with the CPA firms if we note any potential Single Audit reporting issues or have questions on the results of the firm’s audit work.

During our 2023 review process, the Office completed our reviews over three separate CPA firms and selected one authority audit, five locality audits, and one audit over a Circuit Court clerk, for the fiscal year ending June 30, 2022. We issued five reports with pass ratings for the reviews completed over two of the CPA firms, which covered the authority audit and four locality audits. We issued a report with a pass with deficiencies rating for the third CPA firm concerning the results of our review for one locality and the Circuit Court clerk audit citing the need for the CPA firm to improve its Single Audit process.

Local Report Information on Our Website

The Local Government section of our website provides audited financial statements, internal control and compliance reports, and other financial-related reports for local governments required to submit these reports to our Office. While there is no specific statutory requirement for our Office to publish the local government reports, we voluntarily began an initiative years ago to include this information on our website in an effort to promote transparency and ensure the Commonwealth and its stakeholders can easily access this information. This initiative involved developing a database and cataloging system for the reports, along with publishing thousands of reports that local governments have provided over many years to our Office.

The Office receives approximately 400 financial-related reports from local governments annually. In 2023, we continued cataloging reports for small towns and other local government entities and updating our website reporting database to ensure reports are more current for these entities.

The Office receives approximately 400 financial-related reports from local governments on an annual basis. In addition to the cities, counties, and towns required to have an audit and annually report to our Office, § 15.2-2511 of the Code of Virginia requires any town with a population less than 3,500 (small towns) that voluntarily contracts for an audit, to submit their audit report to our Office upon completion of the audit. Further, certain authorities, boards, districts, commissions, and other political subdivisions that are required to have an annual audit in accordance with § 30-140 of the Code of Virginia are required to submit their reports to our Office. Initially, we only published the audited financial reports for the cities, counties, and towns

required by the Code of Virginia to have an annual audit. More recently, we expanded our reporting database to publish audited financial reports received for small towns, as well as authorities, boards, commissions, and other local entities. Throughout 2023, our Office has continued cataloging all reports we have received for small towns and other local government entities and updating our website reporting database to ensure reports are more current for these entities.

Working with Other Entities in State Government

Throughout the year, we coordinate with various legislative and executive branch entities by 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 JLARC are two entities with which we have regular communication. As an example, we share information with these agencies concerning audit scope and results when they are beginning reviews of agencies or programs that we have recently covered in our work plan. Our Office is also required to provide information and technical assistance to any member of the General Assembly upon request, and we respond to these requests throughout the year. In addition, we periodically communicate with staff of the Senate Finance and Appropriations, and House Appropriation Committees as questions arise during the year on various financial-related topics and questions.

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 reports certain state expense, 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 citizens’ inquiries about information on Commonwealth Data Point.



The site currently includes over seven years of expenses, revenues, budgets, and salaries; clear, concise visualizations; and contact information for each agency. 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. Commonwealth Data Point can be found at datapoint.apa.virginia.gov and Legacy Data Point can be found at legacydatapoint.apa.virginia.gov. Legacy Data Point contains archived information for fiscal years prior to 2017.

Monitoring Reported Fraud

In accordance with § 30-138 of the Code of Virginia, our Office periodically receives reports of circumstances indicating a reasonable possibility of fraudulent transactions involving officers or employees of state or local governments. We conduct an initial review of all reports received and, based on the nature and circumstances of each report, determine how best to proceed. The majority of reports and related situations result in our Office, OSIG, and the State Police coordinating any activities with agency, institution, and locality officials, and local law enforcement.

Managing Audit Contracts for Certain Entities

We also serve the Commonwealth by procuring and managing contracts for annual audits of legislative agencies and several other Commonwealth-related entities. In addition to the legislative agencies, we managed audit contracts for the following entities during the year:

- 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 also oversee and manage contracts related to National Collegiate Athletic Association (NCAA) agreed upon procedure work at certain higher education institutions.



We Are Engaged

Our Office performs a variety of audits each year, including financial, federal, and performance audits. Our audits are driven by our annual work plan with the majority of our time dedicated to performing audits mandated by the Code of Virginia, federal regulations, and bond or accreditation requirements. To the extent our resources allow, we also perform special projects and other agency reviews covering a wide array of topics.

Our audit results are used by various entities to evaluate the Commonwealth's fiscal management. Our reports include recommendations for improving internal controls and addressing noncompliance with state and federal regulations, and provide information from Commonwealth, secretarial, and agency perspectives. The following sections highlight the results of some of these audits completed during fiscal year 2023. This report also includes a complete listing of audit reports issued by our Office during the year. [Appendix A](#) contains a complete list of reports we issued related to state agencies, institutions, and authorities. [Appendix B](#) contains a listing of reports we issued related to local governments and the judicial system.

[Reporting on Mandatory Audits](#)

Most of our mandatory audits are financial statement audits, including the audits of the Commonwealth's Annual Comprehensive Financial Report (ACFR), the Single Audit for the Commonwealth, and higher education institutions. We summarize our observations and findings for the more significant mandatory audits completed this year below.

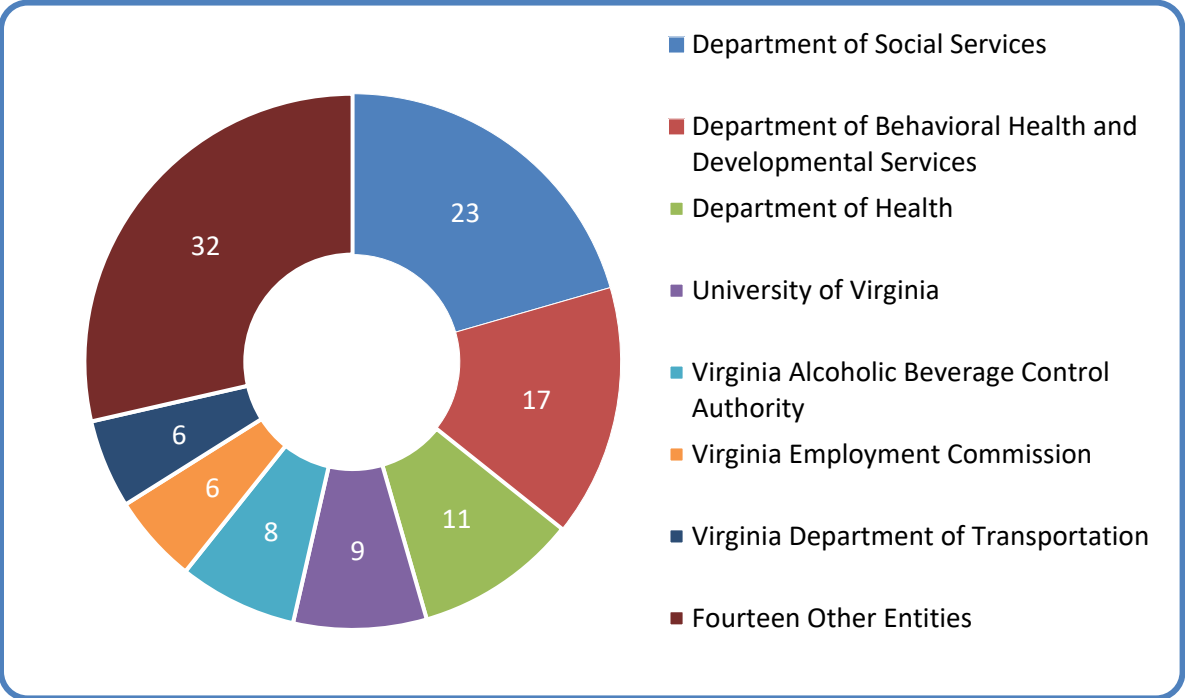
[ACFR and Single Audit](#)

