



2023 Annual Work Plan

**Commonwealth of Virginia
Auditor of Public Accounts**

Staci A. Henshaw, CPA

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.

TABLE OF CONTENTS

Pages

SECTION 1 – WORK PLAN

Summary of 2023 Annual Work Plan	1
Special Projects Budget	2-4
Agencies and Institutions Budget	5-10

SECTION 2 – AUDIT SUPPORT PROJECTS

Audit Support Projects	11
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SECTION 3 – SALARY SCALES

Letter Requesting Approval of Salaries	12
Proposed Salary Scales	13

SECTION 4 – AGENCY OFFICIALS

Auditor of Public Accounts	14
Deputy Auditors	14
Directors	14

SUMMARY OF 2023 ANNUAL WORKPLAN

Project Area	Budget
Special Projects	4,775
Judicial Branch	455
Executive Branch	113,180
Executive Offices	1,135
Administration	1,810
Commerce and Trade	3,640
Education	2,990
Education – Higher Education Institutions	58,525
Finance	25,355
Health and Human Resources	12,635
Natural Resources	100
Public Safety and Homeland Security	1,150
Transportation	5,840
Independent Agencies	10,610
Local Governments, Clerks, and Courts	13,695
Cycled Agencies	9,565
Total Audit Projects Work Plan Hours	152,280
Audit Support Projects	5,045
Total Audit and Support Projects Work Plan Hours	157,325

SPECIAL PROJECTS BUDGET

Required by Legislation, Statute, or Appropriation Act

Project Area	Objectives	Reference	Budget
Commonwealth Data Point	<ul style="list-style-type: none"> • Compile and maintain a searchable database on the Auditor of Public Accounts internet website. • Include certain state expenditure, revenue, salary, and demographic information and visualizations in the database as specified in the Code of Virginia. 	Section 30-133 of the Code of Virginia	2,225
Local Government Fiscal Distress Analysis	<ul style="list-style-type: none"> • Annually review locality financial and nonfinancial data as part of the established criteria of the early warning system to make preliminary determination of any potential local fiscal distress. • Notify identified localities of preliminary determination of potential fiscal distress. • Upon request from locality, perform detailed review to determine extent of fiscal distress. • If situation of fiscal distress exists, notify Governor, Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the locality of specific issues and recommended actions to further assess, help stabilize, or remediate the situation. 	Chapter 552 of 2021 Acts of Assembly, Item 4-8.03	600
Review of Chapter 759/769 Bond Issuance Limit	<ul style="list-style-type: none"> • Report annually to the Governor, Speaker of the House of Delegates, President Pro-Tempore of the State Senate, and the Chairmen of the House Appropriations and Senate Finance Committees regarding the adherence to the annual issuance limits. 	Chapters 759/769 of the 2016 Acts of the Assembly, Enactment 10	155

SPECIAL PROJECTS BUDGET

Required by Legislation, Statute, or Appropriation Act

Project Area	Objectives	Reference	Budget
APA Annual Report	<ul style="list-style-type: none"> Describe the work performed by the Auditor of Public Accounts during the fiscal year and the significant findings. 	Section 30-133 of the Code of Virginia	140
MEI Project Approval Commission	<ul style="list-style-type: none"> Assist the Major Employment and Investment Project Approval Commission. 	Section 30-311 of the Code of Virginia	10
PPEA Comprehensive Agreement Review	<ul style="list-style-type: none"> Periodically review interim and comprehensive agreements entered into to ensure compliance with required provisions. 	Section 56-575.18 of the Code of Virginia	20
Review of Performance Measures	<ul style="list-style-type: none"> Using a risk-based approach, evaluate the need to perform a detailed review of agencies' performance measures. 	Section 30-133B of the Code of Virginia	10

SPECIAL PROJECTS BUDGET

Risk-Based Analysis

Project Area	Objectives	Budget
Comparative Report for Higher Education	<ul style="list-style-type: none"> Provide financial comparison and analysis of the various public institutions of higher education in Virginia, considering the size and type of institution, and using techniques such as ratio analysis to further analyze and compare financial information. Periodically present this information in a report to aid decision makers and improve transparency and comparability for citizen-users of financial information. 	125
Fraud Monitoring	<ul style="list-style-type: none"> Investigate potentially fraudulent activity reported to the Auditor of Public Accounts. 	100
Systems Development Project Monitoring	<ul style="list-style-type: none"> Perform ongoing monitoring activities and periodic reporting over systems development projects for major systems at various departments, agencies, and higher education institutions to determine the projects are on schedule, on budget, and provide required functionality. 	640
Statewide Analysis of Cardinal	<ul style="list-style-type: none"> Assess and test the critical statewide internal controls and business rules within Cardinal Financials and Human Capital Management. Develop queries and exception reports to assist in testing Cardinal statewide. 	750
Total – Special Projects		4,775

AGENCIES AND INSTITUTIONS BUDGET

By Branch and Secretariat

Judicial Branch	
<i>Financial related audit of agency ensures the adherence to state laws and regulations and proper recording, internal controls, and management of funds.</i>	
Virginia State Bar	455
Total – Judicial Branch	455
Executive Branch	
<u>Executive Offices</u>	
<i>Financial related audits to ensure the adherence to state laws and regulations and proper recording, internal controls, and management of funds to support the executive management of the Commonwealth.</i>	
Attorney General and Department of Law	700
Governor and Cabinet Secretaries, Lieutenant Governor	<u>435</u>
Subtotal	1,135
<u>Administration</u>	
<i>The Department of Human Resource Management audit supports the Annual Comprehensive Financial Report (ACFR) audit. The Virginia Information Technologies Agency audit also supports the ACFR audit and will focus on how the agency is providing information technology services to other state agencies and managing those related contracts.</i>	
Department of Human Resource Management	1,350
Virginia Information Technologies Agency	<u>460</u>
Subtotal	1,810
<u>Commerce and Trade</u>	
<i>The Virginia Employment Commission audit supports the ACFR audit and Single Audit of federal funds. Financial statement audits of the Virginia Innovation Partnership Authority/Virginia Innovation Partnership Corporation and Virginia Economic Development Partnership satisfy various Code of Virginia requirements.</i>	
Virginia Innovation Partnership Authority/Virginia Innovation Partnership Corporation	750
Virginia Economic Development Partnership	640
Virginia Employment Commission	<u>2,250</u>
Subtotal	3,640

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch, continued	
Education	
<i>The Department of Education audit supports the ACFR audit and Single Audit of federal funds. The financial statement audit of the Virginia Biotechnology Research Partnership Authority satisfies Code of Virginia audit requirements.</i>	
Department of Education	2,200
Virginia Biotechnology Research Partnership Authority	<u>790</u>
Subtotal	2,990
Education – Higher Education Institutions	
<i>Financial statement audits of the two and four-year institutions of higher education satisfy bond and reaccreditation requirements. These audits also support the Single Audit of federal funds on a cycled basis, and the audits of UVA, VCU, and VT support the ACFR audit. Also, the audits include agreed-upon procedures required by the National Collegiate Athletic Association (NCAA) covering revenue and expense activity of intercollegiate athletics.</i>	
Christopher Newport University	1,975
George Mason University ^{1,2}	2,880
James Madison University ^{1,2}	3,090
Longwood University ²	2,470
Norfolk State University ^{1,2}	2,915
Old Dominion University ^{1,2}	3,140
Radford University ^{1,2}	2,100
The College of William and Mary ²	4,120
University of Mary Washington	2,330
University of Virginia (UVA) ^{1,2}	5,310
University of Virginia Medical Center ¹	3,605
Virginia Commonwealth University (VCU) ^{1,2}	4,710
Virginia Community College System ¹	9,610
Virginia Military Institute ²	2,590
Virginia Polytechnic Institute and State University (VT) ^{1,2}	4,550
Virginia State University ^{1,2}	<u>3,130</u>
Subtotal	58,525

1 – Includes hours for a review of federal funding in support of the Single Audit of federal Funds.

2 – Includes hours for agreed-upon procedures as required by the NCAA.

