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PRESIDENT'S MESSAGE

Dear Fellow Members:

Your officers and committee members met in January 2009 to develop a plan for the upcoming year. It was decided that we would have two conferences this year, a spring conference which will be held May 21, 2009 in Williamsburg (7 CPEs) and a two-day fall conference which will be hosted by Chesterfield County and will be held on October 1 & 2, 2009 in Richmond (14 CPEs). The October conference topics will be fraud related and training on *How to Perform Peer Reviews*.

Please mark these dates on your calendar and plan to attend these conferences. Information is on the VLGAA website. Registration for the Spring Conference can be made now. Registration forms are available on the website.

Also, I would like to thank everyone that took the time to participate in the VLGAA annual survey. The results of the survey are as follows.

- Continue to have a spring and fall conference
- Continue to rotate conference locations
- Joint conference with other organizations
- Conference dates in advance

It will be the Board's goal to make these suggestions happen.

To make the above goals happen, we need to change the way we do business. To put on two successful conferences each year, we need the membership's help and assistance with hosting our spring and fall conferences. I will recommend to the Board that we develop a three year schedule for future conferences. We need different cities and counties to volunteer to host the two conferences. We need everyone's participation to provide this service to our membership. If you would like to volunteer, please contact me.

We have planned a great conference for the membership in Williamsburg. The agenda and other details are on the website so get those registration forms to us as soon as possible.

I want to thank you for your continued support. I would also like to thank the volunteers that give their time and effort to make VLGAA a successful organization. When you see these volunteers, please thank these individuals for their involvement and time.

Tony Markun
VLGAA President

VLGAA Officers:

President
Tony Markun

First Vice President
Michael Helmke

Secretary
Sharlene Wrenn

Treasurer
Dawn Hope

At-Large Board Member
Gretchen Hudome

Committee Chairs:
Audit Committee
John Fout

Bylaws Committee
John Doren

CPE Committee
Yolanda Tennessee

Membership Committee
Deborah Eggleston

Newsletter Committee
Drew Harmon

Nominating Committee
Chris Pietsch

Website Committee
Sherry Ariail

Welcome New Members

NEW IN 2008:

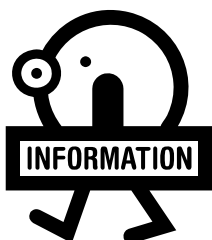
Syd Andrews	City of Richmond
Anica Ashbourne	Stafford County
Andrew Barone	City of Richmond
Ann Clark	City of Roanoke
Laurie DeSalvo.....	City of Newport News
Sabrena Ellis	Norfolk Public Schools
Robert Hanway	City of Richmond
Frank Harris	Ponsit Partners
Sharon Hulehan	City of Virginia Beach Public Schools
Angelia Link.....	City of Richmond
Toni Maynard	City of Richmond
Deborah Noble	City of Roanoke
Terrie Pyeatt.....	City of Virginia Beach Public Schools
Matthew Ritter	City of Richmond
Vasilios Stavrakas.....	Prince William County
Phillip Trayer	Loundoun County Public Schools

NEW IN 2009:

Edwin Jeter	Chesapeake Audit Services Dept.
Craig Johnson.....	City of Richmond
Lyndon Remias	City of Virginia Beach
Syreetta Seaborne	Henrico County Public Schools

RETIREMENT WISHES!

Best wishes to Gary L. Martin, Director of Henrico County Internal Audit, who is retiring effective April 30, 2009. After 36 years of auditing and accounting, Gary has decided it is time for a change to his next position as retired citizen. Gary has been the Director of Henrico County Internal Audit and a participant with ALGA since 1991. The vacancy will be posted at www.henricojobs.com for those interested in applying at (according to Gary) "one of America's Best Managed Counties."



*We welcome any items which may be of interest to other auditors. E-mail articles to **Doris England** at doris.english@roanokeva.gov or fax to (540) 853-6395. Articles for the Summer Newsletter should be received by June 30, 2009.*

AUDIT REPORT – YEAR 2008
Performance of Agreed Upon Procedures
March 30, 2009

Executive Committee
Virginia Local Government Auditors Association

Authority and Scope

The Bylaws of the Virginia Local Government Auditors Association (VLGAA) Article VI, Section 1 states, "The president shall appoint an audit committee to perform an annual audit of the Association's financial accounts and records. The Annual Audit Report shall be communicated to the Association's membership in the newsletter." The Audit Committee was appointed by the VLGAA President to audit the VLGAA financial records for the period from January 1, 2008 to December 31, 2008.