The ACFR and Single Audit projects are major drivers of the work we are required to perform each year. The ACFR is an annual audit of the Commonwealth's financial statements required by the Code of Virginia to be completed by December 15th each year. Bond rating agencies and others use the Commonwealth's financial statements to assess the overall fiscal health of the Commonwealth. As part of the 2022 ACFR audit, we issued an unmodified opinion and audited financial activity at agencies and universities, obtaining assurance over \$94 billion in revenues and \$84 billion in expenses. Through this work, we also gained assurance over \$166 billion in assets, consisting primarily of capital assets, cash and investments, and receivables; \$110 billion in pension and other employee benefit trust fund assets; as well as \$76 billion in liabilities.

We also perform work at various agencies and institutions to support the Single Audit, which covers federal funds spent by the Commonwealth in a given fiscal year. We perform federal compliance testing through the Single Audit to fulfill the audit requirements to which the Commonwealth commits when it accepts federal funds. As part of the Single Audit, our Office identifies and performs work over certain federal programs meeting established criteria based on materiality and risk requirements. The Single Audit report is the largest report issued by our Office since it communicates findings related to federal compliance matters as well as internal control and compliance matters related to the ACFR audit. The Single Audit report for fiscal year 2022 included 111 separate findings with recommendations across 21 different entities. Chart 1 shows the number of findings reported in the Single Audit by entity. Over half of these findings were reported at four entities: three agencies in the Health and Human Resources secretariat, and one university.

Number of ACFR and Single Audit Findings by Entity – Fiscal Year 2022

Chart 1



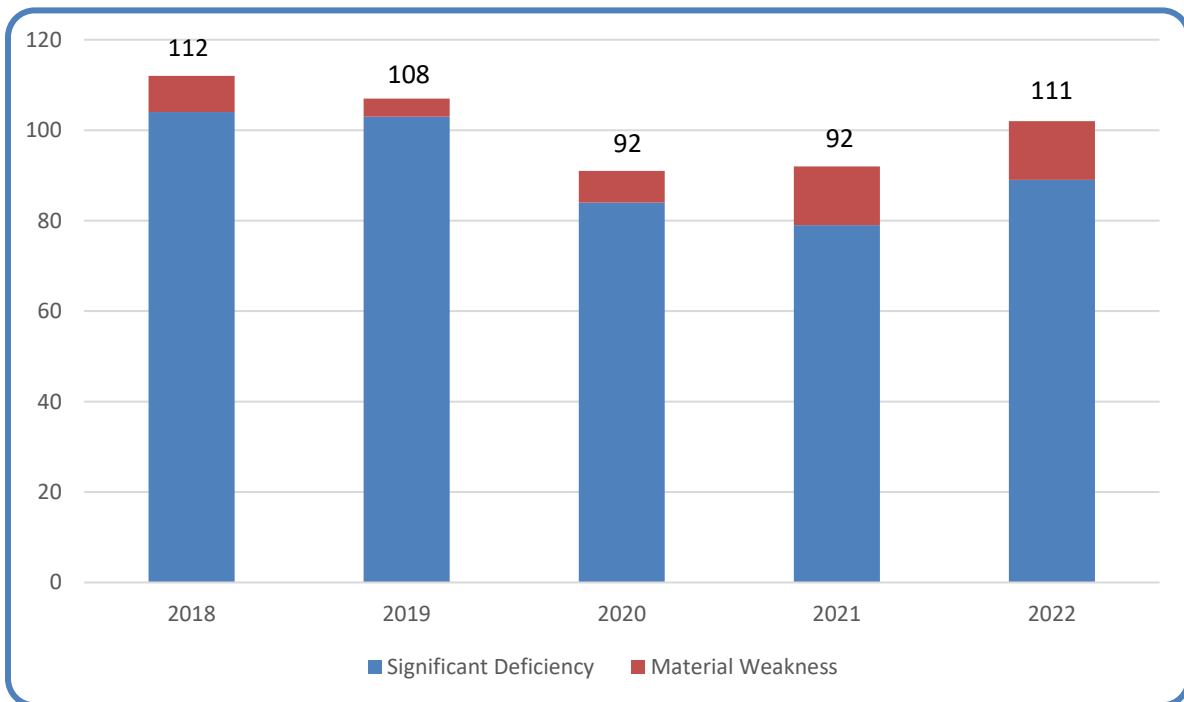
Note: One finding reported deficiencies at multiple entities. For this chart, these deficiencies are broken-out and included to the total of each entity impacted.

As a result of our fiscal year 2022 audit, we disclaimed an opinion on the Emergency Rental Assistance program as the Department of Housing and Community Development, which administers the program, was unable to demonstrate that it maintained appropriate oversight of third-party providers that performed eligibility determinations on its behalf for the program. We issued unmodified opinions for the remaining federal programs audited.

Auditing standards require us to evaluate the severity of each 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 shows the total number of findings and classification of findings reported in the Single Audit for the last five fiscal years.

