March 9, 2020

Department of Health and Human Services
Office of Inspector General
Office of Audit Services
National External Audit Review Center
1100 Walnut Street, Suite 850
Kansas City, MO 64106

To Whom It May Concern:

In addition to promptly taking corrective action on all findings, in accordance with CFR §200.511 Audit findings follow-up (c) *Corrective action plan*, the State Comptroller of Virginia (auditee) has prepared, in a document separate from the auditor's findings described in CFR §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's report. The corrective action plan also cites findings relating to the financial statements, which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*. The corrective action plan cites the reference number the auditor assigned to each auditing finding, name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. The corrective action plan does not express a disagreement with any of the audit findings nor does it disclose that corrective action is not required.

Certain corrective actions planned are not contained in this corrective action plan because they contain descriptions of security mechanisms and are Freedom of Information Act Exempt under §2.2-3705.2 of the *Code of Virginia*. Federal awarding agencies or pass-through entities needing such information in formulating their management decisions as required by CFR §200.521 Management decision, should communicate with the contact person responsible for the respective corrective action planned to address the audit finding.

The Commonwealth of Virginia Single Audit Report for the Year Ended June 30, 2019 containing all findings can be found at www.apa.virginia.gov or is available from the Federal Audit Clearinghouse web site.

If you have any questions, please contact our office at (804) 225-2109.

