REPORT ON STATEWIDE COMPLIANCE

FOR THE QUARTER ENDED
MARCH 31, 2024

OFFICE OF THE COMPTROLLER

DEPARTMENT OF ACCOUNTS

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REPORT ON STATEWIDE COMPLIANCE
Quarter Ended March 31, 2024

The ***Code of Virginia*** requires that the Department of Accounts (DOA) monitor and account for all transactions involving public funds. In order to carry out this mandate, the Department uses a variety of measures, including automated controls, statistical analyses, staff studies and reviews of reports issued by the Auditor of Public Accounts. When taken as a whole, these measures provide an important source of information on the degree of agency compliance with Commonwealth accounting and financial management policies, internal controls, procedures, regulations, and best practices.

The Comptroller's ***Report on Statewide Compliance*** (the *Quarterly Report*) is a summary of measures used by DOA to monitor transactions involving public funds and report findings to the Governor, his Cabinet, and other senior State officials. The *Quarterly Report* uses exception reporting to highlight key findings.

This *Quarterly Report* includes information for the quarter ended March 31, 2024, and comparative FY 2023 data.

Sharon H. Lawrence, CPA, CGMA
Acting Comptroller

DOA

Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

At the end of calendar year 2023, DOA working with 202 state agencies and institutions, verified and printed 108,282 W-2s. This was a slight increase from the number of W-2s printed in 2022.

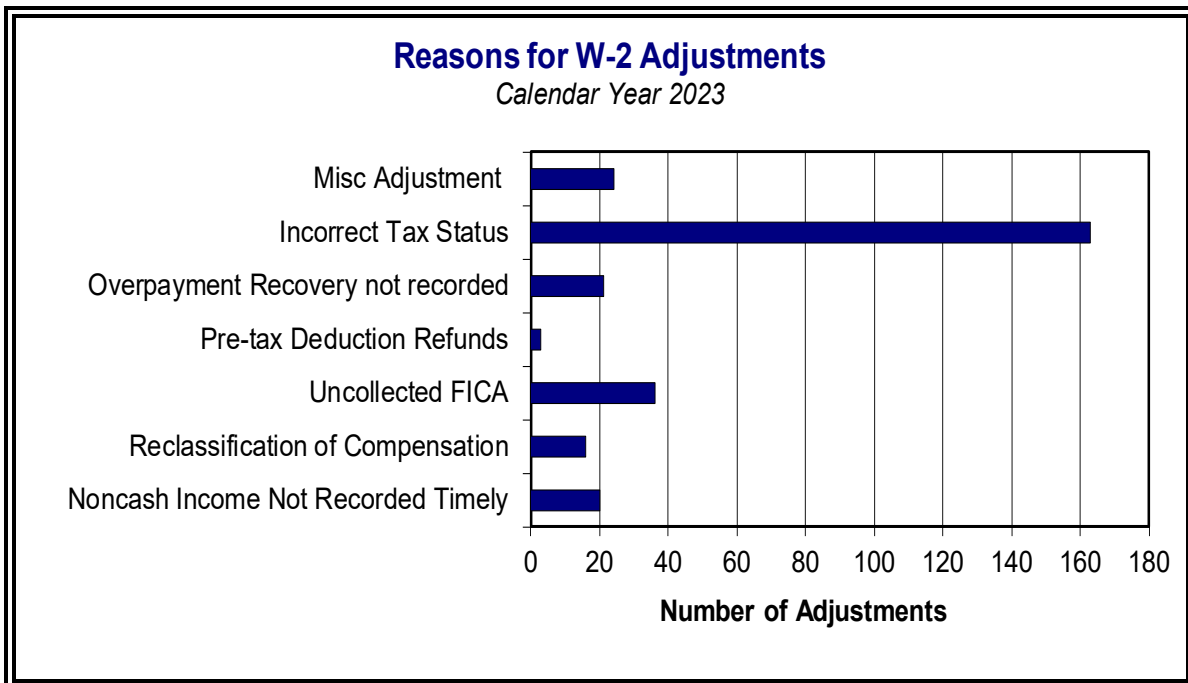|	CY 2023	CY 2022
W-2s Printed	108,282	106,832
W-2Cs Printed	45*	59*
Agencies Making Adjustments	60	68
Employee Records Requiring Year-End Adjustments	283	309

*# of W-2C's printed as of the date of this report.

Many agencies improved the timeliness of payroll updates during the year which made it possible to begin W2 processing sooner.

As a result, required processing deadlines continue to be met without difficulty.

Submissions of certified year-end reports continue to follow the same trend as last year. Sixty agencies adjusted 283 employee records. Fifty-eight percent of all adjustments were required to correct taxable wages for employees resulting from an incorrect tax status. Thirteen percent of the adjustments were attributable to adjustments for uncollected FICA. Another eleven percent of all adjustments were due to adjustments of wages resulting from overpayments.

W-2s are printed at the Department of Treasury using self-mailers. Upon return from Treasury, agencies are notified that the W-2s are ready for pickup. Cardinal HCM W-2s were available in Employee Self Service by January 26th for all agencies. All paper copies were picked up or shipped by January 26th for subsequent delivery to employees.

Reasons for W-2 Adjustments
Calendar Year 2023

Category	
Misc Adjustment	
Incorrect Tax Status	
Overpayment Recovery not recorded	
Pre-tax Deduction Refunds	
Uncollected FICA	
Reclassification of Compensation	
Noncash Income Not Recorded Timely	

Number of Adjustments

Auditor of Public Accounts Reports - Executive Branch and Independent Agencies

Agency audit reports issued by the Auditor of Public Accounts (APA) may contain findings because of noncompliance with state laws and regulations. Agencies may also have internal control findings considered to be control deficiencies. Control deficiencies occur when the design or operation of internal control does not allow management or employees to prevent or detect errors that, in the Auditor's judgment, could adversely affect the agency's ability to record, process, summarize, and report financial data consistent with the assertions of management.

Each agency must provide a written response that includes a Corrective Action Plan (CAP) to the Department of Accounts and the agency's Cabinet Secretary when its audit report contains one or more audit findings. Workplans must be submitted within 30 days of receiving the audit report. Commonwealth Accounting Policies and Procedures (CAPP) manual, Topic No. 10205, *Agency Response to APA Audit,* contains instructions and guidance on preparing the workplan.

The APA also reports risk alerts, efficiency issues, or any other improvements that can be made within agency operations. Risk alerts address issues that are beyond the capacity of agency management to implement effective corrective actions. Efficiency issues provide management with recommendations to enhance agency practices, processes, or procedures. Risk alerts are provided following the Audit Findings section.

The APA also issued several Special and Other Reports during the quarter. These reports are listed following the Risk Alerts section. The full text of these reports is available at www.apa.virginia.gov.

Audit Reports – Quarter Ended March 31, 2024

The APA issued 17 reports covering 40 State Agencies for the Executive Branch and 1 report for the Independent Agencies. The last column indicates whether the CAP has been received as of the date of this publication for each agency with audit findings. Note that in some cases, the CAP may not have been received because it is not yet due.

	New Findings	Repeat Findings	Total Findings	CAP Received
Administration				
Department of General Services	0	1	1	YES
Department of Human Resource Management	2	1	3	YES
Agriculture and Forestry				
None				
Commerce and Trade				
None				
Education				
Department of Education/Direct Aid to Public Education	3	0	3	YES
Longwood University	6	4	10	YES
Virginia Community College System – Shared Services Center[1]	1	0	1	YES

	New Findings	Repeat Findings	Total Findings	CAP Received
Virginia Community College System – System Office[1]	3	4	7	YES
Central Virginia Community College[1]	8	1	9	YES
Dabney S. Lancaster Community College[1]	5	1	6	YES
Eastern Shore Community College[1]	2	1	3	YES
Germanna Community College[1]	3	1	4	YES
John Tyler Community College[1]	3	1	4	YES
Lord Fairfax Community College[1]	7	0	7	YES
New River Community College[1]	5	0	5	YES
Northern Virginia Community College[1]	3	2	5	YES
Patrick Henry Community College[1]	4	0	4	YES
Piedmont Virginia Community College[1]	4	3	7	YES
Southside Virginia Community College[1]	4	0	4	YES
Tidewater Community College[1]	1	2	3	YES
Virginia Highlands Community College[1]	9	0	9	YES
Virginia Western Community College[1]	6	0	6	YES
Virginia Commonwealth University	2	0	2	YES
Virginia Polytechnic Institute and State University	0	0	0	N/A
Executive Offices				
Attorney General and Department of Law	4	3	7	YES
Finance				
Department of Accounts[2]	3	1	4	YES
Department of Planning and Budget[2]	2	1	3	YES
Department of Taxation[2]	2	0	2	YES
Department of the Treasury[2]	0	1	1	YES
Health and Human Resources				
Department of Behavioral Health and Developmental Services[3]	3	13	16	YES
Department of Health[3]	4	4	8	YES
Department of Medical Assistance Services[3]	2	2	4	YES
Department of Social Services[3]	7	20	27	YES
Independent Agencies				
Virginia Retirement System	3	0	3	YES
Labor				
Virginia Employment Commission	1	0	1	YES
Natural Resources				
None				
Public Safety and Homeland Security				
Department of Corrections[4]	2	0	2	YES
Department of Emergency Management	1	0	1	YES
Department of State Police	0	0	0	N/A
Virginia Parole Board[4]	0	0	0	N/A
Technology				
Virginia Information Technologies Agency	1	2	3	YES
Transportation				
Department of Motor Vehicles[5]	3	2	5	YES
Department of Rail and Public Transportation	3	0	3	YES
Department of Transportation[5]	3	3	6	YES

	New Findings	Repeat Findings	Total Findings	CAP Received

Veterans and Defense Affairs

None

[1]The APA issued one report titled, *"Virginia Community College System for the year ended June 30, 2022".*

[2]The APA issued one report titled, *"Agencies of the Secretary of Finance for the year ended June 30, 2023".*

[3]The APA issued one report titled, *"Agencies of the Secretary of Health and Human Resources for the year ended June 30, 2023".*

[4]The APA issued one report titled, *"Department of Corrections including Virginia Parole Board for the year ended June 30, 2023".*

[5]The APA issued one report titled, *"Agencies of the Secretary of Transportation for the year ended June 30, 2023".*

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Audit Findings - Quarter Ended March 31, 2024

The following agencies had one or more findings contained in their audit report.