**Number and Severity of Findings Reported in the Single Audit
Fiscal Years 2018 through 2022**

Chart 2



While the total number of findings increased from fiscal year 2021 to 2022, the number of material weaknesses (13) remained consistent. Almost half of the material weaknesses in 2022 related to accounting and reporting issues with the implementation of a new financial reporting standard for leases that we also discuss in the section entitled [Auditing the Implementation of the New Lease Accounting Standard](#). Consistent with prior years, information systems security-related findings continued to represent close to half of all findings in the 2022 Single Audit report.

Lastly, the number of federal programs our Office has been required to audit as part of the Single Audit has increased over the last several years due to additional COVID-19 pandemic-related funding the Commonwealth has received. For the 2022 Single Audit, we performed work over 26 different federal programs or clusters of programs across many state agencies and institutions, which was a 73% increase from the prior year’s fifteen. Although we performed additional work in this area, it is worth noting that the Commonwealth was the third state to submit and have its 2022 Single Audit accepted by the Federal

Audit Clearinghouse, among the states with a June 30th fiscal year end that file an individual Single Audit for the majority of the state’s federal expenses.

Higher Education

Annually, we perform financial statement audits for the Commonwealth’s public higher education institutions, including the Virginia Community College System and its 23 community colleges. Although some of these audits support the ACFR and Single Audit, we issue individual audit reports for each institution summarizing audit results as detailed in Appendix A. During fiscal year 2023, we also released a report on compliance requirements related to federal Education Stabilization Funds for select institutions as part of the Single Audit.

Each year, we perform additional work related to higher education institutions including reviews of intercollegiate athletics programs and special reviews supporting reaffirmation of accreditation. During fiscal year 2023, we issued reports for three community colleges to assist these institutions in satisfying their reaffirmation of accreditation requirements. Our Office also completed procedures at certain institutions over financial information related to their intercollegiate athletics programs and oversaw an outside contractor who performed similar work at the remainder of institutions.

Local Government, Clerks and Courts

Although our Office is not responsible for performing financial statement audits of local governments, we do perform a variety of audits related to local government officials and entities. Our Office is responsible for annually auditing state funds handled by local constitutional officers including Treasurers, Commissioners of Revenue, Sheriffs, and Commonwealth’s Attorneys. In addition, we are responsible for audits of the judicial branch, which includes the statewide court system, as well as Magistrates and General Receivers. The Code of Virginia requires our office to audit Circuit Courts at least once every two years, and we audit District Courts, Magistrates, and General Receivers annually. We summarize our work over district courts, as well as constitutional officers, in statewide reports we issue annually. [Appendix B](#) of this report includes information on all reports our Office issued related to local governments in 2023, shown by locality and type of entity we audited.

Using a Risk-Based Approach for Non-Mandatory Audits

There are approximately 70 state agencies that our Office is not required to audit on an annual basis due to the lack of a mandatory annual audit requirement or the fact that these agencies do not have financial activity that is significant to the ACFR or Single Audit. We use a risk-based approach to annually evaluate and analyze activity at these agencies, and based on the results of our 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. Our audit approach and audit scope will vary depending on which pool the agencies are in.

Agencies assigned to Pool I are subject to an internal control questionnaire review at least once every three years. During the review, we gather and evaluate information on the agency’s significant organizational areas and financial activity, focusing on key controls in these areas. We may elect to perform additional procedures based on our initial evaluation of results. At the completion of a review, we issue a report to agency management with review results and highlight any key areas of interest. During fiscal year 2023, we issued reports with review results for 11 agencies in Pool 1 as seen in Appendix A.

Currently, there are approximately 15 agencies that we have assigned to Pool II based on various risk factors and analyses. Annually, we evaluate which agencies in Pool II will receive an audit considering multiple factors including risk, status of corrective action on previous reports, and staffing resources. We use a risk-based approach to determine the audit scope for each agency and our reports focus on specific areas that we select for review versus an agency-wide approach. This approach allows us to cover specific areas in more depth and additional areas that we may not have previously covered. During the fiscal year, we issued reports for the following Pool II agencies, which included a review of corrective action on any prior audit findings and recommendations, as well as the specific areas noted in Table 2.

Summary of Pool II Audit Reports Issued in Fiscal Year 2023

Table 2

Agency	Audit Scope
Department of Veterans Services	Follow up on prior year findings, capital outlay and expenses (non-payroll)
Department of Wildlife Resources	Follow up on prior year findings, revenue
Frontier Culture Museum of Virginia	Follow up on prior year findings
Office of the Executive Secretary of the Supreme Court of Virginia	Follow up on prior year findings
State Corporation Commission	Follow up on prior year findings and administration of the Utility Direct Assistance Program
Virginia Museum of Fine Arts	Follow up on prior year findings, procurement and contract management, expenses (non-payroll)

Performing Special Reviews

Pensions and Other Postemployment Benefits Special Reviews

Annually, we perform a significant amount of work to meet financial accounting standards issued by the Governmental Accounting Standards Board (GASB) related to pensions and other postemployment benefits (OPEB). GASB Statement No. 68, implemented in fiscal year 2015, sets requirements for accounting and reporting of pension activity by employers. Additionally, GASB Statement No. 75, implemented in 2018, sets accounting and reporting requirements for postemployment benefits other than pensions for participating employers. The work we perform in these areas supports the ACFR audit as well as many of our individual financial statement audits. Further, we also provide guidance and information to support pension and OPEB reporting for local government audits.

We issue several special reports each year related to this work that include our audit opinions over the schedules and applicable pension and OPEB amounts reported for the various pension and OPEB plans. This information is available on the [Pension and OPEB Standards](#) section of our website.

Higher Education Comparative Report

During the year, we released our second Higher Education Comparative Report, which uses ratio analysis to assess the financial stability and effectiveness of Virginia’s public four-year higher education institutions. We released our first installment of this report in 2018 with the intent to periodically report on the financial health of these institutions. The report includes several financial resource ratios and financial activity ratios designed to assess fiscal health. Given the widely accepted practice in analyzing higher education finances, we summarized overall fiscal health by combining several ratios to create the Composite Financial Index for each institution. The Composite Financial Index provides an overall metric by which institutions can assess fiscal health against an established benchmark.

This iteration of the report focused on institution financial health as of fiscal year 2020 but also included trend analysis for certain ratios for the six-year period from fiscal year 2015 to fiscal year 2020. Certain changes were made in this report from the previous one to focus on specific ratios. Our report included the following key takeaways based on statistics and analysis for the period between fiscal years 2017 and 2020:

In 2023, we released our second Higher Education Comparative Report which uses ratio analysis to assess the financial stability and effectiveness of Virginia’s public four-year higher education institutions.

- Most institutions have adequate reserves to cover expenses or fall slightly below needed reserves with respect to benchmarks established by the primary reserve ratio.
- Long-term debt limits future financial flexibility in terms of the use of expendable resources for certain institutions.
- Management and those charged with governance should monitor negative return on net position to ensure the underlying cause is due to one-time charges and not indicative of larger problems that might require substantial future action.
- Net operating revenues ratio trends can indicate budget concerns in the form of inconsistent revenue streams or unpredictable spending.
- Composite Financial Index ratios remained consistent for most institutions during the period reviewed.

Revenue Stabilization Fund Calculations

Annually, we issue a report which includes calculations for the Revenue Stabilization Fund which are used as part of the Commonwealth's budget development process. Article X, Section 8 of the Virginia Constitution and § 2.2-1829 of the Code of Virginia require our Office to report on certified tax revenues collected in the most recent fiscal year, as well as limitations on the total amount in the fund and required mandatory deposits into the fund in the next fiscal year.

Revenue Reserve Fund Calculations

The Revenue Reserve Fund is a special fund that the Governor and General Assembly can use to offset certain anticipated shortfalls in revenues when specific conditions are met. In conjunction with our requirement to perform calculations related 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 annually in conjunction with the Revenue Stabilization report.

Auditing Implementation of New Lease Accounting Standard

During fiscal 2023, we audited the implementation of GASB Statement No. 87, *Leases*. This new lease accounting standard was effective for fiscal year 2022 audits and significantly changed the way governments account for leases. Under the new standard, operating and capital leases no longer exist, and instead most leases are reported as financing transactions. This new standard was a significant change in financial reporting and our Office provided technical training and developed guidance to enable our staff to effectively audit this new standard.

GASB Statement No. 87 affected all financial statement audits, including the ACFR, and resulted in a significant number of findings in multiple reports we issued this year related to the need for agencies and institutions to improve internal processes surrounding the accounting and financial reporting of lease activity. We also performed related work at several agencies who manage systems that support statewide lease accounting and management.

The Department of General Services (General Services) manages a system that includes all real estate leases while the Department of Accounts (Accounts) manages a system that includes all other leases, such as equipment leases. We did not report any findings related to Accounts' implementation; however, we issued a material weakness related to the real estate lease system implementation at General Services. We included this finding in our report entitled "Department of General Services' Division of Real Estate Services and Office of Fiscal Services for the year ended June 30, 2022." In addition, our audit to support the ACFR found a material weakness with the Virginia Information Technologies Agency's implementation related to the Commonwealth's Information Technology Infrastructure Services Program. We included this finding in our report entitled "Virginia Information Technologies Agency for the year ended June 30, 2022."



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.

Ensuring Our Staff are Knowledgeable

One of our Office's top priorities is ensuring our staff have the knowledge and skills they need to perform the important work that we do. We have an established training program that provides our staff with a variety of general and specialized training throughout their careers. We provide training through virtual, in person, and hybrid settings depending on which format is most effective given the nature of the training.

Annually, our staff work with their supervisors to develop an individualized training plan for the coming year that considers audit experience, expertise, and areas of development in work performance. To meet our professional standards, our auditors are required to receive at least 40 hours of training

In fiscal year 2023, we provided over 30 different internal training classes for our staff enabling us to leverage our in-house expertise and experience.

each year. Our staff receive training from both internal and external sources related to governmental accounting and auditing as well as personal development topics such as supervision and leadership. In addition, specialized training classes give our staff the opportunity to develop an advanced level of knowledge in their selected area of expertise.

During the year, we also conducted our biennial Leadership Institute training program which is an internally developed training program focused on management and leadership skills. Attendees of the Leadership Institute are selected based on an application and interview process, and this program provides advanced leadership training for potential future leaders in our Office. Another significant training event this year was our annual office-wide accounting and auditing update. At our May 2023 update, internal and external experts presented information on new accounting and auditing standards that will affect our upcoming audits as well as standards that will 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.

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 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 3 summarizes the documents that we reviewed and to whom we provided responses during the year.

Summary of Standards-Related Documents Reviewed – Fiscal Year 2023

Table 3

Standard-Setting Entity	Document Reviewed
AICPA	Exposure Draft: <i>Compliance Audits</i>
AICPA	Exposure Draft: <i>Maintaining the Relevance of the Uniform CPA Examination</i>
FAF	Strategic Plan Draft for Public Comment
GAO	Exposure Draft: <i>Government Auditing Standards</i>
GASB	Exposure Draft: <i>Certain Risk Disclosures</i>
GASB	Exposure Draft: <i>Implementation Guidance Update - 2023</i>
OMB	2023 Compliance Supplement, Appendix XI to Uniform Guidance, 2 CFR Part 200
OMB	OMB's request for information (RFI) for OMB to consider as it revises Title 2 of the Code of Federal Regulations (CFR), Subtitle A, Chapters I and II

Note: AICPA – American Institute of Certified Public Accountants; FAF – Financial Accounting Foundation; GAO – Government Accountability Office; GASB – Governmental Accounting Standards Board; 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 also provided feedback on multiple documents related to the 2023 Compliance Supplement, including providing comments to federal awarding agencies that edited their sections using new guidance related to auditing performance and special reports that our office participated in developing. When reviewing these documents, we shared important changes with Accounts to ensure they could make necessary adjustments to ensure the Commonwealth's compliance with federal requirements. Also, staff 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.

Sharing Information

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 4 highlights the groups and organizations to which Office staff made formal presentations during the fiscal year and a brief summary of topics covered.