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch, continued	
<u>Finance</u>	
<i>Audits of the Finance agencies support the ACFR audit and Single Audit of federal funds and satisfy various legislative requirements. The results of these audits are included in the report on the Agencies of the Secretary of Finance. The Department of the Treasury audit includes the financial statement audits of the Virginia Public Building Authority, Virginia Public School Authority, Virginia College Building Authority, and the Local Government Investment Pool. The financial statement audit of the Virginia Board of Accountancy satisfies Code of Virginia requirements.</i>	
Department of Accounts/ACFR	10,175
Department of Planning and Budget/Appropriations	500
Department of Taxation	3,125
Department of the Treasury	5,100
Report on Agencies of the Secretary of Finance	100
Revenue Stabilization and Reserve Funds	140
Single Audit of Federal Funds	5,950
Virginia Board of Accountancy	<u>265</u>
Subtotal	25,355
<u>Health and Human Resources</u>	
<i>Audits of the Health and Human Resources agencies support the ACFR audit and Single Audit of federal funds. The results of these audits are included in the report on the Agencies of the Secretary of Health and Human Resources. The financial related audit of the Commonwealth Health Research Board, which is reported separately, ensures the adherence to state laws and regulations and proper recording, internal controls, and management of funds.</i>	
Commonwealth Health Research Board	130
Department of Behavioral Health and Developmental Services	2,920
Department of Health	2,750
Department of Medical Assistance Services	3,425
Department of Social Services	3,300
Report on Agencies of the Secretary of Health and Human Resources	<u>110</u>
Subtotal	12,635
<u>Natural Resources</u>	
<i>Financial related audit of agency ensures adherence to laws and regulations and proper recording, internal controls, and management of funds.</i>	
Potomac River Fisheries Commission	<u>100</u>
Subtotal	100

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch, continued	
<u>Public Safety and Homeland Security</u>	
<i>The Department of Corrections audit supports the ACFR audit and Single Audit of federal funds.</i>	
Department of Corrections	<u>1,150</u>
Subtotal	1,150
<u>Transportation</u>	
<i>Audits of the Transportation agencies support the ACFR audit and Single Audit of federal funds. The results of these audits are included in the report of the Agencies of the Secretary of Transportation.</i>	
Department of Motor Vehicles	2,000
Department of Transportation	3,800
Report on Agencies of the Secretary of Transportation	<u>40</u>
Subtotal	5,840
Total – Executive Branch	113,180
Independent Agencies	
<i>Financial statement audits of these agencies support the ACFR audit and satisfy various legislative requirements.</i>	
Virginia Alcoholic Beverage Control Authority	1,955
Virginia Lottery	1,905
Virginia Retirement System	6,750
Total – Independent Agencies	10,610
Local Governments, Clerks, and Courts	
<i>The Comparative Report summarizes local government revenues and expenditures. Quality reviews are performed for selected local government audits submitted to the Auditor of Public Accounts. Compliance audits of judicial entities and constitutional officers ensure adherence to state laws and regulations and accountability for state funds.</i>	
Comparative Report and Quality Reviews	3,200
State Accounts (131)	2,450
Judicial Entities: Circuit Courts (104), District Courts (212), General Receivers (7), and Magistrate Districts (31)	8,045
Total – Local Government, Clerks, and Courts	13,695

AGENCIES AND INSTITUTIONS BUDGET

Approach for Cycled Agencies

We use a risk-based approach for auditing cycled agencies, which are agencies that do not have a mandated annual audit requirement and do not generally support our ACFR audit or Single Audit of federal funds. Annually, we perform a risk analysis for all cycled agencies considering certain criteria and divide the agencies into two pools based on the resulting risk rating. Below are the approaches for both pools and agencies currently included in each pool. The agencies included in each pool are subject to change each year depending on risk.

Cycled Agencies	
Pool I	
<i>The agencies in this pool are subject to audit every year under a special project that focuses on an area that is determined to be significant for the agencies in this pool. 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 the Pool I agencies at which we will perform detailed procedures related to this area. We will perform limited procedures at the remaining agencies. All agencies are also subject to an internal control questionnaire review with an on-site visit to verify controls once every three years. Below are the agencies included in Pool I for the 2023 work plan.</i>	
Assistive Technology Loan Fund Authority	Genedge Alliance
Board of Bar Examiners	Gunston Hall
Office of Children’s Services	Indigent Defense Commission
Commonwealth’s Attorneys’ Services Council	Jamestown-Yorktown Foundation ²
Compensation Board	Marine Resources Commission
Department of Agriculture and Consumer Services	Motor Vehicle Dealer Board
Department of Aviation	New College Institute
Department of Conservation and Recreation	Office of the State Inspector General
Department of Criminal Justice Services	Southern Virginia Higher Education Center
Department of Elections	Southwest Virginia Higher Education Center
Department of Environmental Quality	State Council of Higher Education for Virginia
Department of Fire Programs	The Library of Virginia
Department of Forensic Science	The Science Museum of Virginia
Department of Forestry	Tobacco Region Revitalization Commission
Department of Health Professions	Virginia Correctional Enterprises
Department of Historic Resources	Virginia Foundation for Healthy Youth
Department of Housing and Community Development	Virginia Health Workforce Development Authority
Department of Juvenile Justice	Virginia Information Technologies Agency
Department of Labor and Industry	Virginia Museum of Natural History
Department of Military Affairs	Virginia Racing Commission
Department of Mines, Minerals and Energy	Virginia School for the Deaf and the Blind
Department of Professional and Occupational Regulation	Virginia Tourism Authority
Department of Rail and Public Transportation	Virginia Worker’s Compensation Commission
Department of Small Business and Supplier Diversity ¹	

1 – Includes Virginia Small Business Financing Authority.

2 – Includes Jamestown-Yorktown Commemorations.

Cycled Agencies, continued

Pool II

We perform an annual audit of agencies classified in Pool II; however, the audit objectives and scope vary from the audits that we have traditionally performed. The period of time that an agency remains in Pool II depends on the risk factors that resulted in their inclusion in the pool. 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 the specific area we select for review based on risk. This limited scope allows us to cover areas in more depth and additional areas that we may not have previously covered as we used to focus primarily on significant cycles as opposed to those that may have higher risk. Below are the agencies identified based on risk for inclusion in Pool II for the 2023 work plan.

Department for Aging and Rehabilitative Services ¹	Payroll Service Bureau ⁵
Department of Emergency Management	State Corporation Commission
Department of General Services ²	Supreme Court ⁶
Department of State Police ³	Virginia Commission for the Arts
Department of Veteran Services ⁴	Virginia Department of Wildlife Resources
Frontier Culture Museum of Virginia	Virginia Museum of Fine Arts

Total – Cycled Agencies Pool I & II**9,565**

- 1 – Includes Wilson Workforce and Rehabilitation Center, Virginia Rehabilitation Center for the Blind and Vision Impaired, Virginia Board for People with Disabilities, Department for the Blind and Vision Impaired, and the Department for the Deaf and Hard-of-Hearing.
- 2 – We are deferring our Pool II audit of the Department of General Services (General Services) for the 2023 work plan as we will be performing audits covering a federal program and leases managed by General Services under the ACFR audit and Single Audit of federal funds.
- 3 – We are deferring our Pool II audit of the Department of State Police for the 2023 work plan to allow the agency sufficient time to implement corrective actions to address findings noted in prior audits.
- 4 – Includes Sitter & Barfoot Veterans Care Center and Virginia Veterans Care Center.
- 5 – Due to the implementation of the Commonwealth's new payroll and human resources system, we are deferring our Pool II audit of the Payroll Service Bureau for the 2023 work plan to allow the agency to operate for one full year under the new system.
- 6 – Includes Clerk of the Supreme Court, Court of Appeals of Virginia, Joint Inquiry and Review Commission, and Virginia Criminal Sentencing Commission.

AUDIT SUPPORT PROJECTS

Audit support activities are not related to a specific audit; however, they are necessary to support our work plan projects.

Project Area	Description	Hours
Assistance to Other Agencies	<ul style="list-style-type: none"> Provide assistance and collaborate with other oversight agencies as needed. 	50
Audit Tool Development	<ul style="list-style-type: none"> Develop standardized tools for use in all audits in order to ensure audits meet the applicable auditing standards. 	1,660
Budget Review and Monitoring	<ul style="list-style-type: none"> Review the details and changes to the Commonwealth's budget for all agencies within the work plan. 	600
Cycled Agency Risk Monitoring	<ul style="list-style-type: none"> Monitor activity and perform risk assessment procedures for cycled agencies in order to determine the appropriate level of audit coverage. 	355
Exposure Draft Review	<ul style="list-style-type: none"> Review exposure drafts for potential new auditing and accounting standards and provide formal feedback to applicable standard-setting bodies. 	350
Legislative Monitoring, Meetings, and Requests	<ul style="list-style-type: none"> Monitor legislation proposed during the General Assembly session to determine potential impact on our audits. Attend applicable legislative meetings and follow up on legislative requests. 	280
Office Automation	<ul style="list-style-type: none"> Enhance methods for obtaining and analyzing data from Commonwealth systems for use in audits. Leverage robotic process automation software to perform routine audit-related and administrative tasks to enable use of personnel for other value-added activities requiring human judgment. 	1,050
Quality Control Reviews	<ul style="list-style-type: none"> Annually conduct internal reviews of completed audits to ensure they were performed in accordance with the applicable auditing standards. 	600
Systems Security Monitoring	<ul style="list-style-type: none"> Monitor trends and attend meetings related to information systems security. 	100
Total – Audit Support Projects		5,045



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 2, 2022

Members, Joint Legislative Audit and Review Commission
General Assembly Building
Capitol Square
Richmond, Virginia 23219

Members:

Pursuant to §§ 2.2-2901 and 30-132 of the Code of Virginia, the Commission establishes the scales of pay and number of positions for this Office. The Commission last established the scales and positions on May 3, 2021. We request the Commission approve an increase of our minimum and maximum salaries, effective June 10, 2022, by the percentage salary increase enacted by the General Assembly. We have included proposed salary scales depicting four percent and five percent increases of our minimum and maximum salaries in accordance with the proposed House and Senate budgets bills amending Chapter 552 of the 2021 Acts of Assembly, respectively.

While we do not anticipate exceeding the authorized number of positions, the foregoing is subject to the usual understanding that this Office retains the flexibility to staff in excess of the authorized number of positions so long as the costs remain within our appropriation.

Sincerely,

Staci A. Henshaw
Auditor of Public Accounts

AUDITOR OF PUBLIC ACCOUNTS

PROPOSED SALARY SCALES

Position	Number of Positions 2022	Current Scale	Proposed Scale Effective*	Proposed Scale Effective**
			June 10, 2022	June 10, 2022
Deputy Auditor	2	\$105,688 - \$203,811	\$109,915 - \$211,963	\$110,972 - \$214,002
Specialty Team Director	14	80,907 - 189,305	84,143 - 196,877	84,952 - 198,770
Auditor	85	53,550 - 126,612	55,692 - 131,676	56,228 - 132,943
Staff	35	33,338 - 88,934	34,672 - 92,491	35,005 - 93,381
Total	136			

*The proposed salary scale reflects a **four** percent base salary increase effective on June 10, 2022.

The proposed salary scale reflects a **five percent base salary increase effective on June 10, 2022.

AGENCY OFFICIALS

Staci A. Henshaw, CPA, CGMA
Auditor of Public Accounts

LaToya D. Jordan, CPA, CGFM, MBA
Deputy Auditor for Human Capital and Operations

Eric M. Sandridge, CPA, CGFM, CISA, MSBA
Deputy Auditor for Technology and Innovation

Directors by Specialty Area	
Acquisitions and Contract Management	J. Michael Reinholtz, CPA, CISA, VCO, MACIS
Budget and Legislative Monitoring	Linda C. Wade, CPA, CFE, CGFM, Graduate Certificate in Public Administration
Capital Asset Management	DeAnn B. Compton, CPA, VCCO, CISA
Compliance Assurance	George D. Strudgeon, CPA, CGFM, CGMA, MBA, Advanced Single Audit Certificate
Data Analysis	April V. Cassada, CPA, CISA, CITP
Higher Education Programs	David L. Rasnic, CPA, CISA
Human Resources and Professional Development	Berkeley A. R. Wolford, SPHR, SHRM-SCP
Information Systems Security and Office Technology	Goran G. Gustavsson, MBA, CISSP, CISM
Local Government and Judicial Systems	Laurie J. Hicks, CPA, CFE
Procurement and Business Operations	Carnell N. Bagley, MBA, CPPB, VCO
Reporting and Standards	Zachary L. Borgerding, CPA, CGFM, CISA
Strategic Risk and Project Management	Jennifer D. Eggleston, CPA, CGFM, CISA Kevin J. Savoy, CPA, CISA, CISSP, CGMA, MBA