Sincerely,

David A. Von Moll
State Comptroller of Virginia

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve Controls Over Financial Reporting 2019-001 DHRM	Responsible Contact Person(s): Richard Whitfield - DHRM Contracts and Finance Director Jian Martin - DHRM Fiscal Officer Nga Huynh - DHRM Financial Analyst Corrective Action Planned: For FY20: Allocation percentage and census data has been delivered to Actuary and Actuary agreed to deliver the actuary report, collection methodology, & appendixes on April 1, 2020. DHRM is scheduled to complete FY20 schedule of benefit payment, Sample Journal entry, & note disclosures by May 1, 2020. For FY21 and forward: Allocation percentage and census data will be delivered to Actuary no later than November 1. Actuary agreed to deliver the actuary report, collection methodology, & appendixes on March 1. DHRM is to complete schedule of benefit payment, Sample Journal entry, & note disclosures by May 1. Contract modification will be finished by March 1, 2020 to address FY20 and future contract years deadline. Estimated Completion Date: 3/31/2020	No
Strengthen Controls over Year-End Accrual Reporting 2019-002 DMAS	Responsible Contact Person(s): Shionda Scott - Co-Acting Fiscal Division Director Mike Harlow - Co-Acting Fiscal Division Director Corrective Action Planned: The Budget, Fiscal, and Provider Reimbursement Divisions will meet by August 15, 2020 to discuss and document the approach to be taken for estimating accruals. This early meeting will allow the divisions to set a schedule and approach to accrual estimation; even though key accruals will not be available until after September 1st. This lead time will help staff accumulate, compile, and review the accruals data as it comes in. We met with the Department of Accounts and APA on November 19, 2020 to clarify reporting periods. The Budget Division will update the accrual spreadsheets to provide greater detail on the source(s) and calculations of the data in accordance with the Chief Financial Officer's Excel governance plan by September 1, 2020. This will create accountability for the data and provide a more efficient and effective review by management. To mitigate potential variance in the methodology for calculating an estimate of a Private Hospital Enhanced Rate Payment liability, the Provider Reimbursement Division will report all supplemental payment information to the Budget division for the previous fiscal year by August 31st. This will allow Budget to more accurately estimate the Private Hospital Enhanced Rate Payment liability. The Budget Division will document its management review of the accruals prior to submission to the Fiscal Division. The Fiscal Division will document the CFO's review and approval of the year-end accrual reporting plan by September 1, 2020. As new programs and/or revenue are implemented in DMAS, the Fiscal and Budget Divisions will contact the Department of Accounts to ensure proper treatment of revenues and expenditures as well as the Department of Planning and Budget for any appropriation concerns. Estimated Completion Date: 9/30/2020	No
Improve Financial Reporting for Accounts Receivable 2019-003 DMAS	Responsible Contact Person(s): Shionda Scott - Co-Acting Fiscal Division Director Mike Harlow - Co-Acting Fiscal Division Director Corrective Action Planned: The DMAS Internal Audit Division will conduct an analysis of the historical collection data as part of its scope during an audit of Accounts Receivable processes. This analysis will help substantiate an updated process for estimate uncollectible accounts. The audit is scheduled to conclude in May 2020, wherein the Accounts Receivable Manager will be able to use the analysis to update the fiscal collections policies and procedures for reasonably estimating the uncollectible accounts by June 30, 2020. The policy will be reviewed and approved by the CFO by June 10, 2020 with an implementation date of July 1, 2020. Estimated Completion Date: 9/30/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve Controls over SNAP Payments 2019-004 DSS	Responsible Contact Person(s): Ida Witherspoon - Chief Financial Officer Corrective Action Planned: DSS does not have sufficient controls over payments made for the Supplemental Nutrition Assistance program (SNAP). Social Services' Division of Enterprise Systems (Enterprise Systems) and Finance did not initially resolve the discrepancies between the systems and therefore could not provide support for $234 million out of $1,013 million (23%) that was paid out by the vendor and drawn down from the federal government. After APA brought this issue to management's attention, Finance and Enterprise Systems were able to work together to provide evidence that the total amount authorized by the case management system reasonably agreed to the total amount the vendor put on the EBT cards. Since the audit, Finance has worked with Information Technology to correct the VaCMS EBT Reconciliation Report to properly account for all transaction types. The beginning balance has been updated in VaCMS and the report and reconciliation process are currently working. Finance will bring discrepancies between VaCMS and Conduent to the attention of Information Technology management within 24 hours of discovery for research of the underlying information. If the discrepancy cannot be resolved, Finance will also bring this to the attention of Benefit Programs management and the CFO. Finance has also begun requiring supervisor approval of the SNAP EBT on the monthly reconciliation. Estimated Completion Date: 1/31/2020	No
Dedicate Resources to Timely Update of CAPP Manual Topics 2019-005 DOA	Responsible Contact Person(s): Amanda Simpson - Director of Compliance Oversight and Federal Reporting Corrective Action Planned: DOA acknowledges the importance of updating the Commonwealth Accounting Policies and Procedures (CAPP) Manual, and DOA agrees that the topics cited were not updated by June 30, 2019. However, DOA disagrees with the severity of the impact related to these topics. DOA prioritized the CAPP topics when the new accounting system was placed in service and all topics with substantive changes were updated. The five topics that remained were assessed as low priority since no substantive changes that would impact either accounting or reporting accuracy were required. As a mitigating control, Cardinal Job Aids and/or training materials provided guidance to effectively provide assistance with any terminology or coding changes that the agencies might require. These topics were updated by December 31, 2019. Regarding the payroll CAPP topics, DOA does not plan to divert resources from the Human Capital Management (HCM) Project to update CAPP topics for CIPPS and the associated payroll business processes, which are scheduled to be replaced in October of 2021. Management does not believe this would be an appropriate use of the agency's limited resources. To mitigate any associated risk, DOA is providing detailed and specific payroll processing guidance via Payroll Bulletins to agency fiscal and payroll personnel. DOA will revise all Payroll topics as the new HCM module is placed in service. Estimated Completion Date: 12/31/2019	No