Summary of Presentations By Type of Organization and Topic – Fiscal Year 2023

Table 4

State Government Related Organizations	
College and University Auditors of Virginia Annual Conference	Provided an update on emerging issues in higher education including new GASB standards and common audit findings
Fiscal Officers of Colleges and Universities State Supported	Provided an update on emerging issues in higher education including new GASB standards and common audit findings
Virginia Association of Student Financial Aid Administrators	Provided an update on student financial aid requirements and related work our Office has performed
Other Professional Organizations and Groups	
2022 New Constitutional Officer Training	Provided general information about the Office and audit requirements for local constitutional officers
AICPA Webinar	Provided information related to evaluating and reporting audit findings
AICPA Governmental Accounting and Auditing Conference	Provided an update on the Single Audit
Cherry Bekaert Government and Public Sector Seminar	Provided an update on key topics affecting local government financial reporting, including the Office’s quality control review process over local government audits and an update on the Office’s fiscal distress monitoring process
NASACT Annual Conference	Provided information on fraud prevention and detection using analytics and automation
NASACT Emerging Leaders Conference	Provided information on GASB 87 implementation in Virginia, including audit results
NSAA IT Conference	Provided an update of the Office’s efforts to leverage robotic process automation
OMB Compliance Supplement Training	Provided general information on the characteristics of a Single Audit
VGFOA Conference	Provided an update on key topics affecting local government financial reporting, including the Office’s quality control review process over local government audits and an update on the Office’s fiscal distress monitoring process
VSCPA Accounting and Auditing Conference	Provided an update on the Single Audit

Being Leaders in Our Profession

In addition to making presentations and sharing information with other organizations, our staff also participate in leadership roles with various professional organizations. These leadership roles provide opportunities for professional development as well as opportunities to have a voice in activities that impact our Office and the entities that we audit. Table 5 lists leadership positions held by our staff in various organizations and groups during the year. 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 2023

Table 5

External Organization	Leadership Role
ACFE - Central Virginia Chapter	President
AGA Intergovernmental Partnership Steering Committee	Member
AICPA: Government Audit Quality Center Governmental Accounting and Auditing Update Conference Technical Committee Compliance Audit Task Force Government Performance and Accountability Committee Single Audit Risk Assessment Task Force	Executive Committee Member Chair Member Member Member
NASACT: Committee on Accounting, Reporting, and Auditing GASB 87 Implementation Committee GASAC Subcommittee	Co-Chair and Member Co-Chair Member
NSAA: Audit Standards and Reporting Committee Data Analytics Workgroup Excellence in Accountability Awards Committee Peer Review Committee Human Resources Committee IT Conference Planning Committee Single Audit Committee	Chair and Member Member Members Member Member Member Vice Chair
VSCPA: 150 Hour Task Force Accounting and Auditing Advisory Committee Board of Directors Innovation Advisory Council Young Professional Advisory Committee	Member Vice Chair Member Member Members

Based on her involvement with NASACT, Staci Henshaw received the President’s Award in August 2022 for her work on technical activities related to state auditors and NASACT overall. She has served on multiple NASACT committees and has provided valuable input to this organization in her many roles over the years. This recognition demonstrates how our staff demonstrate professionalism and share their knowledge through professional organizations.



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 which we rely on to perform our constitutionally driven responsibilities. We recognize that our staff are key to achieving our mission, and we strive to create a professional environment for our staff where innovation is encouraged and accomplishments are recognized.

Maintaining a Positive Work Culture

A positive work environment helps us continue to attract and retain talented staff. It is important for our staff to feel valued and engaged in the work that they do, and we have various ways in which we try to maintain a positive work culture in our Office. Our staff have the opportunity to work in a hybrid work environment while also allowing flexibility in work schedules. To make our hybrid work environment successful, we require a certain amount of in-person collaboration and also strategically plan various staff engagement activities throughout the year. In 2023, our Office hosted a “fiscal” New Year’s Eve celebration to kick off the new year, a Fall Festival to provide a much-needed break for staff during our busiest season, and an officewide Spring Luncheon complete with a corn hole tournament. In addition, each Specialty Team sponsors a lunchtime event during the year with an activity that fosters engagement and collaboration and allows our staff to interact.

Because our employees believe our Office is a great place to work, we have continued to participate in the annual Richmond’s Top Workplaces event sponsored by the Richmond Times-Dispatch and Energage. To participate, employers and their employees complete anonymous surveys about their workplace. In March, as a result of the feedback received from our staff, we were once again recognized as one of Richmond’s Top Workplaces. This is the tenth consecutive year that our Office has received this recognition, and we are one of only nine employers that has been on the list for each of the ten years the program has been in existence.



Encouraging Community Service

Our staff value giving back to the community by volunteering with local organizations during the year, including Habitat for Humanity ReStore, Habitat for Humanity Build, Maymont Park, FeedMore, and Saint Joseph’s Villa. Each of the events provided unique opportunities for staff to serve together, sometimes as teams, on home projects, freshening up gardens and grounds of outdoor facilities, preparing meals, or 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 FeedMore. FeedMore reported that our Office’s donation would serve 66 more people during the holiday season. In another officewide effort, we were able to provide meals and activity bags for families being helped by Ronald McDonald House Charities Richmond. These acts of kindness by our staff help promote our positive work culture while benefitting the communities we serve.



Implementing Our Strategic Plan

In 2023, we continued implementing our strategic plan which focuses on technological initiatives and other opportunities for innovation to reflect awareness of the future of the auditing profession. Our plan was a collaboration by a group of staff representing many different areas and organizational levels in our Office and is centered around five strategic directives as seen in Figure 1.

2020 -2025 Strategic Planning Directives

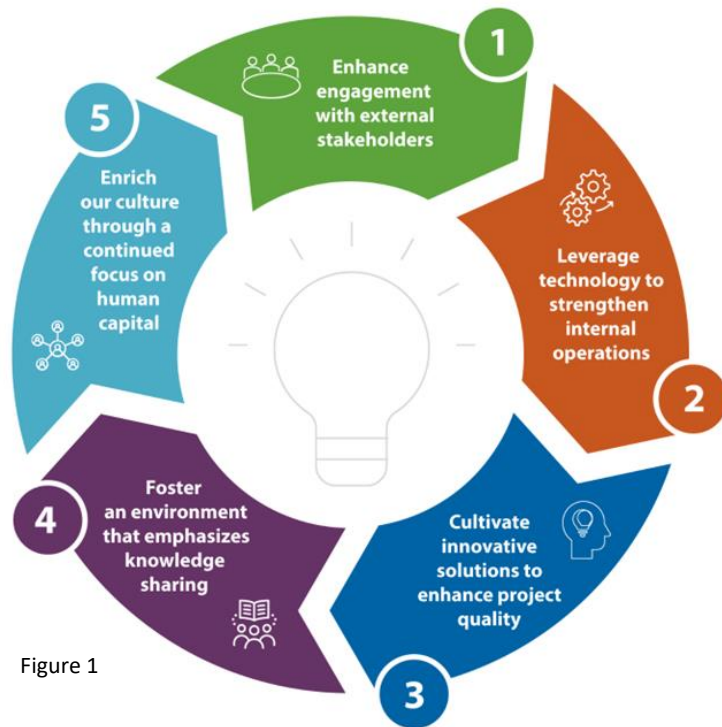
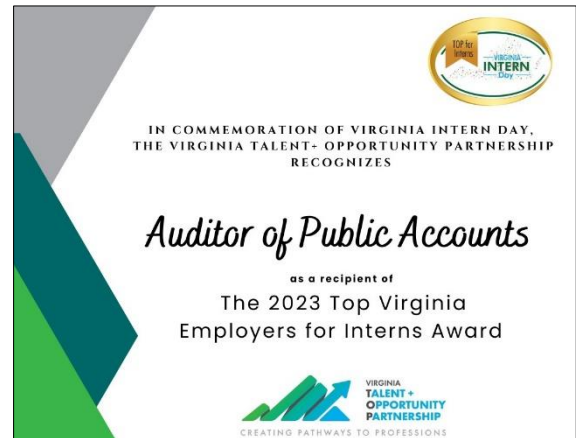