Audit Process

The responsibilities of the Audit committee, according to the Operations Manual, were to: audit all Association financial records and prepare an annual audit report for submission to the Executive Committee; review and test controls over reported income and expense activities; and maintain a file of records and correspondence to pass on to successor at close of the Association year.

- A proof of cash was performed for the VLGAA checking account and money market account at Wachovia. All sections of the proof of cash reconciled. There was one outstanding transaction at year end.
- All deposit receipts agreed to bank statement deposits and the data base accounting records. VLGAA conference attendance records provided accurate information. All interest earnings were recorded properly.
- All disbursements per the check book register agreed to bank statements and the data base accounting records. All checks issued had supporting documentation.

Opinion

Based upon the performance of the Agreed Upon Procedures for the Review of VLGAA Financial Activities for the period from January 1, 2008 to December 31, 2008, receipts were recorded, disbursements were made, and records were maintained in accordance with stated operational procedures.

A Comparative Schedule of Dues, Interest and Seminar Income (Loss), Disbursements and Cash Balances for the Calendar Year Ended December 31, 2008, and December 31, 2007, is attached.

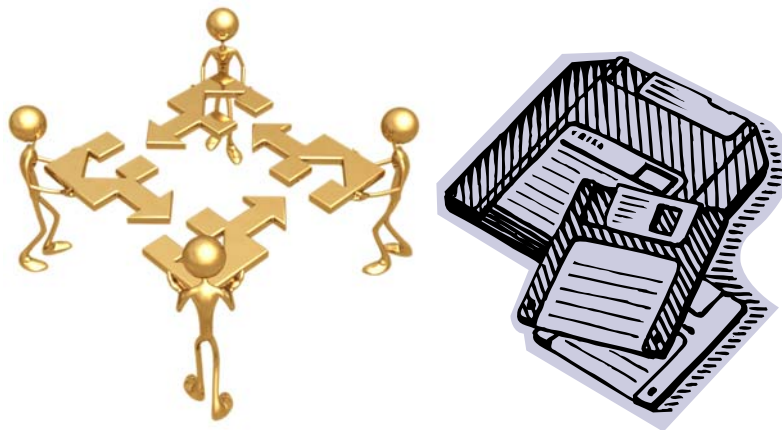
Recommendations

None. The Treasurer is commended for a job well done.

John B. Fout
2008 Audit Committee
March 30, 2009

VLGAA 2008-2007
 COMPARATIVE SCHEDULE OF DUES, INTEREST AND SEMINAR INCOME (LOSS)
 DISBURSEMENTS AND CASH BALANCES FOR CALENDAR YEARS
 ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

	2008	2007	Difference
Income			
Dues Received	\$1,440.00	\$1,650.00	(\$210.00)
Interest Income	\$9.51	37.66	(\$28.15)
Seminar Income	\$4,905.00	\$11,770.00	(\$6,865.00)
Other Income	\$0.00	\$0.00	\$0.00
	<u>\$6,354.51</u>	<u>\$13,457.66</u>	<u>(\$7,103.15)</u>
Disbursements			
Seminar Costs	\$3,406.40	\$12,214.19	(\$8,807.79)
Registration Refunds	\$0.00	\$0.00	\$0.00
Award/Gifts	\$316.16	\$42.22	\$273.94
Newsletter Mailings	\$38.13	\$83.38	(\$45.25)
State License/CPE Registration	\$25.00	\$25.00	\$0.00
Directory	\$223.33	\$479.21	(\$255.88)
Supplies	\$0.00	\$169.46	(\$169.46)
Bank Fees	\$0.00	\$31.81	(\$31.81)
Board Meals & Travel	\$206.38	\$246.75	(\$40.37)
Other Expenses	\$0.00	\$49.95	(\$49.95)
	<u>\$4,215.40</u>	<u>\$13,341.97</u>	<u>(\$9,126.57)</u>
Gain/(Loss)	\$2,139.11	\$115.69	
Cash Balance January 1	\$8,047.85	\$7,932.16	
Balance December 31	<u>10,186.96</u>	<u>\$8,047.85</u>	



**Virginia Local Government Auditor's Association
Spring One-Day Training Conference
Williamsburg Hospitality House – Williamsburg, Virginia
May 21, 2009**