Administration

Department of General Services

2023-01: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87. **This is a Material Weakness and a Repeat Finding.**

Department of Human Resource Management

2023-01: Strengthen Controls over Financial Reporting. **This is a Material Weakness and a Repeat Finding.**
2023-02: Improve IT Risk Management and Contingency Planning Program
2023-03: Improve Controls over GASB Statement No. 75 Financial Information Review

Education

Department of Education/ Direct Aid to Public Education

2023-01: Improve Vulnerability Management Process
2023-02: Improve IT Risk Management Program
2023-03: Improve Third-Party Service Provider Process

Longwood University

2023-01: Improve Internal Controls over Reporting Leases. **This is a Repeat Finding.**
2023-02: Improve Internal Controls over Reporting Subscription-Based Information Technology Arrangements
2023-03: Conduct Information Technology Security Audits. **This is a Repeat Finding.**
2023-04: Promptly Return Unclaimed Aid to Department of Education
2023-05: Perform an Evaluation of Student Information System Access Roles for University Personnel
2023-06: Promptly Reconcile Federal Accounts
2023-07: Properly Complete Federal Verification Prior to Disbursing Title IV Aid
2023-08: Improve Process for Timely Removal of Terminated Employee System Access. **This is a Repeat Finding.**
2023-09: Perform and Document Commonwealth's Retirement Benefits System Reconciliations. **This is a Repeat Finding.**
2023-10: Ensure Statement of Economic Interest Filers Complete Required Training

Virginia Community College System – Shared Services Center

2022-08: Perform Annual Access Review of the Commonwealth's Retirement Benefits System

Virginia Community College System – System Office

2022-01: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-02: Improve Database Security
2022-03: Improve Policies and Procedures for Capital Assets. **This is a Repeat Finding.**
2022-04: Properly Report Current and Noncurrent Prepaid Expenses
2022-05: Continue to Develop Comprehensive Policies and Procedures for Reviewing and Reacting to System and Organization Controls Reports. **This is a Repeat Finding.**
2022-06: Ensure Consistency in the Handling and Financial Reporting of Dual Enrollment Tuition. **This is a Repeat Finding.**
2022-07: Address Inconsistencies in Employee Personnel Records. **This is a Repeat Finding.**

Central Virginia Community College

2022-67: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2022-68: Promptly Disburse Credit Balances to Students
2022-69: Promptly Return Unclaimed Aid to Department of Education. **This is a Repeat Finding.**
2022-70: Perform an Evaluation of Student Information System Access Roles for Financial Aid Office Employees
2022-71: Properly Perform Return of Title IV Calculations
2022-72: Improve Federal Direct Loan Reconciliations
2022-73: Improve Notification Process for Federal Awards to Students
2022-74: Improve Reporting to National Student Loan Data System
2022-75: Ensure an Accurate FISAP is Submitted to Department of Education

Dabney S. Lancaster Community College

2022-61: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2022-62: Perform an Evaluation of Student Information System Access Roles for Financial Aid Office Employees
2022-63: Promptly Identify Title IV Withdrawals
2022-64: Provide Timely Notification of Disbursements to Students
2022-65: Improve Reporting to National Student Loan Data System. **This is a Repeat Finding.**
2022-66: Properly Complete Federal Verification Prior to Disbursing Title IV Aid

Eastern Shore Community College

2022-42: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-43: Improve the Monitoring of Critical Systems Access
2022-44: Improve Process over Employee Terminations. **This is a Repeat Finding.**

Germanna Community College

2022-34: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-35: Develop and Implement Policies and Procedures for Employee Terminations. **This is a Repeat Finding.**
2022-36: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2022-37: Perform an Evaluation of Student Information System Access Roles for College Personnel

John Tyler Community College

2022-17: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-18: Perform Capital Asset Inventory, Record Capital Assets Timely, and Reconcile Inventory Counts. **This is a Repeat Finding.**
2022-19: Perform Annual Access Review of the Commonwealth's Retirement Benefits System
2022-20: Comply with Employment Eligibility Requirements

Lord Fairfax Community College

2022-21: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2022-22: Perform an Evaluation of Student Information System Access Roles for College Personnel
2022-23: Strengthen the Schedule of Expenditures of Federal Awards Review Process
2022-24: Improve Reporting to National Student Loan Data System
2022-25: Improve Return of Title IV Calculation Processes
2022-26: Improve Federal Direct Loan Reconciliations
2022-27: Improve Notification Process for Federal Awards to Students

New River Community College

2022-49: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2022-50: Perform an Evaluation of Student Information System Access Roles for College Personnel
2022-51: Promptly Return Unclaimed Aid to Department of Education
2022-52: Improve Reporting to National Student Loan Data System
2022-53: Strengthen the Schedule of Expenditures of Federal Awards Review Process

Northern Virginia Community College

2022-09: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-10: Properly Record Asset Acquisition Date
2022-11: Improve the Monitoring of Critical Systems Access. **This is a Repeat Finding.**

2022-12: Continue to Strengthen Interdepartmental Communications Related to Terminated Employees. **This is a Repeat Finding.**
2022-13: Comply with Employment Eligibility Requirements

Patrick Henry Community College

2022-45: Improve Documentation When Handling Federal Funds
2022-46: Improve Compliance over Title IV Calculations and Returns
2022-47: Promptly Return Unclaimed Aid to Department of Education
2022-48: Improve Reporting to National Student Loan Data System

Piedmont Virginia Community College

2022-54: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-55: Improve Controls over Fixed Asset Inventory. **This is a Repeat Finding.**
2022-56: Remove System Access When Employees No Longer Need Access. **This is a Repeat Finding.**
2022-57: Improve Controls over Financial System Reconciliations
2022-58: Improve the Monitoring of Critical Systems Access
2022-59: Strengthen Interdepartmental Communications Related to Terminated Employees
2022-60: Confirm Retirement Contributions within the Required Timeframe. **This is Repeat Finding.**

Southside Virginia Community College

2022-38: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2022-39: Improve Return of Title IV Calculation Processes
2022-40: Improve Reporting to National Student Loan Data System
2022-41: Perform an Evaluation of Student Information System Access Roles for College Personnel

Tidewater Community College

2022-14: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-15: Strengthen Interdepartmental Communications Related to Terminated Employees. **This is a Repeat Finding.**
2022-16: Continue to Strengthen Internal Controls over Physical Inventory. **This is a Repeat Finding.**

Virginia Highlands Community College

2022-76: Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87
2022-77: Strengthen Interdepartmental Communications Related to Terminated Employees
2022-78: Improve Controls Over Access to the Commonwealth's Retirement Benefits System

2022-79: Retain Documentation Related to Reconciliation Processes Between the Human Resource and Retirement Systems

2022-80: Perform an Evaluation of Student Information System Access Roles for College Personnel

2022-81: Improve Reporting to National Student Loan Data System

2022-82: Properly Reconcile Federal Bank Accounts

2022-83: Promptly Return Unclaimed Aid to Department of Education

2022-84: Ensure an Accurate FISAP is Submitted to Department of Education

Virginia Western Community College

2022-28: Reconcile Federal Fund Accounts

2022-29: Improve Federal Direct Loan Reconciliations

2022-30: Properly Reconcile Federal Bank Accounts

2022-31: Perform Evaluation of Student Information System Access Roles for Financial Aid Office Employees

2022-32: Improve Reporting to National Student Loan Data System

2022-33: Ensure an Accurate FISAP is Submitted to Department of Education

Virginia Commonwealth University

2023-01: Improve IT Service Provider Oversight

2023-02: Improve Security Awareness Training

Executive Offices

Attorney General and Department of Law

2022-01: Improve Controls Over Payroll

2022-02: Comply with Federal Regulations for Documentation of Employment Eligibility

2022-03: Continue to Improve Firewall Management. **This is a Partial Repeat Finding.**

2022-04: Continue to Improve Virtual Private Network Security Controls. **This is a Partial Repeat Finding.**

2022-05: Independently Align the Information Security Officer

2022-06: Develop and Implement a Process to Maintain Oversight Over Service Providers

2022-07: Improve Information Security Program and IT Governance. **This is a Partial Repeat Finding.**

Finance

Department of Accounts

2023-01: Improve IT Risk Management and Contingency Planning Program

2023-02: Improve Monroe IT Change and Configuration Management Process

2023-03: Conduct Timely IT Security Audits. **This is a Repeat Finding**

2023-04: Improve Database Security

Department of Planning and Budget

2023-01: Improve IT Risk Management and Contingency Planning Documentation
2023-02: Continue to Improve IT Change and Configuration Management Policy and Process. **This is a Repeat Finding.**
2023-03: Allocate Resources to Enforce Separation of Duties

Department of Taxation

2023-01: Develop and Implement a Third-Party Service Provider Oversight Process
2023-02: Revoke System Access for Separated Employees in a Timely Manner

Department of the Treasury

2023-01: Properly Perform and Document Retirement Benefits System Reconciliations. **This is a Repeat Finding.**

Health and Human Resources

Department of Behavioral Health and Developmental Services

2023-01: Improve Vulnerability Management Process. **This is a Repeat Finding.**
2023-02: Conduct Information Technology Security Audits over Sensitive Systems. **This is a Repeat Finding.**
2023-03: Develop Baseline Configurations for Information Systems. **This is a Repeat Finding.**
2023-04: Continue to Improve Database Security. **This is a Repeat Finding.**
2023-05: Continue to Improve Offboarding Procedures. **This is a Repeat Finding.**
2023-06: Improve Controls over the Payroll Certification Process
2023-07: Continue to Improve Controls over Payroll Reconciliations. **This is a Repeat Finding.**
2023-08: Continue to Implement Compliant Application Access Management Procedures. **This is a Repeat Finding.**
2023-09: Improve IT Contingency Management Program. **This is a Repeat Finding.**
2023-10: Continue to Improve Risk Assessment Process. **This is a Repeat Finding.**
2023-11: Continue Dedicating Resources to Support Information Security Program. **This is a Repeat Finding.**
2023-12: Improve Change Management Process for Information Technology Environment
2023-13: Improve Security Awareness Training Program
2023-14: Continue to Improve Controls Over the Retirement Benefits System Reconciliation. **This is a Repeat Finding.**
2023-15: Ensure Compliance with the Conflict of Interests Act. **This is a Repeat Finding.**
2023-16: Continue to Improve Controls over the Calculation of Contractual Commitments. **This is a Repeat Finding.**

Department of Health

2023-01: Strengthen Controls over Financial Reporting. **This is a Material Weakness and a Repeat Finding.**
2023-02: Improve Controls Over Journal Entries. **This is a Repeat Finding.**

2023-03: Follow Eligibility Documentation Requirements for Women, Infants and Children Program. **This is a Repeat Finding.**
2023-04: Improve Vulnerability Management
2023-05: Conduct Information Technology Security Audits
2023-06: Continue Strengthening the System Access Removal Process. **This is a Repeat Finding.**
2023-07: Improve Internal Controls over Employee Offboarding Process
2023-08: Improve System Access Procedures

Department of Medical Assistance Services

2023-01: Improve Information Security Program and Controls. **This is a Material Weakness and a Repeat Finding.**
2023-02: Obtain and Review Information Security Audit
2023-03: Improve Third-Party Oversight Process. **This is a Repeat Finding.**
2023-04: Perform Annual System Access Reviews

Department of Social Services

2023-01: Improve Information Security Program and IT Governance. **This is a Material Weakness and a Repeat Finding.**
2023-02: Perform Responsibilities Outlined in the Agency Monitoring Plan. **This is a Material Weakness and a Repeat Finding.**
2023-03: Implement Internal Controls over TANF Federal Performance Reporting. **This is a Material Weakness and a Repeat Finding.**
2023-04: Obtain Reasonable Assurance over Contractor Compliance with Program Regulations. **This is a Material Weakness.**
2023-05: Continue Improving IT Risk Management Program. **This is a Repeat Finding.**
2023-06: Continue Developing Record Retention Requirements and Processes for Electronic Records. **This is a Repeat Finding.**
2023-07: Improve Web Application Security. **This is a Repeat Finding.**
2023-08: Continue Improving IT Change and Configuration Management Process. **This is a Repeat Finding.**
2023-09: Upgrade End-of-Life Technology. **This is a Repeat Finding.**
2023-10: Conduct Information Technology Security Audits
2023-11: Monitor Internal Controls to Ensure Timely Removal of System Access. **This is a Repeat Finding.**
2023-12: Improve Documentation for Separation of Duty Conflicts. **This is a Repeat Finding.**
2023-13: Evaluate Separation of Duty Conflicts within the Case Management System
2023-14: Perform Annual Review of Case Management System Access
2023-15: Review Non-Locality Subrecipient Single Audit Reports. **This is a Repeat Finding.**
2023-16: Communicate Responsibilities to Subrecipient Monitoring Coordinators. **This is a Repeat Finding.**
2023-17: Evaluate Subrecipients' Risk of Noncompliance in Accordance with Federal Regulations. **This is a Repeat Finding.**
2023-18: Verify that Monitoring Plan Includes All Subrecipient Programmatic Activities. **This is a Repeat Finding.**

2023-19: Confirm Monitoring Activities are Conducted in Accordance with the Monitoring Plan. **This is a Repeat finding.**

2023-20: Monitor Case Management System Records to Ensure Compliance with TANF Eligibility Requirements

2023-21: Implement Internal Controls over TANF Federal Special Reporting

2023-22: Obtain, Review, and Document System and Organization Controls Reports of Third-Party Service Providers. **This is a Repeat Finding.**

2023-23: Strengthen Internal Controls over FFATA Reporting. **This is a Repeat Finding.**

2023-24: Strengthen Internal Controls over Financial Reporting of Non-Reimbursement Grants

2023-25: Reconcile the Commonwealth's Retirement Benefits System. **This is a Repeat Finding.**

2023-26: Monitor Internal Procedures to Ensure Compliance with the Conflict of Interests Act. **This is a Repeat Finding.**

2023-27: Comply with TANF Requirement to Participate in the Income Eligibility and Verification System. **This is a Repeat Finding.**

Independent Agencies

Virginia Retirement System

2023-01: Improve IT Change Control and Configuration Management Process

2023-02: Improve Database Security

2023-03: Improve Retirement Benefit Calculations

Labor

Virginia Employment Commission

2023-01: Improve Change Controls Process

Public Safety and Homeland Security

Department of Corrections

2023-01: Improve Internal Controls over Employee Termination Process

2023-02: Improve Management of Access to the Retirement Benefits System

Department of Emergency Management

2022-01: Strengthen Internal Controls to Comply with the State and Local Government Conflict of Interests Act

Technology

Virginia Information Technologies Agency

2023-01: Improve Controls over Identifying, Tracking, Recording, and Reporting Right-to-Use Assets. **This is a Material Weakness and a Repeat Finding.**

2023-02: Continue to Ensure ITISP Suppliers Meet all Contractual Requirements. **This is a Repeat Finding.**

2023-03: Improve Oversight of Third-Party IT Service Providers

Transportation

Department of Motor Vehicles

2023-01: Implement a Process to Annually Review User Access

2023-02: Improve Database Security. **This is a Repeat Finding.**

2023-03: Improve Web Application Security Controls

2023-04: Continue to Update End-of-Life Technology. **This is a Repeat Finding.**

2023-05: Conduct Timely IT Security Audits

Department of Rail and Public Transportation

2022-01: Improve Database Security

2022-02: Define and Document System Access Roles and Responsibilities

2022-03: Ensure Employees Complete Required Conflict of Interest Training

Department of Transportation

2023-01: Improve Offboarding Process. **This is a Repeat Finding.**

2023-02: Improve Database Security

2023-03: Upgrade End-of-Life Technology

2023-04: Conduct IT Risk Assessments and Develop System Security Plans

2023-05: Continue Improving Service Provider Oversight. **This is a Repeat Finding.**

2023-06: Improve Change Control Process. **This is a Repeat Finding.**

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Risk Alerts – Quarter Ended March 31, 2024

The APA issued the following "Risk Alert" to the Department of Accounts, Department of Behavioral Health and Developmental Services, Department of Education/Direct Aid to Public Education, Department of Health, Department of Medical Assistance Services, and Department of Planning and Budget:

> Access to Audit Log Monitoring Tool

The APA issued the following "Risk Alert" to the Department of Behavioral Health and Developmental Services, Department of Education / Direct Aid to Public Education, Department of Health, Department of Medical Assistance Services, Department of Motor Vehicles, and Department of Taxation:

> Unpatched Software

The APA issued the following "Risk Alert" to the Department of Accounts:

> Financial Reporting

Special Reports – Quarter Ended March 31, 2024

The APA issued the following "Special Report" that did not contain management recommendations:

> Certification of Individual Income Tax Withholding Growth for the period July 1, 2023 through December 31, 2023

The APA issued the following "Special Report" that contained management recommendations:

> Commonwealth of Virginia Single Audit Report for the year ended June 30, 2023

Other Audit Reports – Quarter Ended March 31, 2024

The APA issued the following "Other Reports" that did not contain management recommendations:

> Blue Ridge Community College Reaccreditation Review for the year ended June 30, 2023

> Department of Aging and Rehabilitative Services Audit of Select Federal Programs for the year ended June 30, 2023

> Department of Housing and Community Development Audit of Select Federal Programs for the year ended June 30, 2023

Department of Military Affairs National Guard Military Operations and Maintenance Projects Federal Program for the year ended June 30, 2023

Department of Small Business and Supplier Diversity for the year ended June 30, 2023

George Mason University Intercollegiate Athletics Programs for the year ended June 30, 2023

James Madison University Intercollegiate Athletics Programs for the year ended June 30, 2023

Local Government Investment Pool Program, Virginia College Building Authority, Virginia Public Building Authority, Virginia Public School Authority for the year ended June 30, 2023

Longwood University Intercollegiate Athletics Programs for the year ended June 30, 2023

Norfolk State University Intercollegiate Athletics Programs for the year ended June 30, 2023

Old Dominion University Intercollegiate Athletics Programs for the year ended June 30, 2023

Radford University Intercollegiate Athletics Programs for the year ended June 30, 2023

Rappahannock River Basin Commission's (RRBC) financial information and the George Washington Regional Commission's (GWRC) audit report relating to fiscal year 2023

The College of William and Mary in Virginia Intercollegiate Athletics Programs for the year ended June 30, 2023

University of Virginia College at Wise Intercollegiate Athletics Programs for the year ended June 30, 2023

Virginia Commonwealth University Intercollegiate Athletics Programs for the year ended June 30, 2023

Virginia Community College System Workforce Innovation and Opportunity Act Cluster for the year ended June 30, 2023

Virginia Military Institute Intercollegiate Athletics Programs for the year ended June 30, 2023

Virginia State Bar for the year ended June 30, 2022

The APA issued the following "Other Report" that contained management recommendations:

Department of Criminal Justice Services Victim of Crime Act for the year ended June 30, 2023

Internal Control Questionnaire Reviews - Quarter Ended March 31, 2024

No APA "Internal Control Questionnaire Reviews" were received.

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Summary of Prior Audit Findings

The policy governing the Agency Response to APA Audits requires follow-up reports on agency workplans every quarter end until control findings are certified by the agency head as corrected. The status of corrective action information reported by agencies under this policy is summarized in this report.

It is important to note that the finding status reported is self-reported by the agencies and will be subject to subsequent review and audit. Corrective action is considered to be delayed when it has not been completed by the original targeted date. Additional detail for the status of each finding is provided in the subsequent table.

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Administration				
Department of General Services	0	2	0	0
Education				
Christopher Newport University	0	0	0	3
Frontier Culture Museum of Virginia	0	3	0	1
Longwood University	4	0	2	0
Norfolk State University	0	1	0	0
Old Dominion University	3	2	0	1
Radford University	0	2	0	0
University of Mary Washington	0	1	1	0
University of Virginia	6	0	3	1
John Tyler Community College	0	1	0	0
Lord Fairfax Community College	0	1	0	0
Virginia Military Institute	0	1	0	0
Virginia Museum of Fine Arts	0	1	0	0
Virginia Polytechnic Institute and State University	1	1	0	0
Virginia State University	0	3	5	0
Executive Offices				
Attorney General and Department of Law	0	2	0	2
Finance				
Department of Accounts	0	1	0	0
Health and Human Resources				
Department for Aging and Rehabilitative Services	0	3	0	0
Department of Behavioral Health and Developmental Services	9	4	2	0
Department of Health	0	3	0	3
Department of Medical Assistance Services	0	3	1	0
Department of Social Services	7	7	0	0

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Department for the Blind and Vision Impaired	0	6	0	0
Independent Agencies				
Virginia Alcoholic Beverage Control Authority	3	0	0	0
Virginia College Savings Plan	1	0	0	0
Virginia Lottery	2	0	1	0
Natural and Historical Resources				
Department of Wildlife Resources	0	2	0	0
Public Safety and Homeland Security				
Department of Fire Programs	0	0	0	1
Department of State Police	0	7	0	0
Transportation				
Department of Motor Vehicles	0	1	0	0
Veterans and Defense Affairs				
Department of Military Affairs	1	0	2	0
TOTALS	37	59	17	11

❖ ❖ ❖ ❖ ❖

Status of Prior Audit Findings

The policy governing the Agency Response to APA Audits requires follow-up reports on agency workplans every quarter end until control findings are certified by the agency head as corrected. The status of corrective action information reported by agencies under this policy is included in this report.

It is important to note that the status reported is self-reported by the agencies and will be subject to subsequent review and audit.

The first two digits of the finding number are the fiscal year audited in which the finding occurred. The next two digits represent the number of the finding that occurred in the year audited. Multiple finding numbers for one finding represent repeat findings.

Status updates marked with an asterisk (*) identify corrective action plans that were not received by the agency before publication of this report.

Administration

Department of General Services (DGS)
Audit Year: 2022

> **Finding 22-01:** Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87. **This is a Material Weakness.**
> **Status:** DGS has received draft policies and procedures from the consultant for improving internal controls over financial reporting under GASB 87. The policies and procedures are currently under internal review.
> **Status Summary:** In Progress (Delayed)

Audit Year: 2020

> **Finding 20-02:** Develop and Implement Surplus Tracking System
> **Status:** DGS is in receipt of the consultant's assessment of the feasibility of implementing a surplus inventory tracking system and internal review is underway.
> **Status Summary:** In Progress (Delayed)

Education

Christopher Newport University (CNU)
Audit Year: 2022

> **Finding 22-01:** Improve Operating System Security
> **Status:** Corrective action has been completed.
> **Status Summary:** Completed (Delayed)

> **Finding 22-02:** Improve Database Audit Logging and Monitoring
> **Status:**
> 1. The operating system baseline documentation and review were completed as of September 2023 including the permissions review and modifications.
> 2. The Security Cloud Solution was procured on November 23, 2023, and onboarding of log forwarding was completed. New Servers will be onboarded on an ad-hoc basis as part of the Change Management process.
> **Status Summary:** Completed (Delayed)

Finding 22-03: Improve Internal Controls Over Terminated Employees
Status:
1) Upon identification of the issue with leave payouts in April 2023, the Human Resources Office immediately reviewed the current process and established updated internal controls to verify accuracy of all leave payouts. The processing form was updated to include a second level of verification. This review will take place with Human Resources prior to the form being submitted to the payroll department for processing. (This portion is completed)