Figure 1

We issued a report highlighting our strategic plan in November 2022 and had our official kickoff meeting with our implementation teams in February 2023. We began implementation of certain key initiatives prior to finalizing our plan and have continued to devote resources to implementation of this plan during the year. As a result of these efforts, we have improved processes and implemented new initiatives.

One example is the reinstatement of our internship program. Under the strategic directive related to human capital, we recognized the need to provide an opportunity for students to gain insights on the value they can contribute to the Commonwealth as a financial auditor. We reinstated our

internship program in Fall 2022 and have continued to hire interns at various times of the year. 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 earned a “Top Employer for Interns” award from the Virginia Talent and Opportunity Partnership. The internship program provides an opportunity for our Office to continue to strengthen our talent pipeline for the future while also creating an awareness of the professional audit opportunities available in state government.



Another initiative that continues to provide benefits to our office is our use of robotic process automation. This year, our projects have increased the speed at which we provide auditors and others certain data and information, enhanced some existing data import and validation processes, and automated parts of our judicial report issuance processes. We have also continued to use various automations created in the previous fiscal year to minimize administrative time in certain key processes. Our team had the opportunity to give a presentation at the annual NSAA Information Technology Conference on our experience leveraging robotic process automation in our office.

As part of our strategic planning efforts this past year, we began working with staff from the Division of Legislative Automated Systems to improve and modernize our website. This project will improve and upgrade website functionality and enhance the user’s ability to search for audit reports on our website. We also continue to look for opportunities to leverage our use of technology to enhance the work experience for our staff and be more efficient in our work. We have devoted resources to improving technology in many areas including our training rooms to better facilitate virtual and hybrid meetings and training sessions. We are constantly expanding our use of Microsoft Teams and the functionality of the application to improve collaboration whether working in the office or remotely.

Adapting Our Organizational Structure

Our office is organized around eleven expertise-based specialty teams that we discussed earlier in the “About the Auditor of Public Accounts” section. Periodically we review our organizational structure to make sure it is still the most effective approach, and during 2023, we made several organizational changes to better adapt to the current environment in which we audit.

One change involved consolidating several different functions previously under two teams into a single team, the Risk Analysis and Monitoring Team. This team will focus on analyzing, monitoring, and communicating information on statewide and agency risks to other audit teams in the Office. Areas of focus include monitoring activities of the General Assembly, developing our office’s work plan, and overseeing work for non-mandatory audits. A new team, the Process Innovation Team, was also created, which will provide dedicated resources to various process improvement projects in the Office. This

team's efforts will help us to identify opportunities to improve the efficiency and effectiveness of our audits, administrative tasks, and overall operations.

Lastly, we made some changes to the Human Resources and Business Operations team which handles a variety of functions, including recruiting, personnel, accounting and budget, communications, and report processing. We renamed this team to the Human Capital and Business Operations team to better align with the Office's overall strategic direction. As part of this change, key roles within this team were redefined and certain position titles were updated.

Summary of Reports Issued – State Agencies, Institutions, and Authorities

The following is a listing of all reports and letters issued during the fiscal year ended June 30, 2023, related to state agencies, institutions, and authorities. This listing is organized to correspond, where applicable, with the Engaged section of this 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. All audit reports are publicly available on our [website](#).

Report Title	Audit Period
ACFR and /or Single Audit-Related	
Agencies of the Secretary of Finance*	July 1, 2021, through June 30, 2022
Agencies of the Secretary of Health and Human Resources*	July 1, 2021, through June 30, 2022
Agencies of the Secretary of Transportation*	July 1, 2021, through June 30, 2022
Commonwealth of Virginia Single Audit Report*	July 1, 2021, through June 30, 2022
Department of Agriculture and Consumer Services – Administration of Federal Programs	July 1, 2021, through June 30, 2022
Department of Corrections, including the Virginia Parole Board*	July 1, 2021, through June 30, 2022
Department of Education including Direct Aid to Public Education*	July 1, 2021, through June 30, 2022
Department of Emergency Management Audit of Select Federal Programs	July 1, 2021, through June 30, 2022
Department of Environmental Quality – Clean Water State Revolving Cluster Federal Program	July 1, 2021, through June 30, 2022
Department of General Services’ Division of Real Estate and the Office of Fiscal Services*	July 1, 2021, through June 30, 2022
Department of Housing and Community Development - Emergency Rental Assistance Program*	July 1, 2021, through June 30, 2022
Department of Human Resource Management*	July 1, 2021, through June 30, 2022
Department of Small Business and Supplier Diversity – Coronavirus State and Local Fiscal Recovery Funds	July 1, 2021, through June 30, 2022
Department of Veterans Services Grants to State for Construction of State Home Facilities Federal Grant Program	July 1, 2021, through June 30, 2022
Disability Services Agencies Audit of Select Federal Programs	July 1, 2021, through June 30, 2022
Education Stabilization Fund	July 1, 2021, through June 30, 2022
General Fund Preliminary Annual Report – Agreed upon Procedures	July 1, 2021, through June 30, 2022
Local Government Investment Pool Program, Virginia College Building Authority, Virginia Public Building Authority, Virginia Public School Authority	July 1, 2021, through June 30, 2022
Office of Children’s Social Services Block Grant Federal Program	July 1, 2021, through June 30, 2022
Virginia Alcoholic Beverage Control Authority*	July 1, 2021, through June 30, 2022
Virginia Employment Commission*	July 1, 2021, through June 30, 2022
Virginia Information Technologies Agency*	July 1, 2021, through June 30, 2022
Virginia Lottery*	July 1, 2021, through June 30, 2022
Virginia Retirement System*	July 1, 2021, through June 30, 2022