- 7:15 – 8:00 Breakfast Buffet in the Hotel Restaurant – PAPILLION
(Buffet tickets will be given at conference registration)
- 7:00 – 8:00 Conference Registration
- 8:00 – 9:50 Fraud Case Study
- Hospital Payroll – Darlene Fitzpatrick
 - Municipality P-Card – Sharon Hayes
 - Data Privacy – Sharon Hayes
- 9:50 – 10:10 Refreshment Break
- 10:10 – 12:00 High Impact Report Writing for Government Auditors – Mike Egan
- 12:00 – 1:30 Lunch w/Short Business Meeting/Speaker – Joseph P. Casey, Hanover
Deputy County Administrator
(Impact of this Economy on Local Government)
- 1:30 – 2:30 Government Auditor's Role in the "American Recovery and Reinvestment
Act" – Stanley Czerwinski, Director of Strategic Issues for GAO
- 2:30 – 3:30 High Impact Report Writing for Government Auditors/ALGA Knighton Award
Program – Mike Egan

Cost for the conference is \$85 per person or \$70 per person for five or more attending from the same organization.

Room rates are \$97 per night; **the deadline for room reservations is April 20, 2009.** The toll free phone number for the hotel is 1-800-932-9192. You can also reach the hotel at 1-757-229-4020.

VLGAA FALL CONFERENCE

Mark your calendars for the Fall Conference which will be held on Friday, October 2, 2009, at Sheraton Park South, Midlothian, VA. The topic will be Auditing for Fraud presented by Dennis Dycus, CPA, CFE, CGFM Director, Division of Municipal Audit, Tennessee. The date has been posted on our Web site at www.vlgaa.org.

ALGA 2009 Annual Conference
May 4 – 5, 2009
San Francisco, California

The Association of Local Government Auditors invites you to join them for their 21st annual conference which is offering 16 credits of CPE on timely topics. The conference will be held at the Holiday Inn Golden Gateway in San Francisco, California, May 4-5, 2009.

Conference Costs - Members \$450 - Non Members \$550

Pre-Conference Workshops – Sunday, May 3

- Process Improvement (8 CPE) \$295
- Conducting an ALGA Peer Review (8 CPE) \$270

Sunday Night Welcome Reception – at the Conference Hotel

Conference: Monday, May 4 – Tuesday, May 5

General Sessions:

- We Don't Make Widgets: Overcoming Myths That Keep Government from Radically Improving
- Local Government's Auditor's Role in Ensuring Accountability and Transparency for Use of Federal Stimulus Funds
- Fighting Fraud: Behind the Smoke & Mirrors
- Learning from International Practices in Government Auditing: Scotland
- Communicating Audit Findings: Road Map for Dealing with Media
- Preparing for an IT Attack: A Practical Approach

Concurrent Sessions:

- Effectively Managing a Hotline
- Risk Based Approach to Auditing
- Payroll Audit-To-Go: Identifying Inappropriate Vendor Payments to Employees
- Using Best Practices and Benchmarks to Audit Fleet Management
- It's the Economy, Auditors!
- Signs of Trouble: Red Flags to Look for When Selecting and Auditing Non-Profits
- Preparing for and Conducting Effective Construction Audits
- Collaborative Auditing: Practical Strategies for Minimizing Contentiousness
- Auditing Police: Understanding Them and Holding Them Accountable
- Knighton Gold Award Presentation – Small Shops
- IT Auditing Roundtable
- Incorporating Fraud Risk Assessment into Performance Audits
- Knighton Gold Award Presentation – Medium Shops
- Roundtable Discussion: Using IT to Increase Audit Efficiency & Effectiveness
- Arresting Inefficiencies – An Overview of the Long Beach Police Department
- Knighton Gold Award Presentation – Large Shops
- Roundtable: School Districts
- When Local Governments Collide

Post-Conference Workshops – Wednesday, May 6

- Interviewing Techniques for Auditors (4 CPE) \$135
- Successful Audit Teamwork (4 CPE) \$135

For more information go to www.governmentauditors.org

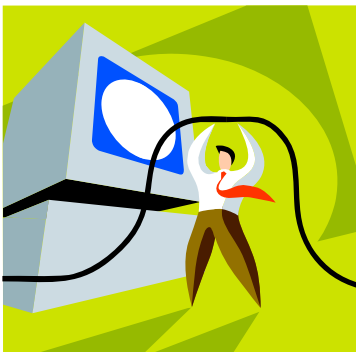
VLGAA SURVEY RESULTS DECEMBER 2008

1. Thirty (30) responses were received to the questionnaire.
2. The ratio was 4 to 1 in favor of the VLGAA continuing to host two conferences per year vs. one per year.
3. Localities willing to join the rotation as a host or co-host to periodically put on a conference are County of Albemarle, Hanover County, Henrico County Public Schools, Richmond Public Schools, and Stafford County.