Improve Controls Over Financial Systems Reconciliations 2019-006 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting Corrective Action Planned: All facilities are aware of current reconciliation requirements. DBHDS will work with facilities to improve reconciliation documentation and ensure standard recon sign-offs are performed. DBHDS Finance has already established quarterly facility CFO meetings where these issues will be presented and resolved. Documentation requirements will be formalized. Training will be provided as necessary. Estimated Completion Date: 2/20/2020	No
Process Expense Reimbursements in the Commonwealth's Accounting and Financial Reporting System 2019-007 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting, John Moore - Director of Fiscal Services and Grants Management Corrective Action Planned: CVTC will be closed effective June 2020. This finding was the result of staffing shortages for a facility in transition. Estimated Completion Date: 2/1/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Perform an Evaluation and Analysis of Potential Asset Retirement and Pollution Remediation Obligations 2019-008 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting, John Moore - Director of Fiscal Services and Grants Management Corrective Action Planned: DBHDS will continue its standard process and procedure of communicating GASB requirements to its facilities related to asset retirement to include criteria for ARO. This will also include coordination with our facilities with reasonableness checks and with our Office of A and E Services to ensure that ARO issues are not present. Estimated Completion Date: 2/1/2020	No
Improve Review Process for Individual Facility Leave Liability Submissions 2019-009 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting Corrective Action Planned: DBHDS has developed a comparative analysis tool that will be used by each facility when computing leave liability. The tool provides the previous year's leave liability total by fund and program and will be used to compare to the current year leave liability calculation. The Central Office will use a consolidated version of this tool to determine that leave calculations are reasonable. Estimated Completion Date: 7/1/2020	No
Improve Financial Reporting of Infrastructure Assets 2019-010 VDOT	Responsible Contact Person(s): Greg Lehman- Assistant Controller of General Accounting and Financial Reporting Corrective Action Planned: VDOT will improve and update our procedures and methodology for reporting of Infrastructure. This includes working with other divisions to better understand the data in ancillary systems as it relates to the reporting categories VDOT use for financial reporting. We are also working with other states to knowledge share and identify best practices. Estimated Completion Date: 6/30/2020	No
Improve Financial Reporting Classification within Net Position 2019-011 VDOT	Responsible Contact Person(s): Greg Lehman - Assistant Controller of General Accounting and Financial Reporting Corrective Action Planned: VDOT will update our internal procedures to ensure refinanced debt is appropriately allocated within net position. Estimated Completion Date: 6/30/2020	No
Improve Policies and Procedures over Unclaimed Property Reconciliations 2019-012 TD	Responsible Contact Person(s): Vicki Bridgeman - Director of Unclaimed Property Corrective Action Planned: The Unclaimed Property Division (UCP) will improve its reconciliation procedures to ensure a timely review and a clear audit trail. These improved procedures will follow guidance provided in the CAPP manual. Estimated Completion Date: 6/30/2020	No
Improve the Expense Allocation Process 2019-013 VDH	Responsible Contact Person(s): Stacey Ferrer - Director of Financial Management Corrective Action Planned: Office of Financial Management will evaluate the current practice and implement the necessary procedures to ensure that the review of the allocation process is performed annually and expenses are properly allocated among the appropriate funding streams. Estimated Completion Date: 7/1/2020	No
Develop and Implement Compliant Application Access Management Procedures 2019-014 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO, Gerald Bullock - Acting CISO Corrective Action Planned: DBHDS will work with its facilities to ensure their procedures match the Agency's existing Policy. Estimated Completion Date: 10/1/2020	No
Promptly Remove Commonwealth's Accounting and Financial Reporting System User Access 2019-015 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting Corrective Action Planned: DBHDS will work with our security function to address these issues. Specifically, DBHDS Finance will review current internal access procedures for reasonableness and make changes where appropriate. Communication among offices as to timing of termination has been a contributing factor - DBHDS will make process improvements related to separation of employees. Estimated Completion Date: 7/1/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Develop Access Profile Descriptions and Improve Monitoring Controls over the Internal Attendance and Leave System 2019-016 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO, Don Tyson - IT Manager Corrective Action Planned: DBHDS will develop access capability descriptions for access profiles for the internal time, attendance and leave system. In addition, a process will be developed and implemented to ensure all DBHDS facilities and Central Office performs and documents a complete review of all users at least annually. Central Office will also review all facility submissions to ensure completeness of access reviews. Estimated Completion Date: 8/1/2020	No
Improve Access Controls over the Commonwealth's Payroll System 2019-017 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting, John Moore - Director of Fiscal Services and Grants Management Corrective Action Planned: DBHDS Finance will work with our security function to address these issues. Specifically it will review current internal procedures for reasonableness and make changes where appropriate. Given that the environment is one of frequent turnover this will require coordination with the security function to establish adequate but reasonable time frames for removal from the system. Given DBHDS's operating environment, 24 hours may not be achievable. Estimated Completion Date: 7/1/2020	No
Improve Controls Over Access to the Commonwealth's Retirement Benefits System 2019-018 DBHDS	Responsible Contact Person(s): Stacy Pendleton - HR Director Corrective Action Planned: Will review VRS user roles and requirements for access. Will train on requirement to disable access within 24 hours of separation. DBHDS met with the APA to discuss these findings. We will provide a training presentation at the HR Forum in April. Estimated Completion Date: 5/1/2020	No
Improve Timely Removal of Critical System Access 2019-019 VDH	Responsible Contact Person(s): Rebecca Bynum - