

AUDITOR OF PUBLIC ACCOUNTS



2025 WORK PLAN

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov



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.

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SUMMARY OF 2025 ANNUAL WORK PLAN

Project Area	Budget
Executive Branch	110,405
Executive Offices	1,200
Administration	3,070
Commerce and Trade	1,500
Education	2,010
Education – Higher Education Institutions	59,955
Finance	21,000
Health and Human Resources	12,420
Labor	1,900
Natural and Historic Resources	150
Public Safety and Homeland Security	960
Transportation	6,240
Independent Agencies and Authorities	13,850
Local Governments, Clerks, and Courts	13,325
Cycled Agencies	4,700
Special Projects	2,365
Total Audit Projects Work Plan Hours	144,645
Audit Support Projects	7,880
Total Audit and Support Projects Work Plan Hours	152,525

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch	
<u>Executive Offices</u>	
<i>Financial-related audits to review internal controls, ensure the proper recording of financial transactions supporting the executive management of the Commonwealth, and evaluate compliance with applicable state laws and regulations.</i>	
Attorney General and Department of Law	700
Governor and Cabinet Secretaries, Lieutenant Governor	<u>500</u>
Subtotal	1,200
<u>Administration</u>	
<i>Audits of Administration agencies support the Annual Comprehensive Financial Report (ACFR) audit.</i>	
Department of General Services	600
Department of Human Resource Management	1,320
Virginia Information Technologies Agency	<u>1,150</u>
Subtotal	3,070
<u>Commerce and Trade</u>	
<i>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	850
Virginia Economic Development Partnership	<u>650</u>
Subtotal	1,500
<u>Education</u>	
<i>The Department of Education audit supports the ACFR audit and Single Audit of federal funds.</i>	
Department of Education	<u>2,010</u>
Subtotal	2,010

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch, continued

Education – Higher Education Institutions

Financial statement audits of the two- and four-year institutions of higher education satisfy bond and reaffirmation of accreditation requirements. These audits also support the Single Audit of federal funds on a cycled basis. The audits of UVA, VCU, and VT support the ACFR audit and include agreed-upon procedures required by the National Collegiate Athletic Association (NCAA) covering revenue and expense activity of intercollegiate athletics.

Christopher Newport University	2,315
George Mason University ¹	2,925
James Madison University ¹	3,020
Longwood University	2,320
Norfolk State University ¹	2,920
Old Dominion University ¹	3,445
Radford University ¹	2,545
The College of William and Mary ^{1,2}	4,630
University of Mary Washington	2,270
University of Virginia (UVA) ¹	6,110
University of Virginia Medical Center	3,900
Virginia Commonwealth University (VCU) ¹	4,870
Virginia Community College System ¹	8,265
Virginia Military Institute	2,530
Virginia Polytechnic Institute and State University (VT) ¹	4,505
Virginia State University ¹	<u>3,385</u>
Subtotal	59,955

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

2 – Includes hours for audit of Richard Bland College.

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch, continued	
<u>Finance</u>	
<i>Audits of the Finance agencies support the ACFR audit and/or 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.</i>	
Department of Accounts/ACFR	8,775
Department of Planning and Budget/Appropriations	500
Department of Taxation	3,020
Department of the Treasury	4,920
Report on Agencies of the Secretary of Finance	85
Revenue Stabilization and Reserve Funds	120
Single Audit of Federal Funds	<u>3,580</u>
Subtotal	21,000
<u>Health and Human Resources</u>	
<i>Audits of the Health and Human Resources agencies support the ACFR audit and/or 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.</i>	
Department of Behavioral Health and Developmental Services	2,870
Department of Health	2,650
Department of Medical Assistance Services	3,300
Department of Social Services	3,500
Report on Agencies of the Secretary of Health and Human Resources	<u>100</u>
Subtotal	12,420
<u>Labor</u>	
<i>The Virginia Employment Commission audit supports the ACFR audit.</i>	
Virginia Employment Commission	<u>1,900</u>
Subtotal	1,900
<u>Natural and Historic Resources</u>	
<i>Financial-related audit to review internal controls, ensure proper recording of financial transactions, and evaluate compliance with applicable state laws and regulations.</i>	
Potomac River Fisheries Commission	<u>150</u>
Subtotal	150