Summary of Reports Issued – State Agencies, Institutions, and Authorities

Higher Education Institutions	
Christopher Newport University*	July 1, 2021, through June 30, 2022
George Mason University	July 1, 2021, through June 30, 2022
James Madison University	July 1, 2021, through June 30, 2022
Longwood University*	July 1, 2020, through June 30, 2021
Old Dominion University*	July 1, 2020, through June 30, 2021
Old Dominion University*	July 1, 2021, through June 30, 2022
Radford University*	July 1, 2021, through June 30, 2022
University of Mary Washington*	July 1, 2020, through June 30, 2021
University of Mary Washington*	July 1, 2021, through June 30, 2022
University of Virginia*	July 1, 2021, through June 30, 2022
Virginia Commonwealth University*	July 1, 2021, through June 30, 2022
Virginia Community College System*	July 1, 2021, through June 30, 2021
Virginia Military Institute*	July 1, 2020, through June 30, 2021
Virginia Military Institute*	July 1, 2021, through June 30, 2022
Virginia Polytechnic Institute and State University	July 1, 2021, through June 30, 2022
Virginia State University	July 1, 2020, through June 30, 2021
Old Dominion University Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
Virginia Military Institute Intercollegiate Athletics Programs	July 1, 2020, through June 30, 2021
Virginia Polytechnic Institute and State University Intercollegiate Athletics Programs	July 1, 2021, through June 30, 2022
Central Virginia Community College Reaccreditation Review	July 1, 2021, through June 30, 2022
Dabney S. Lancaster Community College Reaccreditation Review	July 1, 2021, through June 30, 2022
Virginia Western Community College Reaccreditation Review	July 1, 2021, through June 30, 2022
Pensions and Other Post-Employment Benefits Reviews	
Department of Human Resource Management Commonwealth of Virginia State Health Plans Program for Pre-Medicare Retirees	July 1, 2020, through June 30, 2021
Virginia Retirement System GASB 68 Schedules:	
Political Subdivision Retirement Plans	July 1, 2020, through June 30, 2021
State Employee Retirement Plan	July 1, 2020, through June 30, 2021
Teacher Retirement Plan	July 1, 2020, through June 30, 2021
Virginia Retirement System GASB 75 Schedules:	
Disability Insurance Program	July 1, 2020, through June 30, 2021
Group Life Insurance Plan	July 1, 2020, through June 30, 2021
Line of Duty Act Program	July 1, 2020, through June 30, 2021
Political Subdivision Health Insurance Credit Plans	July 1, 2020, through June 30, 2021
State Health Insurance Credit Plan	July 1, 2020, through June 30, 2021
Teacher Health Insurance Credit Plan	July 1, 2020, through June 30, 2021
Virginia Retirement System Management's Assertions Related to Census Data for OPEB Plans	July 1, 2019, through June 30, 2020
Virginia Retirement System Management's Assertions Related to Census Data for Pension Plans	July 1, 2019, through June 30, 2020

Summary of Reports Issued – State Agencies, Institutions, and Authorities

Pool II Agencies	
Department of Veterans Services*	July 1, 2020, through June 30, 2021
Department of Wildlife Resources*	July 1, 2020, through June 30, 2021
Frontier Culture Museum*	July 1, 2020, through June 30, 2021
Office of the Executive Secretary of the Supreme Court of Virginia*	July 1, 2020, through June 30, 2021
State Corporation Commission – Utility Direct Assistance Program	July 1, 2020, through June 30, 2021
Virginia Museum of Fine Arts*	July 1, 2020, through June 30, 2021
Internal Control Questionnaire Reviews - Pool I Agencies	
2021 Internal Control Questionnaire Results*	January 1, 2021, through December 31, 2021
Department of Criminal Justice Services*	As of June 2022
Department of Environmental Quality*	As of July 2022
Department of Forensic Science*	As of June 2022
Department of Health Professions	As of August 2022
Department of Labor and Industry*	As of August 2022
GENEDGE Alliance*	As of June 2022
Marine Resources Commission*	As of June 2022
Southern Virginia Higher Education Center*	As of July 2022
Southwestern Virginia Higher Education Center*	As of July 2022
The Library of Virginia*	As of July 2022
Virginia Museum of Natural History*	As of April 2022
Other Mandatory or Risk-Based Audits	
Commonwealth Health Research Board	July 1, 2020, through June 30, 2022
Office of the Governor and the Governor’s Cabinet Secretaries*	July 1, 2021, through June 30, 2022
Office of the Lieutenant Governor	July 1, 2021, through June 30, 2022
Potomac River Fisheries Commission*	July 1, 2021, through June 30, 2022
The Virginia Innovation Partnership Authority and Center for Innovative Technology	July 1, 2020, through June 30, 2021
Virginia Biotechnology Research Partnership Authority	July 1, 2021, through June 30, 2022
Virginia Board of Accountancy	July 1, 2020, through June 30, 2021
Department of Emergency Management Wireless E-911 Fund	July 1, 2020, through June 30, 2021
Virginia Economic Development Partnership*	July 1, 2021, through June 30, 2022
Virginia Lottery Reports on Applying Agreed-Upon Procedures	
Cash4Life	April 1, 2021, through March 31, 2022
Mega Millions	April 1, 2021, through March 31, 2022
Megaplier	April 1, 2021, through March 31, 2022
Power Play	April 1, 2021, through March 31, 2022
Powerball	April 1, 2021, through March 31, 2022

Summary of Reports Issued – State Agencies, Institutions, and Authorities

Other Special Reports	
Cycled Agency Capital Assets Review*	July 1, 2019, through June 30, 2020
Higher Education Comparative Report	As of June 30, 2022
Revenue Reserve Fund Calculations	July 1, 2021, through June 30, 2022
Revenue Stabilization Fund Calculations	July 1, 2021, through June 30, 2022
Review of Chapter 759/769 Bond Issuance Limit	July 1, 2020, through June 30, 2021

Summary of Reports Issued – Local Government and Judicial System

During the year, we issued several statewide reports related to local government and the Commonwealth’s Judicial System as shown below. An asterisk (*) indicates the report had audit findings and recommendations.

Statewide Reports	
Report Title	Audit Period
Comparative Report of Local Government Revenue and Expenditures	July 1, 2020, through June 30, 2021
Report on Collections of Commonwealth Revenues by Local Constitutional Officers*	July 1, 2021, through June 30, 2022
Virginia District Court System Statewide Report*	July 1, 2020, through June 30, 2021

We also issued reports and letters related to individual localities as shown in the table below by locality and type of entity. An “x” indicates a report was issued with no audit findings and recommendations. A “*” indicates a report was issued with one or more audit findings and recommendations, and a “#” indicates we issued two or more reports for that entity during the year. A “♦” indicates the City of Williamsburg and the County of James City share courts, but each have their own constitutional officer offices; therefore, there are two separate state account audits performed.

Locality	Circuit Court	General District Court	Juvenile & Domestic Relations Court	Combined General District	State Account	General Receiver
Accomack	*	# *	x		x	
Albemarle	x	x	x		#	
Alexandria	*	x	x		*	x
Alleghany				x	x	
Amelia	x			x	x	
Amherst	x	x	x		*	
Appomattox	x	x	x		x	
Arlington	*	*	*		*	x
Augusta		# *	*		#	
Bath				x	x	
Bedford		x	x		x	
Bland	#			x	x	
Botetourt	x	x	*		#	
Bristol	x	x	*		*	
Brunswick	*			*	x	
Buchanan	x			x	x	*
Buckingham	x			x	x	
Buena Vista				*	#	

Summary of Reports Issued – Local Government and Judicial System

Locality	Circuit Court	General District Court	Juvenile & Domestic Relations Court	Combined General District	State Account	General Receiver
Campbell	*	X	X		X	
Caroline	*	*	X		X	
Carroll	*	X	X		*	
Charles City	*			X	X	
Charlotte	#	X	X		X	
Charlottesville	*	X	*		X	
Chesapeake	X	X	*		X	
Chesterfield	X	X	X		X	
Clarke	*	X	X		X	
Colonial Heights	*	*	X		X	
Covington					*	
Craig	X			X	X	
Culpeper	X	X	X		X	
Cumberland	X			X	X	
Danville	X	X			*	
Dickenson	X			X	X	
Dinwiddie				X	*	
Emporia				*	*	
Essex				#	X	
Fairfax City		X			X	
Fairfax County		X	*		*	
Falls Church				X	X	
Fauquier	X	# *	*		X	
Floyd				X	X	
Fluvanna	X			X	X	
Franklin City				X	X	
Franklin County	*	X	X		X	
Frederick	X	X	X		X	
Fredericksburg		X	X		X	
Galax				X		
Giles	X	*	X		X	
Gloucester		X	X		X	
Goochland	#			X	X	
Grayson	X			X	X	
Greene	# *			X	X	
Greensville	X			*	X	
Halifax		X	X		X	
Hampton	*	# *	X		X	
Hanover	X	#	# *		X	

Summary of Reports Issued – Local Government and Judicial System

Locality	Circuit Court	General District Court	Juvenile & Domestic Relations Court	Combined General District	State Account	General Receiver
Harrisonburg					X	
Henrico	X	*	X		X	
Henry		X	X		X	
Highland	X			X	*	
Hopewell				X	*	
Isle of Wight	*		X		*	
James City♦					X	
James City/ Williamsburg♦			X			
King and Queen		#	#		X	
King George	*			X	X	
King William	X	#	# *		#	
Lancaster	*	#	X		X	
Lee	X	X	X		X	
Lexington					X	
Loudon	X	*	*		X	X
Louisa		X	X		*	
Lunenburg				X	X	
Lynchburg	*	X	*		X	X
Madison	X			X	X	
Manassas Park					X	
Martinsville		X	X		X	
Mathews	*	X	X		X	
Mecklenburg		# *	X		X	
Middlesex	X	X	X		# *	
Montgomery	#	X	X		X	
Nelson	X	X	X		X	
New Kent	*		X		X	
Newport News	*		X		X	
Norfolk		X	X		*	
Northampton		X	*		X	
Northumberland	X	#	#		X	
Norton					*	
Nottoway				X	X	
Orange	*	X	X		X	
Page	*	X	X		X	
Patrick	*	X	X		X	
Petersburg		X	X		*	
Pittsylvania		*	*		*	

Summary of Reports Issued – Local Government and Judicial System

Locality	Circuit Court	General District Court	Juvenile & Domestic Relations Court	Combined General District	State Account	General Receiver
Poquoson					X	
Portsmouth	X		X		X	
Powhatan				X	X	
Prince Edward		*	X		X	
Prince George				*	*	
Prince William		# *	*		X	
Pulaski		X	X		X	
Radford				X	X	
Rappahannock	#			*	X	
Richmond City	X	*	*		X	
Richmond County				#	X	
Roanoke City	X	X			X	
Roanoke County	# *	X	X		X	
Rockbridge		X	# *		X	
Rockingham		X	X		X	
Russell	X			X	X	X
Salem	*			X	X	
Scott				X	X	
Shenandoah		X	X		X	
Smyth	*	X	X		X	
Southampton				*	*	
Spotsylvania	X	X	*		X	
Stafford	X	X	X		X	
Staunton	X	X	*		*	
Suffolk	X		X		*	
Surry				X	X	
Sussex	*			X	X	
Tazewell	#	*	X		X	
Virginia Beach	X	X	X		X	
Warren	X	X	X		*	
Washington	*	# *	X		X	
Waynesboro	X	X	X		*	
Westmoreland		#	*		X	
Williamsburg*					X	
Winchester	X	X	*		X	
Wise	X	X	X		X	X
Wythe	X	*	X		X	
York	X	#	X		X	

Summary of Reports Issued – Local Government and Judicial System

Magistrates
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
District 6: Cities of Emporia and Hopewell; Counties of Brunswick, Greensville, Prince George, Surry, and Sussex
District 9: Cities of Poquoson and 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: Towns of Blackstone and Crewe; City of Petersburg; Counties of Amelia, Dinwiddie, Nottoway, and Powhatan
District 12: City of Colonial Heights; County of Chesterfield
District 13: City of Richmond
District 14: County of Henrico
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: City of Fairfax and County of Fairfax
District 20: Counties of Fauquier, Loudoun, and Rappahannock
District 22: City of Danville; Counties of Franklin and Pittsylvania
District 23: Cities of Roanoke and Salem; County of Roanoke
District 25: Cities of Buena Vista, Covington, Lexington, Staunton, and Waynesboro; Counties of Alleghany, Augusta, Bath, Botetourt, Craig, Highland, and Rockbridge
District 26: Cities of Harrisonburg and 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 (2A): Counties of Accomack and Northampton