2) The Human Resource Office continues to work with IT services to improve the functionality of the Employee Resource System and improve internal controls over terminated employees. Previously the supervisor was responsible for starting the separation process in the system. CNU has updated this process for efficiency and now, upon receipt of the retirement, resignation, or transfer letter, HR Classification and Compensation personnel will key in the separation date for the employee in the Employee Resource System, as soon as a notice of resignation or transfer is received in order to initiate the access removal process. Enhancements to the system include improved reporting for the Resource Providers and HR Team. The reports have been updated to provide information that is clear and accurate. The dashboard has been updated to provide a more user-friendly view for resource providers. Email reminders have been put in place that go to the resource providers to remind them they have an action to take. The emails will continue to go out to the resource provider until an action is taken. Integration with the Human Resources Information System has been piloted to allow for additional controls as a secondary cross check to ensure terminations are not missed when HR is notified. If an employee is terminated in the Human Resource Information system, it will prompt the Employee Resource system to notify resource providers of the termination if the action has not already been started. Audits are now being done on hourly employees monthly. The policy and procedures have been updated to ensure compliance and provide an accurate reflection of newly adopted procedures. The policy has been submitted to the policy committee for review and approval. The Human Resource Office still meets with IT on a regular basis to discuss how the system is operating effectively and provide a platform for improvements.
Status Summary: Completed (Delayed)

Frontier Culture Museum of Virginia (FCMV)
Audit Year: 2021

Finding 21-01: Continue to Develop and Implement an Information Security Program. **This is a Partial Repeat Finding.**
Status: Risk Assessment was completed in coordination with VITA in November. VITA has not yet sent their corresponding report to the Agency. Long-term, Agency is hoping to hire a dedicated IT staff member.
Status Summary: In Progress (Delayed)

Finding 21-02: Improve Oversight of Third-Party Providers. **This is a Repeat Finding.**
Status: Currently working with VITA Commonwealth Security Risk Management to complete risk assessment of lone third-party program deemed sensitive. Issues discovered can then be fully addressed. Replacement of said system expected when the software is up for renewal in Fall 2024. Staff is currently researching replacement POS and communicating with potential vendors. Working with VITA to follow proper procurement and assessment procedures.
Status Summary: In Progress (Delayed)

Finding 21-03: Continue to Improve Policies and Procedures. **This is a Partial Repeat Finding.**
Status: Finance Director has completed policy statement and procedure documentation for Payroll/Human Resources Administration. A policy statement has been drafted for Capital Outlay and procedure documentation is in progress. Improved procedure documentation continues for Reconciliations of COVA financial systems and policy statement draft is in progress. Finance Director and Chief Operations Officer will coordinate to draft an Information System Security policy statement.
Status Summary: In Progress (Delayed)

Finding 21-04: Properly Perform Reconciliation of Retirement Benefits System Information. **This is a Partial Repeat Finding.**
Status: Finance has performed Salary and Benefit reconciliations beginning with the November Snapshot Confirmation. Procedures have been documented and documentation of reconciliations, variances, and corrective actions, are properly maintained. Variances requiring corrections in the human capital management system or retirement benefits navigation system are coordinated with the Agency's Human Resource Manager.
Status Summary: Completed (Delayed)

Longwood University (LU)
Audit Year 2022

Finding 22-01: Improve Internal Controls over Reporting Leases. **This is a Material Weakness.**
Status: University staff are in the process of making corrections to leases per the APA recommendations and continue to attend meetings and trainings as available to fully comply with GASB 87.
Status Summary: In Progress (On Schedule)

Finding 22-02: Improve Asset System Operating System Security. **This is a Partial Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 22-03: Conduct Information Technology Security Audits
Status: Updates to the written information security program are in progress.
Status Summary: In Progress (On Schedule)

Finding 22-04: Perform and Document Commonwealth's Retirement Benefits System Reconciliations
Status: HR received notification from the Human Capital Management Team in December 2023 that there is now a system report that can be used to reconcile, which is now being used for monthly reconciliation.
Status Summary: In Progress (On Schedule)

Finding 22-05: Improve Process for Timely Removal of Terminated Employee System Access
Status: Human Resources is working towards creating a better process to ensure terminated employees are removed timely.
Status Summary: In Progress (On Schedule)

Finding 22-06: Develop Position Descriptions
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Norfolk State University (NSU)
Audit Year 2022

Finding 22-04: Comply with Employment Eligibility Requirements
Status: I-9 and employment verification Standard Operating Procedures are in progress and pending management review. Once procedures are approved, staff will perform required steps to ensure compliance with I-9 and employment verification requirements.
Status Summary: In Progress (Delayed)

Old Dominion University (ODU)
Audit Year 2022

Finding 22-01/21-01: Continue to Improve the Financial Reporting Process. **This is a Material Weakness and a Repeat Finding.**
Status:
1. A review control checklist was created to enhance high-level review. Implementation is ongoing. (In Progress)

2. Conduct periodic analytical reviews to identify
    a. Unusual or unexpected financial correlations (reasonableness analysis), (In Progress), and
    b. Material variances in activities from year to year. (Complete)
3. Increase methodology documentation of key financial reporting processes. (In Progress)
4. Develop effective data validation steps to mitigate the risk of error which may be caused by an over reliance on system-generated reports. (In Progress)
5. Expand engagement with internal and external partners when incorporating new program and new funding resources in the financial reporting process. (Complete)
6. Allocate resources to improve system functionality, efficiency, and financial reporting process. (Complete)
7. Conduct SWOT Analysis, evaluate organizational structure and allocate resources to realign responsibility, accountability and professional skill set of the Office of Finance. (Complete)
Status Summary: In Progress (On Schedule)

Finding 22-02: Improve Controls over Financial Reconciliations
Status:
1. Management of the Office of Finance is developing monthly close schedules to ensure timely review and action on outstanding items.
    a. Capital Asset Reconciliation - Implementation of process improvements and controls, including timely and accurate reconciliations is on-going and projected by March 31, 2024. (In Progress)
    b. Non-capital Asset Reconciliation - This project is ongoing with a completion goal date of March 31, 2024. (In Progress)
2. Management is actively researching reconciling items in two of the accounts between the University's accounting system and bank balances that have existed since fiscal year 2001 when the University upgraded its accounting system, including the modification of system coding for university bank accounts. Analysis of process changes to eliminate realignment entries is underway. The completion goal date for reconciliation of prior entries and process updates is March 31, 2024. (In Progress)
Status Summary: In Progress (On Schedule)

Finding 22-03: Improve Accounting for Accounts Payable
Status:
1. Implement an invoice fiscal year identification procedure for each invoice entered by Accounts Payable. (Complete)
2. Develop a report which utilizes the invoice fiscal year identification data in the system to account for invoice payment by its correct fiscal year. Reports will be generated monthly beginning July 31st through the end of audit fieldwork to ensure accurate reporting. (Complete)
3. Perform sampling review to ensure proper fiscal year assignment from the population of:
    a. All invoices greater than $20,000 between May and June (In Progress)
    b. All invoices greater than $50,000 between July and December (In Progress).
Status Summary: In Progress (On Schedule)

Audit Year 2021

Finding 21-02: Strengthen Policies and Procedures Related to Terminated Employees
Status:
1. The Department of Human Resource (HR) has revised Separation Policy for Faculty/Staff and submitted the policy to the University Policy Manager & Executive Secretary to the Board of Visitors for review by the University Policy Review Committee. The policy was approved by the University President and posted to the university's website. (Complete)
2. HR has implemented a new timeline to send a non-compliance notification to the hiring managers and their supervisor if the checklist is not completed two days after the employee's separation effective date. (Complete)
Status Summary: Completed (Delayed)

Finding 21-04: Promptly Return Unclaimed Aid to the Department of Education
Status:
1. The University (Office of Finance) had promptly return unclaimed aid to the Department of Education as of December 8, 2022. (Complete)
2 & 3. The Office of Finance has updated its formal procedure to perform due diligence on outstanding checks that include federal funds for checks written up to 240 days from initial check date. (Complete)
4. The procedure follows applicable federally mandated guidelines and attempt to contact students with undeposited payments. If not successful, the Office of Finance will notify the Student Financial Aid Office timely (no later than two hundred days) to process aid changes and for the University to return the unclaimed funds to the U.S. Department of Education (ED) within the required timeframe. (Complete)
5. The Information Technology Services (ITS) is currently testing a revised aging report to further improve monitoring effectiveness. (In Progress)
Status Summary: In Progress (Delayed)

Finding 21-06/21-01: Improve Compliance over Enrollment Reporting
Status:
1 & 2. Some of the errors the auditors had found were caused by defects in the enrollment reporting job itself and reported to the third-party vendor. While no new compliance issues were identified by the review process, based on the consultant's recommendation, the Office of Registrar is making the following changes to improve consistencies and accuracies in managing enrollment status effective dates at the campus and program levels:
    a. Development stage - change the major declaration process to make curriculum changes effective with the start of the following term, (Complete)
    b. Implementation stage - Use the on-the-fly time status calculation to update enrollment status effective dates as registration activity takes place. (Complete)
    c. The University (Office of the Registrar) is waiting for the vendor to address 'defect' identified and reported by the University. (In Process)
3. The Office of Registrar has implemented a stricter quality control process over enrollment reporting. (Complete)
Status Summary: In Progress (Delayed)

Radford University (RU)
Audit Year 2021

Finding 21-01: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
Status: The Office of Financial Aid and the Registrar's Office have improved and refined processes to address all parts of the APA Finding. The University's Office of Audit & Advisory Services (OAAS) has verified that implementation of these improvements was successful. Additionally, the process improvements that were identified as being needed after testing Fall 2022 unofficial withdrawals were implemented for Spring 2023. However, review of Spring 2023 and Fall 2023 revealed that additional fine-tuning was needed in the process. Additional test work for Spring 2024 unofficial withdrawals will occur in Summer 2024.
Status Summary: In Progress (Delayed)

Finding 21-04: Promptly Return Unclaimed Aid to the Department of Education
Status: The Office of Financial Aid and the Department of General Accounting collaborated to make process revisions and updates to internal procedures. Testing by the Office of Audit & Advisory Services (OAAS) revealed that additional fine-tuning was needed in the process.
Status Summary: In Progress (Delayed)

University of Mary Washington (UMW)
Audit Year 2022

Finding 22-01: Continue to Improve Internal Controls over Capital Outlay Procurement and Management. **This is a Repeat Finding.**

Status: UMW has completed form and procedure updates related to the finding, including procedures for updating RFP status in the new procurement software. UMW is in the process of recruiting a Project Manager. The Assistant Director of Capital Outlay position remains vacant, and UMW intends to recruit and fill this position.
Status Summary: In Progress (Delayed)
Finding 22-02: Improve Financial Reporting Process. **This is a Material Weakness and a Partial Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

University of Virginia (UVA/AD)
Audit Year 2023

Finding 23-01: Improve Governance Structure and Resources Surrounding Financial Reporting Process. **This is a Repeat Finding and a Material Weakness.**
Status: The University continues to meet with leadership, including the President and Audit Chair, to provide updates on all related aspects of the financial reporting environment. In addition, UVA continues to use third party expertise as part of this corrective action. The University is planning for all year end statement preparation procedures as well as the overall consolidation process, including but not limited to duties and responsibilities, testing and review protocols, additional review and detective controls, quality assurance measures, and potential realignment or enhancements that can increase or improve the overall reporting and control environment. Successfully hired the following:
 - Academic: AVP of Finance and Controller, financial analyst, pending additional hire of senior analyst.
 - Medical Center: Controller/CAO, three accounts payable staff, several pending positions. The team continues to analyze additional recruitment needs and staffing enhancements.
The University continues to meet regularly with the APA in preparation for, and during, the FY2024 audit.
Status Summary: In Progress (On Schedule)

Finding 23-02: Improve Accounts Payable Controls
Status:
Contract Labor:
The Medical Center streamlined the approval processes for one contract labor agency for traveling nurses, due to challenges with receiving approvals within the 15-day payment terms, and to ensure no interruption to patient care. The control relied upon was the same control used for employees: management approval of timecards through the Medical Center timekeeping system which the contract labor agency uses to create the invoices.