AGENCIES AND INSTITUTIONS BUDGET

Executive Branch, continued	
<u>Public Safety and Homeland Security</u>	
<i>The Department of Corrections audit supports the ACFR audit.</i>	
Department of Corrections	960
Subtotal	960
<u>Transportation</u>	
<i>Audits of the Transportation agencies support the ACFR audit. The results of these audits are included in the report of the Agencies of the Secretary of Transportation. The Department of Transportation audit also includes the financial statement audit of the I-81 Corridor Improvement Fund.</i>	
Department of Motor Vehicles	1,780
Department of Transportation	4,420
Report on Agencies of the Secretary of Transportation	40
Subtotal	6,240
Total – Executive Branch	110,405

Independent Agencies and Authorities	
<i>Financial statement audits of these agencies support the ACFR audit and/or satisfy various Code of Virginia requirements. The Cannabis Control Authority will be a financial-related audit to review internal controls, ensure proper reporting of financial transactions, and evaluate compliance with applicable state laws and regulations until the Authority begins producing financial statements.</i>	
Cannabis Control Authority	600
Virginia Alcoholic Beverage Control Authority	2,250
Virginia Biotechnology Research Partnership Authority	850
Virginia College Savings Plan	1,700
Virginia Lottery	2,150
Virginia Retirement System	6,300
Total – Independent Agencies and Authorities	13,850

Local Governments, Clerks, and Courts	
<i>The Comparative Report summarizes local government revenues and expenses. Our Office performs quality reviews for select local government audits to ensure audits adhere to applicable auditing standards and specifications. Audits of judicial entities and constitutional officers ensure compliance with state laws and regulations and accountability of state funds.</i>	
Comparative Report and Quality Reviews	3,000
State Accounts (131)	2,150
Judicial Entities: Circuit Courts (104), District Courts (210), General Receivers (7), and Magistrate Districts (31)	8,175
Total – Local Government, Clerks, and Courts	13,325

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**

The agencies in this pool are subject to an internal control questionnaire review that includes a verification of internal controls once every three years. Below are the agencies included in Pool I for the 2025 work plan.

Assistive Technology Loan Fund Authority ¹	Indigent Defense Commission
Board of Bar Examiners ¹	Jamestown-Yorktown Foundation ³
Office of Children's Services ¹	Marine Resources Commission
Commonwealth's Attorneys' Services Council ¹	Motor Vehicle Dealer Board
Compensation Board	New College Institute ¹
Department of Agriculture and Consumer Services ¹	Office of the State Inspector General
Department of Aviation	Southern Virginia Higher Education Center
Department of Conservation and Recreation	Southwest Virginia Higher Education Center
Department of Criminal Justice Services	State Council of Higher Education for Virginia
Department of Elections	The Library of Virginia
Department of Environmental Quality	The Science Museum of Virginia ¹
Department of Fire Programs ¹	Tobacco Region Revitalization Commission
Department of Forensic Science	Virginia Commission for the Arts
Department of Forestry	Virginia Department of Energy ¹
Department of Health Professions	Virginia Foundation for Healthy Youth ¹
Department of Historic Resources	Virginia Health Workforce Development Authority
Department of Juvenile Justice	Virginia Museum of Natural History
Department of Labor and Industry	Virginia Racing Commission
Department of Professional and Occupational Regulation ¹	Virginia School for the Deaf and the Blind ¹
Department of Small Business and Supplier Diversity ²	Virginia State Bar
Frontier Culture Museum	Virginia Tourism Authority ¹
Genedge Alliance	Virginia Worker's Compensation Commission
Gunston Hall	

1 – These agencies will receive an internal control questionnaire review during the 2025 work plan.

2 – Includes Virginia Small Business Financing Authority.

3 – Includes Jamestown-Yorktown Commemorations.

Cycled Agencies, continued

Pool II

Agencies included in Pool II are subject to a financial-related audit each year to cover internal controls, ensure proper recording of financial transactions, and/or evaluate compliance with applicable laws and regulations. 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. The time that an agency remains in Pool II depends on the risk factors that resulted in its inclusion in the pool. Below are the agencies identified based on risk for inclusion in Pool II for the 2025 work plan.

Department for Aging and Rehabilitative Services ²	Opioid Abatement Authority
Department of Emergency Management	Payroll Service Bureau ¹
Department of Housing and Community Development ²	State Corporation Commission
Department of Military Affairs	Supreme Court ^{1,4}
Department of Rail and Public Transportation	Virginia Department of Wildlife Resources ⁵
Department of State Police	Virginia Museum of Fine Arts
Department of Veteran Services ³	

Total – Cycled Agencies Pool I & II **4,700**

- 1 – These agencies are in the cycle for the 2025 work plan and will receive a financial-related audit as described above.
- 2 – 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.
- 3 – Includes Sitter & Barfoot Veterans Care Center and Virginia Veterans Care Center.
- 4 – Includes Clerk of the Supreme Court, Court of Appeals of Virginia, Joint Inquiry and Review Commission, and Virginia Criminal Sentencing Commission.
- 5 – We will perform an internal control questionnaire review of this agency during the 2025 work plan.

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	1,000
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 locality 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 1 of 2023 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	165

Required by Legislation, Statute, or Appropriation Act (continued)

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"> Upon request, 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 audit process to confirm adequate coverage of interim and comprehensive agreements to ensure compliance with required provisions. 	Section 56-575.18 of the Code of Virginia	5
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	5

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. 	400
Fraud Monitoring	<ul style="list-style-type: none"> Monitor investigations of potentially fraudulent activity reported to the Auditor of Public Accounts. 	40
Total – Special Projects		2,365

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
Agency Risk Monitoring	<ul style="list-style-type: none"> Monitor activity and perform risk assessment procedures for all agencies to determine the appropriate level of audit coverage. Review the details and changes to the Commonwealth's budget for all agencies within the work plan. Monitor legislation proposed during the General Assembly session to determine potential impact on audits. 	1,200
Assistance to Other Agencies	<ul style="list-style-type: none"> Assist and collaborate with other oversight agencies as needed. 	50
Audit Tool Development and Update	<ul style="list-style-type: none"> Develop and update standardized tools for use on all audits to ensure audits meet the applicable auditing standards. Obtain an understanding of new accounting standards to ensure audit tools include appropriate guidance for auditors. 	2,000
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. 	200
Internship Program	<ul style="list-style-type: none"> Increase Office talent pipeline through audit, educational, and professional experiences. 	2,450
Legislative Meetings and Requests	<ul style="list-style-type: none"> Attend applicable legislative meetings and follow up on legislative requests. 	130
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. 	950
Quality Control Reviews	<ul style="list-style-type: none"> Annually conduct internal reviews of completed audits to ensure audit teams performed work in accordance with the applicable auditing standards. 	750
Systems Security Monitoring	<ul style="list-style-type: none"> Monitor trends and attend meetings related to information systems security. 	150
Total – Audit Support Projects		7,880



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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June 5, 2024

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 15, 2023. In accordance with Item 469 R.3 of Chapter 2 of the 2024 Acts of the Assembly, we request to increase our minimum and maximum salaries by three percent effective on June 10, 2024, as shown on the proposed salary scales. This request will cover implementation of the three percent salary increase in Item 469 R.1.

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 2024	Current Scale	Proposed Scale Effective June 10, 2024
Deputy Auditor	2	\$116,521 - \$224,702	\$120,016 - \$231,443
Director	14	89,200 - 208,709	91,876 - 214,970
Auditor	90	59,039 - 139,590	60,810 - 143,777
Staff	30	36,756 - 98,050	37,858 - 100,991
Total	136		



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PEER REVIEW REPORT
April 19, 2024

The Honorable Staci A. Henshaw, CPA, CGMA
Auditor of Public Accounts
101 N. 14th Street
Richmond, Virginia 23219

We have reviewed the system of quality control of the Commonwealth of Virginia, Auditor of Public Accounts (the office) in effect for the period March 1, 2023 through February 29, 2024. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the Commonwealth of Virginia, Auditor of Public Accounts in effect for the period March 1, 2023 through February 29, 2024 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **The Commonwealth of Virginia, Auditor of Public Accounts has received a peer review rating of *pass*.**

Scott DeViney, CPA
Concurring Reviewer
External Peer Review Team
National State Auditors Association

Edward Waller, CPA
Team Leader
External Peer Review Team
National State Auditors Association

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	Amy C. Stokes, CPA, CGFM
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	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
Process Innovation	Scott D. Booker, CPA, CISA
Procurement and Business Communications	Carnell N. Bagley, MBA, CPPB, VCO
Reporting and Standards	Zachary L. Borgerding, CPA, CGFM, CISA
Risk Analysis and Monitoring	Jennifer D. Eggleston, CPA, CGFM, CISA Megan B. Richard, CPA, CISA