The current list of rotating localities is as follows: City of Richmond, Henrico County, City of Norfolk, Fairfax County, City of Virginia Beach, City of Roanoke, City of Chesapeake, City of Newport News, Chesterfield County, and Prince William County.

4. The ratio was 4 to 1 in favor of continuing to hold conferences in the spring and fall time frames.
5. Approximately one half of the respondents indicated they could attend a two-day conference requiring an overnight stay.
6. Almost 90 percent of the respondents indicated that if the organization remains on a two conferences per year track, they would be in favor of having some type of one-day, smaller event (i.e., roundtable seminar or partnership meeting with a group such as the AGA as was done this spring) in a central location (Richmond), and one regular conference in which the location would be rotated among localities.
7. More than half of the respondents indicated they regularly attend VLGAA conferences. Approximately 50 percent of respondents indicated there were issues that currently prevent them from being able to attend certain VLGAA conferences.
8. More than 80 percent of respondents indicated that if the VLGAA sets its schedule of events, with known dates of conferences farther in advance, that initiative would facilitate increased attendance from their office.
9. Slightly more than half of the respondents indicated there were certain dates by which their office locks up available training funds so it would be beneficial for the VLGAA to set conference schedules and advertise future conferences prior to those dates.
10. Suggested topics for future conferences included the following:

- Capitalization policies and expensed 179 asset reporting for business personal property reporting
- Locating lessors
- Ethics
- “Audits to Go” with brief 15 to 20 minute presentations
- Cost saving or revenue enhancing audits
- Fraud case analysis
- Effective interviewing techniques
- Fraud prevention tools
- Benchmarking – how to get and use reliable information
- Effective presentation skills
- Effective collaboration with intergovernmental agencies
- Communication effectiveness
- Fraud
- Assessing the ethical environment
- Reporting of risk assessments
- Construction contract auditing
- ACL
- Statistical sampling techniques
- Exchange of benchmarking results
- Sharing ideas with group from past peer reviews
- IS auditing
- Topics related to current economic situation within local government
- Fraud – continuous monitoring
- Techniques used to sell audit areas to management
- IT reviews
- Report writing
- Interviewing
- Auditing core curriculum
- Reviews of audit tools such as business process mapping, diagramming techniques, use of analytics, GIS, etc.
- Required Ethics for CPAs – a volunteer to teach the course
- Purchasing card fraud
- Performance auditing
- Best practices
- Risk assessment in local government auditing



NEWS

VLGAA MEMBERSHIP

At the last meeting of the Executive Committee, membership was reported to be 83 members. The Committee approved a proposal to post the membership directory on the VLGAA website in Adobe printable format and to forgo printing and mailing of the directory. Members can download the directory from the website at www.vlgaa.org.

2008 FALL CONFERENCE

The Executive Committee congratulates the Office of the City Auditor, City of Richmond, for hosting an outstanding 2008 Fall Conference. There were over 60 participants in attendance at the meeting from various local and state offices. We enjoyed hearing from Umesh Dalal, City Auditor for Richmond, and Gary Blackmer, City Auditor for Portland, Oregon, speaking about their focus on adding value through setting meaningful audit objectives that focus on both effective and efficient government performance. We also enjoyed stories from Andrew Barone, former New York City Officer and currently an Investigator for the Office of the City Auditor in Richmond, addressing identity theft. And, of course, computer vulnerabilities were covered by Randy Marchany from Virginia Tech which provided insight into the escalating risks that accompany advancements in technology. The Executive Committee extends special appreciation to Toni Maynard for coordinating the conference.



Richmond Auditing Staff



Umesh Dalal
City Auditor for Richmond, Virginia



Gary Blackmer
City Auditor for Portland, Oregon



Virginia Local Government Auditors Association
Promoting quality local government auditing in Virginia