Segregation of Duties:
During a critical system go live, the Medical Center placed the Accounts Payable Manager into a dual role over AP and Purchasing to ensure the continuity of patient care. This created a known control risk, that was mitigated via manual processes. Management has led multiple internal and external reviews of these controls, and the findings have been resolved.
Status Summary: Completed (On Schedule)

Finding 23-03: Improve Timekeeping Controls
Status: The Medical Center has revised its timekeeping policy to establish expectations for supervisor approval of timecards each pay period. This includes a process to monitor adherence to the policy via an automated system for communication and management reporting. This finding has been resolved.
Status Summary: Completed (On Schedule)

Finding 23-04/22-11: Complete a System Security Plan for Each Sensitive System. **This is a Repeat Finding.**
Status: UVA Health has a process in which sensitive applications are reviewed by third party risk assessors on an annual basis. The assessments that are performed review all security controls based on the NIST CSF Framework. The software in which this information is collected defines if a control is implemented and, in some cases, how it's implemented. UVA Health will create individual system security plans for each of these applications based on information collected during these third-party

assessments. The system security plans will include information and details on the controls in place or not present. These system security plans will be reviewed by the System Administrators on an annual basis and a process will be developed for notifying HIT Security of any changes to security controls throughout the year. This work is expected to be completed by April 30, 2024.
Status Summary: In Progress (On Schedule)
Finding 23-05: Improve Database Security
Status: The University has begun corrective action since the conclusion of the 2023 audit and those steps have been communicated in a separate memo marked freedom of information exempt, due to the sensitivity of the information.
Status Summary: Completed (On Schedule)

Finding 23-06: Complete Annual User Access Reviews. **This is a Repeat Finding.**
Status: Monthly reminders are shared with any Manager/Supervisor whose access review is outstanding. Beginning in July 2023, the UVA Health Information Security Officer started sending out quarterly follow up reminders to any Supervisor/Manager whose annual Supervisor Review remains incomplete. Starting in October 2023, Supervisors/Managers who remain non-compliant after the quarterly notification will be escalated to more senior leadership (Chief or Dean) to ensure completion of their review; any outstanding access will then be terminated. Significant improvements are expected after this quarterly escalation. UVA/AD has continued to stabilize and strengthen the process within the next two quarterly cycles and tighten the timeline for review, escalation, and access termination (as appropriate). The planned completion date is April 30, 2024.
Status Summary: In Progress (On Schedule)

Finding 23-07: Perform Complete Physical Inventory
Status: UVA migrated over 28,000 assets from the cloud database to the system in July 2022. All assets transferred into the new system with financial data fields intact, but the inventory data fields did not migrate cleanly. The UVA/AD inventory specialist, along with other temporary workers allocated a tremendous amount of time reviewing and updating the inventory data during FY23. Additionally, the scanners used in UVA/AD's inventory process required outside testing and problem solving from UVA/AD's inventory management platform company which impacted business processes. Data validation and all integrations were implemented with the team scanning and performing the inventory process, albeit with a backlog due to the overall asset volume. All conversion data and associated sub-system integrations with both the Financial System of record and inventory technology sub-systems scanners are fully operational with inventory specialist starting a full inventory scan this month to be completed by the end of FY24, prioritizing any equipment outside of the two-year timeframe. UVA has 19,705 in service assets designated as moveable equipment. 6,809 of those assets have an inventory date outside of two years. Of the total outside the two-year mark, 6,024 or 88.5% of those assets have an inventory date within FY21 and 76% have a date in the 3rd or 4th quarter FY21.
Status Summary: In Progress (On Schedule)

Finding 23-08: Complete Annual Review over User Access to University Information Systems. **This is a Repeat Finding.**
Status: University policy SEC-037 allows two options for reviewing user access to major systems. One option is to implement a business process that immediately/automatically removes access when an individual leaves their position; assures ongoing segregation of duties; and monitors for and addresses potential instances of misuse. Since 2012, the University has had a process for immediately deprovisioning access to the University System when an employee leaves the University or changes roles within the University. When new users request access, the data stewards ensure there is adequate segregation of duties before granting approval. The second option for reviewing user access is to administer a process at least annually to review and reauthorize or revoke user privileges providing access to highly sensitive data or elevated system privileges. The University completed a test of the new application tool with the University Registrar in fall 2022 (FY23). In February 2023, the University updated policy SEC-037 for conducting its review of major systems. Human Resources and Finance planned for and completed their review in June 2023. The review of the system could not be conducted concurrently with Human Resources and Finance due to system limitations and resource constraints. The University's intent was to identify best practices from the Human Resources and Finance review; those lessons learned have been shared both from a user

perspective and an information technology perspective for the system attestation. The system attestation is scheduled for spring 2024 and will be completed no later than June 30, 2024.
Status Summary: In Progress (On Schedule)

Finding 23-09: Improve Processes over Employment Eligibility Verification. **This is a Repeat Finding.**
Status: Human Resources implemented procedures to ensure new hires are timely entered into the Payroll and Human Resources System by each decentralized department responsible for hiring and to ensure compliance with I-9 requirements. Corrective actions will be evaluated by the APA as part of the FY2024 audit.
Status Summary: In Progress (On Schedule)

Audit Year 2022

Finding 22-07: Continue to Improve Security Awareness Training. **This is a Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

John Tyler Community College (JTCC)
Audit Year: 2020

Finding 20-01: Perform Capital Asset Inventory, Record Capital Assets Timely, and Reconcile Inventory Counts
Status: Corrective action date has been extended until September 30, 2024.
Status Summary: In Progress (Delayed)

Lord Fairfax Community College (LFCC)
Audit Year: 2021

Finding 21-27: Continue to Ensure Proper Capitalization and Retention of Records for Capital Assets. **This is a Repeat Finding.**
Status: Corrective action is on target for completion by June 30, 2024.
Status Summary: In Progress (Delayed)

Virginia Military Institute (VMI)
Audit Year: 2022

Finding 22-04: Conduct Information Technology Security Audits
Status: The VMI IT department has selected a third-party vendor to perform the IT security audit over VMI sensitive systems in accordance with the Commonwealth's IT Security Audit Standard, SEC502. The audit is currently in progress and is expected to be complete by June 30, 2024.
Status Summary: In Progress (Delayed)

Virginia Museum of Fine Arts (VMFA)
Audit Year: 2021

Finding 21-07: Continue to Improve Management of the Change Fund. **This is a Partial Repeat Finding.**
Status: VMFA has revised the existing Petty Cash Policy and Procedure and has submitted it to DOA for final approval.
Status Summary: In Progress (Delayed)

Virginia Polytechnic Institute and State University (VPISU/ID)
Audit Year 2021

Finding 21-01: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
Status: The team has completed the self-audit as VPISU/ID planned, reviewing a pool of 35 students in each of the reported issue areas, graduation only status and the status start date. The great news

is after allowing for proper timing for reporting from NSC to NSLDS, all students were reported corrected and had the expected status start date.
Status Summary: In Progress (On Schedule)

Audit Year: 2020

> **Finding 20-01:** Report Student Status Enrollment Changes Timely to National Student Loan Data System. **This is a Repeat Finding.**
> **Status:** VPISU/ID has implemented a self-audit of a sample of 35 students in each of the reported issue areas. The first sample reflected students were reported correctly.
> **Status Summary:** In Progress (Delayed)

Virginia State University (VSU)
Audit Year: 2022

> **Finding 22-01:** Improve Financial Reporting Review Process
> **Status:** Finance performed a more thorough review of the financial statements for FY23, including working with departments across campus on any unusual transactions. In addition, the financial statements have been provided to internal audit and the internal review is substantially complete with no issues found.
> **Status Summary:** Completed (On Schedule)

> **Finding 22-02/21-09/20-08:** Improve Access and Account Management Controls. **This is a Partial Repeat Finding.**
> **Status:** IT has procured an enterprise-grade Identity Access Management system. The University still has to complete the configuration of the application which will include MFA across all sensitive applications, single sign-on, and automation with de-provisioning access. OIT is working with HR to improve the electronic off boarding/clearance processes. OIT has updated the system ownership documentation and will be working with the identified security roles to ensure the annual reviews are completed. IT will be performing a security role-based training to ensure the respective members understand their responsibilities.
> **Status Summary:** In Progress (On Schedule)

> **Finding 22-03/21-10:** Improve Service Provider Oversight. **This is a Repeat Finding.**
> **Status:** All IT SOC reports and bridge letters received to date have been reviewed using the Internal Audit Checklist and those results have been reviewed by the CAE.
> **Status Summary:** Completed (On Schedule)

> **Finding 22-04:** Test and Update Disaster Recovery Plans. **This is a Repeat Finding.**
> **Status:** The University has now conducted and documented the annual disaster recovery plan having tested and provided evidence of such, as well as documented lessons learned. Test conducted in November 2023. Results confirmed by internal audit.
> **Status Summary:** Completed (On Schedule)

> **Finding 22-05/21-15/20-11:** Properly Reconcile Student Account Collections. **This is a Repeat Finding.**
> **Status:** The Bursar's Office has completed a quarterly reconciliation (June 2023 through Dec 2023) of the loan receivable and its corresponding collections from the loan servicer. Furthermore, procedures are being developed to streamline future reconciliations for staff.
> **Status Summary:** Completed (On Schedule)

> **Finding 22-06:** Improve the Management and Recording of Receivables. **This is a Repeat Finding.**
> **Status:** VSU will re-engineer processes to identify student accounts with delinquent balances and ensure that an Accounts Receivable hold is placed on their accounts and VSU will address the policy setting the delinquent account balance at $5. VSU anticipates completion by the end of the fiscal year 2023. VSU will examine the percentages of uncollectible debt, set its baseline, and perform an annual assessment. VSU anticipates establishing an uncollectible allocation against receivables before the end of the fiscal year 2023.
> **Status Summary:** Completed (On Schedule)

Finding 22-07/21-16/21-01: Report Student Status Enrollment Changes Accurately and Timely to National Student Loan Data System. **This is a Repeat Finding.**
Status: Monthly meetings continue to be held with Office of Financial Aid. The NSLDS outage from delayed progress and the ability to validate data as originally planned leading to an extended timeframe to complete the full corrective action.
Status Summary: In Progress (On Schedule)

Finding 22-08: Promptly Return Unclaimed Aid to Department of Education. **This is a Repeat Finding.**
Status: VSU has allocated additional resources to the Student Accounts department to assist in improving operations and to ensure compliance regarding billings, collections, refunds, etc. Now that the new process is in place and implemented, VSU will ensure it is working as intended and meeting all deadlines for the return of aid. Testing of this audit item should commence in fiscal year 2024, aligning with the VSU expired check process that was implemented on July 1, 2023, which was aimed at ensuring the prompt return of unclaimed Title IV funds.
Status Summary: In Progress (On Schedule)

Executive Offices

Attorney General and Department of Law (OAG)
Audit Year: 2021

Finding 21-01: Improve Information Security Program and IT Governance
Status: IT is working with a vendor to build out the security program and IT Governance. The CISO, ISO, and Director of HR met with the vendor to formally plan the next steps of the plan. A four-day workshop will be held in the next serval weeks to formally draw up the plan and put it into action. In the coming weeks, the committee will be working on the rough draft/skeleton of the plan.
Status Summary: In Progress (Delayed)

