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An Overview of the APA

Insight into the Agency

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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.

Office Overview

Providing sound reliable information and alternatives helps the Commonwealth's leaders address the challenges facing Virginia today. The Office of the Auditor of Public Accounts serves as the General Assembly's eyes and ears, monitoring and reporting how state agencies and institutions spend taxpayers' money.

As the Commonwealth's Board of Directors, the General Assembly directs the work of the Auditor's Office, either through specific study language or through an annually approved work plan.

General Assembly members can also request technical assistance from the Auditor's Office in understanding the financial operations of the Commonwealth and its localities. Likewise, state agencies and institutions can make similar requests regarding specific areas of focus for review within their organizations.

The bottom line: The Auditor's Office is here to meet your needs and those of the Commonwealth's citizens.

What Do We Typically Do?

The first part of our year predominantly focuses on addressing Code of Virginia and federally mandated audits such as the Commonwealth's Comprehensive Annual Financial Report (CAFR), the Statewide Single Audit of federal funds, and numerous other operational and financial statement audits.

For the remainder of the year, in order to ensure audit efficiency and cover the greatest number of agencies and institutions not mandated for review, the Auditor completes a risk assessment of the agencies and institutions as well as key issues facing the Commonwealth. Based on this assessment, projects are selected for completion within the confines of our available resources.

Most non-mandated audits are designed to ensure an agency has internal controls in place to protect the public's money and that they spend it the way the General Assembly planned. We also evaluate agency and institutional compliance with significant state and federal laws and regulations.

The Office's remaining resources are dedicated to special projects focused on emerging issues that may require General Assembly consideration or action. However, the Office remains fluid enough to address other areas of concern as they arise throughout the year.

More than Auditors:

- Created and provides ongoing support for Commonwealth Data Point, an online resource showing where and how the Commonwealth spends its funds.
- Monitors major IT projects and contracts, which gives the General Assembly the opportunity to measure their progress and determine when they need adjustment.
- Provides technology-related vulnerability and penetration testing services when requested.
- Works with local, agency and institutional internal auditors investigating frauds and disposing of these cases.
- Reviews the entire court system from the Supreme Court of Virginia to every local court.
- Examines the state accounts and records of every locality handling state funds at least once every two years.
- Maintains oversight responsibility for local government audits performed by public accounting firms.



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Structure and Funding

The Auditor of Public Accounts is a constitutional officer, serving as the external auditor for all state entities of the Commonwealth much like a corporation's CPA firm. In many respects, the Auditor's Office operates like a CPA firm, with the Auditor serving as the managing partner.

The General Assembly elects the Auditor to serve a four-year term and the Auditor reports to the General Assembly through the Joint Legislative Audit and Review Commission (JLARC).

Virginia's Constitution and the Code of Virginia define the Auditor's duties. This structure provides independence from the agencies and institutions audited.

Higher Education institutions do not pay the auditor directly for financial statement audits, as the office of the Auditor of Public Accounts is primarily funded through General Fund appropriations. However, universities do receive a bill for any federal audits of financial aid or research and development programs completed by our office.

Our Relationship with University Boards of Visitors

The Project Manager responsible for each institution of higher education will entrance with the Board to discuss the terms of the engagement. In addition, the Project Manager will discuss risk with Members of the Board, most notably, any perceived risks related to fraud.

At the conclusion of the audit, the Project Manager will present the audit to the Board of Visitors, including a summary of the audit results and any internal control or compliance findings and recommendations.

During the audit process, members of the Board of Visitors are encouraged to contact their assigned Project Manager to address any concerns or questions regarding the audit.

Higher Education

Our work plan includes 15 four year universities and 23 community colleges with over \$23 billion in combined assets. We audit the financial statements of each four-year university and the community college system annually. We also annually perform agreed-upon procedures related to the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs for the Division 1 universities and triennially for Division II universities. Compliance with grants requirements for Student Financial Aid and Research and Development funding received from the federal government is audited in accordance with the Uniform Grant Guidance.

Focused on the Issues

Our reports regularly provide process and policy change recommendations through which Universities could avoid costs or enhance their fiscal management. Each year in the fall, the APA submits an Annual Report to the General Assembly, which highlights the previous years reports and emerging issues. This and all reports issued by our Office since 1998 are available on our website at apa.virginia.gov.

Reporting Fraud

Code of Virginia §30-138, requires all state entities, including universities, to report any circumstance suggesting a reasonable possibility that a fraudulent transactions has occurred.

We frequently work with the internal audit departments of the various institutions of higher education to ensure cases of suspected fraud, waste, or abuse have been investigated and resolved appropriately.

Experience

From CPA's to MBA's, our staff hold over twenty different types of professional certifications and are actively involved in relevant local and national professional organizations such as the National Association of State Auditors, Comptrollers, and Treasurers.

Specialization

- To ensure the Auditor's Office is qualified to meet its mission, the Auditor has divided the organization into eleven specialty teams, each trained in the specific skill sets needed to perform their assignments.
- The Audit Directors responsible for each Specialty Team serve as project managers for the office's various audits.
- Various Project Managers in the office are assigned to lead audits of higher education institutions. This distribution in leadership enables completion of each institution in a timely manner.
- The Audit Director responsible for the office's Higher Education team serves as liaison for issues impacting all institutions, including legislation and other external requirements.

