

FORUM 2017: Creating Connections Together



Help! We're Being Audited!

A Panel Discussion



Panel Members

Sandra L. Gill, VCM, CPPO, CEPP

Interim Director, Division of Purchases & Supply
Department of General Services

Eris D. Jones, CFE, CGAP, CIGA

Quality Assurance Auditor

Office of the State Inspector General



Panel Members

Deb Stafford, CPA, VCO
Audit Manager
Auditor of Public Accounts

Aaron M. Wheeler, VCO
Internal Audit Senior
Department of Behavioral Health
and Developmental Services



QUESTIONS

- Question cards are on your table.
- Please write your question down
 - Who is the question for?
 - Your name and email *optional
- At anytime please hold your question up and a proctor will come by to collect.
- We will then answer the questions after a short overview of our agency and responsibility

Help! We're Being Audited!



Deb Stafford, CPA, VCO
Audit Manager
Auditor of Public Accounts



Martha S. Mavredes, CPA, CGMA



The Auditor of Public Accounts

- A constitutional officer of the Commonwealth
- Appointed to a 4 year term by the General Assembly - reports to the Joint Legislative Audit and Review Committee (JLARC)
- Has been with the APA since January 1984
- Assisted by delegated representatives



Who we are

The APA is the external auditor for all state agencies, institutions of higher education, courts, constitutional officers and various boards and authorities under the executive and judicial branches of state government.

Our Mission

APA serves Virginia citizens and decision-makers by providing unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds



Who we audit

- Executive branch agencies
- Judicial branch – Courts, Treasurers, Sheriffs
- Boards and authorities
- Localities are audited by independent CPA firms; however, we complete quality control reviews of the CPA firms to ensure compliance with APA standards



Types of Audits

- Financial statement audits
- Performance audits
- Special studies
- Procurement is reviewed to ensure compliance with the VPPA and APSPM



What We Review

- Are agency policies and procedures in compliance with applicable laws and regulations?
- Test and evaluate the internal controls over the procurement and contracting process
- Are there indicators of fraud?
- Is there the presence or absence of incentives?
- Is the procurement necessary?
- Is the procurement rational, feasible and executable?
- Is the Commonwealth getting value by this expenditure?



APA

Website: <http://apa.virginia.gov/>

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 **APA** MARTHA S. MAVREDES, CPA
AUDITOR OF PUBLIC ACCOUNTS
COMMONWEALTH OF VIRGINIA

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What's New

- > Virginia Salary Data
- > NCAA Financial Reporting Guidance
- > NCAA Financial Reporting Schedule Template
- > Local Government Reports

Quicklinks

- > VA General Assembly
- > JLARC
- > Department of Accounts

2016 Annual Report

Commonwealth Data Point

APA Spotlight

Agency Links

Recent Reports

- ▶ University of Virginia Financial Statements for the year ended June 30, 2014

Popular Reports

- ▶ Commonwealth of Virginia Single Audit for the Year Ended June 30, 2016

016APAAnnual-web.pdf 12/12/2017

DGS PROCUREMENT FORUM 2017

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**Eris D. Jones, CFE, CGAP, CIGA
Quality Assurance Auditor**

OFFICE OF THE STATE INSPECTOR GENERAL



OSIG's Mission & Vision

MISSION

On behalf of the citizens of the Commonwealth, we serve as a catalyst for positive change by:

- Facilitating good stewardship of resources
- Deterring fraud, waste, abuse, and corruption
- Advocating efficiency and effectiveness
- Promoting integrity and ethical conduct

VISION

Maximize the public's confidence and trust in state government by promoting the highest level of integrity, efficiency, effectiveness, and economy.



OSIG's Program Areas

- Performance Review Services
- Investigative and Law Enforcement Services
- Behavioral Health and Developmental Services
- Administrative Services
 - State Fraud, Waste and Abuse Hotline
 - Internal Audit Oversight and Training



OSIG's Procurement Reviews

- **Performance Review** – economy, efficiency, effectiveness, equity, and fraud prevention and detection in procurement
- **Investigations** – allegations of waste, fraud, abuse, corruption or criminal activity
- **Hotline** – provides tips to both divisions



OSIG



HELP! We're Being Audited

The Internal Audit Perspective!

BRACE YOURSELVES

**INTERNAL AUDIT IS
COMING**





DBHDS Internal Audit

- **Internal Audit Mission Statement:** The Mission of the DBHDS Office of Internal Audit is to complete independent reviews of entities, transactions, and issues related to DBHDS in order to ensure adequate oversight as well as provide beneficial information for management



DBHDS

- 15 Facilities comprised of Mental Health Institutes, Training Centers, VCBR, and Hiram Davis (Medical Center)
- 40 Community Service Boards (CSB)
- **Vision Statement:** A life of possibilities for all Virginians
- **Mission Statement:** Supporting individuals by promoting recovery, self-determination, and wellness in all aspects of life
- Employees: 6,500+
- Patients/Residents: 2,091 (as of 9/14/2017)



DBHDS

Internal Audit

- What we do:
 - CSB Reviews
 - Procedural Audits
 - Internal Investigations
 - Hotline Investigations
- What do you mean by “Internal”
- How does this affect Procurement



DGS/DPS

Division of Purchases and Supply

Policy Consulting and Review Bureau

Procurement Management Review.....

What ? Why? *“Oh my... all of the other auditors just left.....”*



Responsibility

Except as authorized by the Division or in the Code of Virginia, every authority, department, division, institution, officer, agency, and other unit of state government shall purchase through the Division all materials, equipment, supplies, printing and nonprofessional services of every description, whenever the whole or a part of the costs is to be paid out of the state treasury.



Delegation

The Division shall have the power, by general rule or special order, to permit purchases of any material, equipment, supplies, printing or nonprofessional services of every description to be made by any using agency directly, and not through the Division.



Standard Delegation

Each agency under DPS purview has a general delegation of:

Goods: **\$50,000**

Nonprofessional services: **Unlimited** (with a VCO on staff)



Review

DGS performs Procurement Management Review's (PMR), on a routine basis to ensure compliance with the delegation granted to the agency.



Review

This includes, but not limited to,

- Procurements subject to the Virginia Public Procurement Act (VPPA),
- Compliance with policies and procedures set forth in the Agency Procurement and Surplus Property Manual (APSPM),
- Agency procurement procedures,
- Procurements not subject to the VPPA, and
- Any initiatives of the Governor, such as Executive Order 20



Fraud

The Code of Virginia requires any suspected fraud to be reported to the following:

- Auditor of Public Accounts (APA)
- Office of the State Inspector General (OSIG)
- Virginia State Police (VSP)



Questions and Answers

Any questions that we do not have time to answer will be answered and posted with this presentation on the Forum website.





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