Finding 21-02/20-03: Continue to Improve Virtual Private Network Security Controls. **This is a Repeat Finding.**
Status: Preliminary results from the contractors have provided a solution to move forward with the replacement of virtualization software. This solution would move OAG from a subscription-based model. The CISO and CFO are in discussion to determine the proper way of procurement.
Status Summary: In Progress (Delayed)

Finding 21-03: Improve Database Security
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

Finding 21-04/20-02: Continue to Improve Firewall Management. **This is a Partial Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: In Progress (Delayed)

Finance

Department of Accounts (DOA)
Audit Year: 2022

Finding 22-04: Conduct Timely IT Security Audits
Status: The agency has contracted with an approved vendor to perform an audit for the impacted system. The audit is underway, and the Final Audit Report is expected to be completed in early April of 2024. DOA has confirmed with VITA's Auditing Service that the impacted system is on the audit schedule for calendar year 2025.
Status Summary: In Progress (Delayed)

Department for Aging and Rehabilitative Services (DARS)
Audit Year: 2022

> **Finding 22-01:** Improve Internal Controls Over Financial System Reconciliations. **This is a Partial Repeat Finding.**
> **Status:** DARS' staff now includes a General Ledger Lead accountant that is performing reviewing reconciliations.
> **Status Summary:** In Progress (Delayed)

> **Finding 22-02:** Improve Internal Controls Surrounding General Ledger Journal Transactions
> **Status:** No further update is available.
> **Status Summary:** In Progress (Delayed)

> **Finding 22-03:** Monitor Small Purchase Charge Card Activity on a Monthly Basis. **This is a Partial Repeat Finding.**
> **Status:** A Small Purchase Charge Card (SPCC) coordinator has been hired. Part of her function will be to review card activity, monitor transactions and provide training for users.
> **Status Summary:** In Progress (Delayed)

Department of Behavioral Health and Developmental Services (DBHDS)
Audit Year: 2022

> **Finding 22-02:** Improve Vulnerability Management Process
> **Status:** Currently the vulnerability management program remediation timelines are more aggressive than the VITA guidance. DBHDS will continue to refine and mature the program to meet DBHDS's more aggressive remediation requirements. Working with VITA on the triage of vulnerabilities assigned to ensure DBHDS is tracking the appropriate vulnerabilities in a timely manner.
> **Status Summary:** In Progress (Delayed)

> **Finding 22-03:** Conduct Information Technology Security Audits over Sensitive Systems
> **Status:** DBHDS is consistently making progress on the FY 2024 IT Audit plan. DBHDS also continues to work with IT, VITA and Facilities, to reclassify some of the tools classified as sensitive applications, modify sensitivity of non-sensitive apps that have been classified as sensitive in the risk management tool and retire systems that are no longer in use. The inventory of these tools is now being stored in an asset tracking software. DBHDS is submitting a revised plan to VITA every quarter due to application changes. As of the most recent update submitted to VITA on March 5, 2024, the total in-production and sensitive applications on the audit plan are 64.
> **Status Summary:** In Progress (On Schedule)

> **Finding 22-04:** Complete FFATA Reporting for First Tier SABG Subawards
> **Status:** Corrective action has been completed.
> **Status Summary:** Completed (On Schedule)

> **Finding 22-05:** Continue to Improve Off-Boarding Procedures. **This is a Repeat Finding.**
> **Status:** While the standard form created in 2022 was a good tool, facilities were resistant to fully implementing it. A workgroup will create a better electronic format that includes all the required processes that meet the needs of the facilities and CO.
> **Status Summary:** In Progress (On Schedule)

> **Finding 22-06:** Improve Controls over Processing Capital Outlay Voucher Processing
> **Status:** Corrective action has been completed.
> **Status Summary:** Completed (On Schedule)

Finding 22-07: Continue to Improve Controls over the Retirement Benefits System Reconciliation. **This is a Repeat Finding.**
Status: With a benefits subject matter expert now on board at CO, DBHDS will have better controls over the HR portion of Retirement Benefits System Reconciliation that will assist facility benefits administrators as needed. Additionally, there will be a session on this topic at the next HR Forum.
Status Summary: In Progress (On Schedule)

Finding 22-09: Continue Dedicating Resources to Support Information Security Program. **This is a Repeat Finding.**
Status: The Security Office is focusing resources from future project support and will require contractor ISO support for all new projects.
Status Summary: In Progress (Delayed)

Finding 22-10/21-09/20-10/19-02/18-02/17-02: Improve IT Contingency Management Program. **This is a Repeat Finding.**
Status: The Security Office in coordination with the facilities and the facilities' Emergency Coordinator are working together to standardize COOP plans. DBHDS is currently enrolled in the VITA DR program as well as participating in the annual VITA Disaster Recovery Exercise.
Status Summary: In Progress (Delayed)

Finding 22-11/21-10/20-11/19-04/18-04: Develop Baseline Configurations for Information Systems. **This is a Repeat Finding.**
Status: The Security Office has instituted the BIA Process to review all applications in the inventory. Part of this process is to create, review, and approve baseline configurations of the application. Due to the current number of applications in the inventory, resource constraints, and competing priorities, this effort will take approximately three years to fully complete as part of the standard 3-year BIA certification process.
Status Summary: In Progress (On Schedule)

Finding 22-12: Continue to Improve Database Security. **This is a Repeat Finding.**
Status: The DBHDS financial system has been approved for replacement. The project will begin in summer 2024. The DBHDS database administrators will update baseline configurations with reasons for DBHDS current configuration in relation to the audit findings. The settings are necessary due to the age of the system. They cannot be changed. The system is planned for replacement; Contract is planned to be executed by May with new vendor.
Status Summary: In Progress (On Schedule)

Finding 22-13: Continue to Improve Risk Assessment Process. **This is a Repeat Finding.**
Status: The Risk Assessment Process is built into the BIA process and will be addressed for each application. Due to the current number of applications in the inventory, resource constraints, and competing priorities, this effort will take approximately three years to fully complete as part of the standard 3-year BIA certification process.
Status Summary: In Progress (On Schedule)

Finding 22-14: Continue to Improve Controls over the Calculation of Contractual Commitments. **This is a Repeat Finding.**
Status: The Office of the Comptroller is nearing completion of more detailed written procedures in this area. The procedures will detail the calculation and the controls to ensure reasonableness. Currently, DBHDS is distributing draft procedures for review by the EVC Office.
Status Summary: In Progress (On Schedule)

Finding 22-15/21-11/20-13: Continue to Implement Compliant Application Access Management Procedures. **This is a Repeat Finding.**
Status: In FY25, the Security Office will be allocating funds to funds to bring on a dedicated SSO contractor to review and work with all application owners and 3rd party SaaS solution vendors to configure the applications to be SSO compliant with MFA software. Due to the number of applications in the inventory, this effort is estimated to take approximately three years to complete. Working with contracting agency for pricing and engagement timeline for the FY25 budget.

Status Summary: In Progress (Delayed)

Finding 22-16/21-06: Ensure Compliance with the Conflict of Interests Act. **This is a Repeat Finding.**
Status: Continued focus on the SOEI and required training (every 2 years) has proven to be successful. The oversight of SOEI was transferred to the Deputy HR Director in 2023 --100% compliant. The oversight measures currently in place appear to be successful based on the SOEI results for Jan 2024. DBHDS will monitor SOEI for 2025 and change the estimated completion date to February 28, 2025 for full completion.
Status Summary: In Progress (On Schedule)

Finding 22-17/21-13/20-06: Continue to Improve Controls over Payroll Reconciliations. **This is a Repeat Finding.**
Status: DBHDS will send out an updated checklist regarding all steps associated with payroll certification and reconciliation. These steps will be updated to reflect the October 2022 implementation of Human Capital Management system. Also, a small work group of CFOs at the facility level and the Central Office Fiscal Services Director will be formed to develop specific written procedures applicable to all facilities and the Central Office. Meeting with formed committee has occurred and draft procedures from SVMHI have been distributed to the group for review.
Status Summary: In Progress (On Schedule)

Department of Health (VDH)
Audit Year: 2022

Finding 22-01: Properly Prepare the Schedule of Expenditures of Federal Awards. **This is a Material Weakness.**
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

Finding 22-02: Improve Controls over Journal Entries
Status: Researched agency specific guidance on the proper processes for recording and correcting journal entries. Drafted journal entry policy to describe the requirements for booking journal entries within VDH's financial system. Drafted journal entry training materials and speaker notes to train key stakeholders on best practices for recording journal entries. Interviewed key stakeholders in OFM and AP to understand challenges and pain points surrounding journal entries to inform training materials. Delivered journal entry training to OFM business managers.
Status Summary: In Progress (Delayed)

Finding 22-03: Strengthen Controls over Overtime Payments
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

Finding 22-05/21-01: Strengthen Controls over Financial Reporting. **This is a Material Weakness and a Partial Repeat Finding.**
Status: Documented end to end processes of SEFA Attachment 15. Developed layout and format SOP for ACFR Attachment 21.
Status Summary: In Progress (Delayed)

Finding 22-09: Continue Strengthening the System Access Removal Process. **This is a Repeat Finding.**
Status: VDH is always seeking ways to improve, and for the platform, VDH has added a single sign-on feature, it is in production as of March 29, 2024. This should all enhance timely system access removal. Additionally, ISO gets an email from HR for immediate termination, and ISO terminates the employee using tools. Finally, ISO will start the Identity Access Review campaign for the platform.
Status Summary: In Progress (Delayed)

Finding 22-10: Continue Strengthening the Termination Process. **This is a Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

Department of Medical Assistance Services (DMAS)

Audit Year: 2022

Finding 22-01: Improve Third-Party Oversight Process
Status: Third-party management procedure is reviewed and signed by ISO. DMAS is continuing to make progress toward getting vendors on VITA Enterprise Cloud Oversight Services (ECOS). DMAS is engaging all stakeholders to establish the process and procedures and will be meeting weekly. Next steps:
1. Identify vendors that have completed ECOS assessment in past but not currently under oversight - complete
2. Requesting conditional approval emails from COVRAMP team - in process
3. Obtain updated SOC 2 reports from each vendor identified in #1 - in process
4. Submit required security exceptions - dependent on conditional approvals
5. Verification of cloud terms and conditions that are part of the vendor contracts. - PCM is working on this
6. Submit for oversight - dependent on #5
Status Summary: In Progress (Delayed)

Finding 22-02/21-02/20-02: Improve Information Security Program and Controls. **This is a Material Weakness and a Repeat finding.**
Status: Procedures are almost complete and are 50% through the review process. VITAs Deputy CISO will provide an artifact that will address the adequacy of the current scanning solution as fulfillment of the pen testing requirement. SSPs are 90% complete. A management policy addendum has been written and review is 75% complete.
Status Summary: In Progress (Delayed)
Finding 22-04: Improve Timely Removal of Critical System Access. **This is a Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Audit Year: 2017

Finding 17-01: Develop Processes to Facilitate the Controlling of Privileges in the Claims Processing System. **This is a Material Weakness**.
Status: DMAS is in final review of the RFP for the Fiscal Agent System before external agencies, such as the Office of the Attorney General, begins their reviews.
Status Summary: In Progress (Delayed)

Department of Social Services (DSS)
Audit Year: 2022

Finding 22-02/21-03/20-10: Perform Responsibilities Outlined in the Agency Monitoring Plan. **This is a Material Weakness and a Repeat Finding.**
Status: A new budget request has been submitted for funding of a contingent Subrecipient Monitoring System solution. This will help bridge the deficiencies noted until an integrated permanent solution is implemented.
Status Summary: In Progress (Delayed)

Finding 22-04/21-17/20-14/19-12: Improving Web Application Security. **This is a Repeat Finding.**
Status: Work Continues in this area.
Status Summary: In Progress (On Schedule)

Finding 22-05: Upgrade End-of-Life Technology
Status: Work continues in this area.
Status Summary: In Progress (On Schedule)

Finding 22-07/21-10/20-16: Monitor Internal Controls to Ensure Timely Removal of System Access. **This is Repeat Finding.**
Status: HR and ISRM have identified the need for new reporting and interfaces to regain compliance. DSS had deployed the Human Capital Management system and an internal HRIS that will need to have interfaces developed.
Status Summary: In Progress (Delayed)

Finding 22-10/21-04/20-11: Review Non-Locality Subrecipient Audit Reports. **This is a Repeat Finding.**
Status: Multiple Budget requests have been submitted to purchase a Subrecipient Monitoring System but have not been approved.
Status Summary: In Progress (On Schedule)

Finding 22-14/21-15/20-07/19-02/18-01: Comply with TANF Requirement to Participate in the Income Eligibility and Verification System. **This is a Repeat Finding.**
Status: Requests for modifications to the Code of Virginia will be submitted for consideration by the General Assembly with an effective date of January 1, 2025.
Status Summary: In Progress (On Schedule)

Finding 22-15: Strengthen Internal Controls over FFATA Reporting
Status: Additional time may be needed to fully implement an automated solution.
Status Summary: In Progress (Delayed)

Finding 22-16: Perform Analysis to Identify Service Provider Agencies That Perform Significant Fiscal Processes
Status: DSS ARMICS will develop a plan and cost estimate for performing ARMICS over a broader scope that meets the intent of APA. DSS does not have an Internal Audit Department and ARMICS is staffed with one person. After further examining the issue, it was determined that additional time is needed for analysis with program staff.
Status Summary: In Progress (Delayed)

Finding 22-18: Monitor Internal Procedures to Ensure Compliance with the Conflict of Interests Act. **This is a Repeat Finding.**
Status: New processes were implemented by the COI coordinator for the 2023 filing year. The new processes are reviewed two times per month to make sure the COI status of a newly hired, transferred, or established position have been captured correctly and the bi-annual training is current. As issues are identified throughout the year, notations are made so the process can be revisited and changed for 2024 filing year.
Status Summary: In Progress (On Schedule)

Finding 22-19: Reconcile the Commonwealth's Retirement Benefits System
Status: The completion of the corrective action and deliverables is contingent upon Payroll Service Bureau (PSB) updating the Scope of Services Manual. DSS will be contacting PSB to inquire if there is a known timeframe for the updates to be completed.
Status Summary: In Progress (On Schedule)

Finding 22-21/21-08/20-13/19-10/18-10: Continue Developing Record Retention Requirements and Processes for Electronic Records. **This is a Repeat Finding.**
Status: DSS anticipates the first of a series of changes to address this finding to be implemented in the February 2024 Information Technology Services release.
Status Summary: In Progress (On Schedule)

Finding 22-22: Continue Improving IT Risk Management Program. **This is a Repeat Finding.**
Status: A Risk Management Framework has been identified. DSS is working through that framework to determine if it will adequately meet the needs of resolving this finding.
Status Summary: In Progress (Delayed)

Finding 22-23/21-06/20-15/19-13: Continue Improving IT Change and Configuration Management Process. **This is a Repeat Finding.**
Status: Work continues in this area.
Status Summary: In Progress (Delayed)

Audit Year: 2020

Finding 20-06: Continue to Improve Reconciliation Process of the Commonwealth's Retirement Benefits System. **This is a Repeat Finding.**
Status: Monthly comparisons are being made between keyed transactions and Retirement and Benefits Navigation systems. Transactions are being captured in folders by pay period. DSS contacted PSB in August 2023 and December 2023 regarding their timeline to update the Scope of Services manual.
Status Summary: In Progress (Delayed)

Department for the Blind and Vision Impaired (DBVI)
Audit Year: 2022

Finding 22-01: Improve Information Technology Governance. **This is a Partial Repeat Finding.**
Status: The DBVI ISO is working with the Virtual ISO to create policies and procedures based on the new VITA Security Standard, SEC530.
Status Summary: In Progress (Delayed)

Finding 22-02: Develop and Implement Information Security Policies and Procedures. **This is a Partial Repeat Finding.**
Status: The DARS ISO is working with the Virtual ISO to develop the procedures necessary to support the DBVI Information Security Program. This will include Business Impact Analysis, Data Classification, Risk Assessments and System Security Plans
Status Summary: In Progress (Delayed)

Finding 22-03/20-07/18-08: Improve Oversight over Third Party Providers. **This is a Partial Repeat Finding.**
Status: The DARS ISO has been provided SOC 2 Type 2s for the hosting vendors database and infrastructure provider for 2023. DBVI is still waiting for the SOC 2 Type 2 for the system as well as PCI-DSS compliance documentation for 2023.
Status Summary: In Progress (Delayed)

Finding 22-04/20-06/18-07: Improve information Security for Point-of-Sale System. **This is a Repeat Finding.**
Status: DBVI signed a software contract for a single, integrated, compliant, and accessible PaaS enterprise resource planning solution on November 30, 2023. This solution is the first ECOS-approved PaaS solution through VITA and sets the stage for a second solicitation for an Implementer. The draft of the second RFP was submitted to VITA through Planview for mandatory review on December 14, 2023, and they are expected to provide comments within 30 days. DBVI expects to award the contract for implementation by May 1, 2024, and begin implementation by July 1, 2024. Implementation will follow a phased approach completing by the December 31, 2025. VITA's Project Management Division reports the project in "Green" status.
Status Summary: In Progress (Delayed)

Finding 22-05: Improve Controls over System Access. **This is a Partial Repeat Finding.**
Status: The DBVI Information Security Governance Group is working to identify sensitive systems and create the procedures for quarterly review. DARS Information Security Steering Committee is exploring utilizing VITA Centralized Audit Service for Information Technology Audits moving forward.
Status Summary: In Progress (Delayed)

Finding 22-06/20-05/18-06: Upgrade Manufacturing System. **This is a Partial Repeat Finding.**
Status: DBVI signed a software contract for a single, integrated, compliant, and accessible PaaS enterprise resource planning (ERP) solution on November 30, 2023. This solution is the first ECOS-

approved PaaS solution through VITA and sets the stage for a second solicitation for an Implementer. The draft of the second RFP was submitted to VITA through Planview for mandatory review on December 14, 2023, and they are expected to provide comments within 30 days. DBVI expects to award the contract for implementation by May 1, 2024, and begin implementation by July 1, 2024. Implementation will follow a phased approach completing by the December 31, 2025. VITA's Project Management Division reports the project in "Green" status.
Status Summary: In Progress (Delayed)

Independent Agencies

Virginia Alcoholic Beverage Control Authority (ABC)
Audit Year: 2023

Finding 23-01: Improve IT Risk Management and Contingency Planning
Status: Virginia ABC has created a new IT Risk Management Policy, which is currently under review by the ABC legal team. Additionally, IT is reviewing and validating current system inventory and establishing standard documentation to note when a system restoration is performed. Finally, Information Security Team continues to perform risk assessments on sensitive systems.
Status Summary: In Progress (On Schedule)

Finding 23-02/22-03/21-03/20-03: Continue Improving Oversight of Third-Party Service Providers. **This is a Repeat Finding.**
Status: Virginia ABC has created a new IT Risk Management Policy which contains a section regarding triggers for requiring risk assessments and SOC reports specific to third-party reviews. Additionally, the ABC Information Security Team is working with Procurement to review the current process flow and has established a schedule for conducting/reviewing identified risk assessments.
Status Summary: In Progress (On Schedule)

Finding 23-03: Improve Internal Controls over Employee Separation Process. **This is a Repeat Finding.**
Status: Virginia ABC continues to review the process and has implemented two controls which direct a manager to incomplete checklists upon accessing the system and allows HR personnel to monitor checklists to ensure completion. Virginia ABC is currently working on a third control to shorten the time between the system notification of a termination and when system access is removed.
Status Summary: In Progress (On Schedule)

Virginia College Savings Plan (VCSP)
Audit Year: 2023

Finding 23-01: Improve IT Risk Management Program and Contingency Planning
Status: Continue ongoing work to update documentation with respect to IT risk management and contingency planning.
Status Summary: In Progress (On Schedule)

Virginia Lottery (VAL)
Audit Year: 2023

Finding 23-01: Improve Database Security
Status: On September 13, 2023, the Lottery completed onboarding the Managed Services Security Provider (MSSP) contracted to monitor the VAL network and computer assets through their Security Operation Center (SOC). Documentation regarding the account identified will be developed and included in the Risk Assessment and System Security Plan. Risk Assessment and System Security Plan updated with information on the account identified in the MP.
Status Summary: Completed (On Schedule)

Finding 23-02: Improve Procedures and Process for Oversight of Third-Party IT Service Providers
Status: VAL will develop and maintain a complete list of service providers in scope, develop a formal policy, develop and include cloud terms and conditions in contracts to address the areas identified. List of service providers and cloud terms and conditions developed and documented.
Status Summary: In Progress (On Schedule)

Finding 23-03: Improve System Access Policies and Procedures for Critical Systems
Status: VAL will update the system access control policy incorporated into the Information Security Program, document critical roles and privileges and formally document internal processes/procedures for the critical systems identified. Updated Draft Access Control Policy in review. Critical roles and privileges formally documented for two of the three systems identified.
Status Summary: In Progress (On Schedule)

Natural and Historical Resources

Department of Wildlife Resources (DWR)
Audit Year: 2021

Finding 22-02: Deactivate Inactive Small Purchase Charge Cards Timely. **This is a Repeat Finding.**
Status: DWR has added training, backup support, and automated reports for the new Program Administrator to ensure that DWR is performing ongoing reviews of card usage, including but not limited to inactive cards, and responds according to the Commonwealth Accounting Policies and Procedures (CAPP) Topic 20355 and internal processes. DWR acknowledges that the one small purchase card in question was not suspended or deactivated as required, and that it took being notified by DOA to ultimately make this change. Since realizing this, and as part of DWR's continuing transition of the SPCC Program Administrator responsibilities, DWR has restored this internal review process and implemented additional monitoring efforts to prevent this type of oversight in the future.
Status Summary: In Progress (Delayed)

Finding 22-03: Improve Documentation Surrounding Reconciliations of Capital Assets. **This is a Repeat Finding.**
Status: DWR's new process will include a new cover/routing sheet to more adequately document the review and approval, and any questions and resolutions, for every Construction in Progress (CIP) reconciliation, which is consistent with how DWR already documents reconciliations for accounts payables and receivables. This new reconciliation/review form will reflect what is also already covered in internal policies and procedures.
Status Summary: In Progress (Delayed)

Public Safety and Homeland Security

Department of Fire Programs (DFP)
Audit Year: 2020

Finding 20-01: Update End-Of-Life Technology
Status: DFP has improved its end-of-life technology. For upcoming end of life items, DFP is following its established process for migrating obsolete technology. DFP has migrated the outdated databases that were related to this finding and are no longer using the 2010 version. Specifically, DFP migrated the outdated versions to the latest SQL.
Status Summary: Completed (Delayed)

Department of State Police (VSP)
Audit Year: 2020

Finding 20-02: Improve Backup and Recovery Policies and Procedures
Status: IT is working to procure an additional software package for the tape back infrastructure. Engineering has resource constraints compounding this issue. This will address short term issues until VSP is transformed into a VITA managed cloud.

Status Summary: In Progress (Delayed)

Finding 20-06: Complete Capital Asset Physical Inventories in Accordance with CAPP Manual Guidelines. **This is a Partial Repeat Finding.**
Status: Consolidation of reported results of physical inventory counts have been completed. Summary analysis and corrective action plans are being completed for Property and Finance (P&F) Management review. Database corrections will follow management review and approval. P&F is currently searching for a qualified contract resource to assist with data record updates.
Status Summary: In Progress (Delayed)

Audit Year: 2019

Finding 19-01: Document Internal Policies and Procedures
Status: AR is still using the AR workbook and payment system for AR Quarterly reporting due to invoices being handled by field offices. Desk procedures are updated to date. The old "Vehicle Crash" manual will be uploaded to the payment system by April 2024.
Status Summary: In Progress (Delayed)

Audit Year: 2017

Finding 17-06: Improve Risk Assessments
Status: CISO is starting with the Business Impact Analysis (BIA) including business functions and associated applications across the organization. VSP has also identified five applications to perform risk assessments.
Status Summary: In Progress (Delayed)

Finding 17-15: Improve Disaster Recovery Plan
Status: IT continues to work with Impact Makers on the DRP. Project is on track.
Status Summary: In Progress (Delayed)

Finding 17-35/14-08: Improve Processes over Work Zone Project Billings. **This is a Repeat Finding**.
Status: The Property and Finance Division is coordinating with VDOT to solve timesheet issues from the field offices. The System Administrator is working on a proposal for the timesheet project.
Status Summary: In Progress (Delayed)

Finding 17-38: Document Retirement Benefits System Reconciliations
Status: HR continues to follow guidelines in CAPP 50410 and the Payroll Bulletin Volume 2013-02, with agency procedures finalized. As the Payroll Services Bureau submits the VRS reconciliation to the agency, Property and Finance Division and HR will collaborate on clearing reconciling items. With the implementation of the Human Capital Management system, PSB has delayed the sending of this reconciliation.
Status Summary: In Progress (Delayed)

Transportation

Department of Motor Vehicles (DMV)
Audit Year: 2022

Finding 22-03/21-01: Continue to Update End-of-Life Technology. **This is a Repeat Finding.**
Status: A new inventory tool has been introduced to capture all installed software to address the gaps in the former tool.
Status Summary: In Progress (Delayed)

Department of Military Affairs (DMA)
Audit Year: 2022

Finding 22-01: Develop Procedures for Proper Accrual of Accounts Payable
Status: Test work has been performed and documentation is maintained in the DMA ARMICS SharePoint folder. In addition, DMA's internal Accounts Payable policy has been updated to reflect proper processes for ensuring good/service dates are reflected accurately in the Financial Accounting system.
Status Summary: Completed (On Schedule)

Finding 22-02: Ensure Proper Use of Expense Vouchers
Status: DMA no longer does a Centralized Personnel Plan. If the process is implemented in the future DMA will ensure adherence to proper policy and procedure.
Status Summary: Completed (On Schedule)

Finding 22-03: Improve Contract Administration
Status: Procurement Manager and Chief Financial Officer are working on establishing delegation letters to identify contract administrators. Repository has been established and available on DMA collaboration and management platform.
Status Summary: In Progress (On Schedule)

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Compliance Monitoring

Agency Risk Management and Internal Control Standards (ARMICS) Compliance

ARMICS is a comprehensive, risk based, approach to Internal Control. It is based on the Treadway Commission's Committee of Sponsoring Organizations, 1992 publication "Internal Control Framework," the 2004 work entitled, "Enterprise Risk Management," and the May 2013 revision to COSO's "Internal Control Integrated Framework."

ARMICS provides standards and guidance for establishing and assessing agency internal controls in order to more effectively manage risk and maintain accountability. The ARMICS process culminates with an annual certification by the agency head and fiscal officer that they have established, maintained, and evaluated their agencies' internal control framework and tested key controls. DOA conducts periodic Quality Assurance Reviews (QAR) and issues reports on agency ARMICS implementations.

Although an agency's QAR report may state that it "generally" or minimally complies with the ARMICS standards, most reports contain some findings and recommendations, which agencies are strongly encouraged to address.

Non-compliance with ARMICS can take several forms and will be reported, as stated below:

1. Late completion of the ARMICS annual certification in the ARMICS Certification System (ACS) (without DOA authorization) will result in citation in the current year's 12/31 Comptroller's Quarterly Report (QR).

2. Certification status of Compliant or Partially-Compliant with the documentation of processes required for successful completion of ARMICS found to be insufficient; therefore, the agency's ARMICS certification status was rejected by DOA. This will result in citation in the QR until the agency has submitted and completed a CAP. The status of the agency's submitted CAP will be reported until completion has been certified.

3. Certification status of Non-Compliant, which states that the agency has not complied with ARMICS, will result in continued citation in the QR until the agency complies with the ARMICS standards. The status of the agency's submitted Corrective Action Plan (CAP) will be reported until completion has been certified.

4. Failure to complete the ARMICS annual certification in the ACS will result in citation in the QR until the agency has submitted and completed a CAP. The status of the agency's submitted CAP will be reported until completion has been certified.

5. Substantial non-compliance with the processes required for the successful completion of ARMICS (based on a QAR performed by DOA) will result in continued citation in the QR until the agency has complied with ARMICS and has submitted an ARMICS certification. The status of the agency's submitted CAP will be reported until completion has been certified.

DOA is currently reviewing agency certification submissions. As of March 31, 2024, the following agencies were not in compliance with the ARMICS process based on the following:

The following agencies did not comply with ARMICS in FY 2023 and submitted a Non-Compliant Certification Statement:

Agency Name	Certification Status	Initial Corrective Action Plan Received	Status of Corrective Action
Department of Health	Certified Non-Compliant	Yes	Agency update states internal control deficiencies will be remedied/completed by June 30, 2024.
Department of State Police	Certified Non-Compliant	Yes	Agency update stated internal control deficiencies will be remedied/completed by June 30, 2024.
Frontier Culture Museum of Virginia	Certified Non-Compliant	Yes	Agency update states internal control deficiencies will be remedied/completed by December 31, 2024.
Gunston Hall	Certified Non-Compliant	Yes	Agency update states internal control deficiencies will be remedied/completed by June 30, 2024.
Virginia Racing Commission	Certified Non-Compliant	Yes	The agency corrective action plan does not identify the deficiencies and/or the actions designed to correct the areas of non-compliance. The quarterly update was requested but not received.

The following agencies certified compliant with ARMICS in FY 2023 but did not submit a final approved Corrective Action Plan addressing the prior year deficiencies:
- Department of Criminal Justice Services
- Department of Environmental Quality
- Department of Military Affairs

There were no agencies found to be non-compliant with the ARMICS process **based on a QAR performed** during this quarter**.**

Certification of Agency Reconciliation to Cardinal Reports

The Commonwealth's accounting and reporting system, Cardinal, contains the Commonwealth's official accounting records. Therefore, State accounting policy requires that each agency reconcile its internal accounting records to Cardinal at least monthly and submit the results of the reconciliation via the Certification of Agency Reconciliation to Cardinal.

DOA closely monitors Certification status, evaluates exceptions, and posts correcting entries in Cardinal. Certifications for November, December, and January were due on 01/08/2024, 01/31/2024 and 02/29/2024; respectively.

Certifications Late or Outstanding
As of April 30, 2024

Agency	Nov	Dec	Jan
University of Virginia Medical Center	-	-	04/30/2024

Key: O/S – Certification is outstanding
              DATE – The date received by DOA

Trial Balance Review

As an integral part of the monthly reconciliation process, each agency should review their monthly trial balance for any anomalies, investigate, and correct immediately. If the anomaly cannot be corrected at the agency level, the problem should be noted on the exception register.

DOA monitors selected general ledger balances and contacts agencies in writing about certain irregular balances. For the months of December, January and February, the following agencies failed to respond timely, make corrective action and/or provide additional information.

Trial Balance Review

As of April 30, 2024

Agency	Dec	Jan	Feb
Department of Conservation and Recreation	-	X	X
Department of Corrections – Central Administration	-	X	X
Mountain Empire Community College	X	X	X
Virginia Department of Health	X	X	X
Virginia Information Technologies Agency	X	X	-

E-Commerce

Travel Check Charges

In accordance with Chapter 1, 2023 Special Session I, Virginia Acts of Assembly § 4-5.04 f., the Comptroller charges agencies $5 for travel reimbursement checks issued in lieu of Travel EDI. Agencies are charged for each travel reimbursement check issued to an employee after their second check of the fiscal year. Agencies are expected to take action to enroll applicable employees in the EDI program and thus avoid the fees altogether. The following table lists agencies that have incurred travel check charges during the third quarter of FY 2024.

Agencies are highly encouraged to sign up board and commission members and other non-employees that receive travel reimbursements on a recurring basis.

Agency Non-Compliance Travel Check Charges

Agency by Secretarial Area	Quarter Ended March 31, 2024	Fiscal Year 2024 To-date Charges
Education		
Cooperative Extension and Agricultural Research Services	$10.00	$30.00
Virginia Military Institute	$30.00	$85.00
Judicial		
Combined District Courts	$5.00	$10.00
General District Courts	$25.00	$30.00
Juvenile and Domestic Relations District Courts	$70.00	$85.00
Magistrate System	$10.00	$25.00
Public Safety and Homeland Security		
Department of Emergency Management	$5.00	$5.00
Department of Fire Programs	$0.00	$15.00
Department of State Police	$0.00	$5.00
Virginia Alcoholic Beverage Control Authority	$55.00	$70.00
Transportation		
Department of Motor Vehicles	$25.00	$55.00

Payroll Certification

Agencies are required to calculate, verify, and authorize the amount disbursed for each payroll. This responsibility can be met through the timely preparation of agency payrolls, request and review of reports, and correction of errors prior to payroll confirmation which results in payroll disbursements. This process is referred to as "payroll certification." Payroll certification serves as a critical internal control to ensure payroll disbursements are accurate and authorized. Agency payroll certifications are monitored centrally to ensure that agencies conduct this important function.

Agencies are required to submit explanations and/or reconciliations of the differences between the amount calculated by the payroll system and the amount certified by the agency to be disbursed by the end of the day following confirmation. Differences result from agency

payroll errors, miscalculations, and changes made by HR following data freeze. Although some differences do not result in undetected incorrect payments, such errors are avoidable and are not consistent with sound internal control over payroll.

Since timely certification is also essential; authorized and trained staff, as well as telecommunications access and computer terminals, must be available at all times. Reliable back-up plans are necessary should any of these resources be unavailable on a critical payroll processing date due to emergency or other circumstances.

The table below lists agencies and institutions that have failed to comply with one or more of the requirements for accurate and timely payroll certification.

Payroll Certification Compliance

Agency	Variance Amount (a)	Submitted Late (b)
Education		
Piedmont Virginia Community College*	$157,686	-
Health and Human Resources		
Virginia Center for Behavioral Rehabilitation	$31,936	-
Transportation		
Department of Motor Vehicles*	$29,222,070	-
Motor Vehicle Dealer Board*	$378,230	-

Columns show the following:
(a) Variance in dollars for agencies whose certified amounts varied from actual computed amounts if the variance is more than $20,000 for any payrolls processed during the quarter or the explanation for gross pay difference was submitted late.
(b) The number of certifications that were submitted or altered later than the daily deadline
(*) Agency did not submit certification documentation as required.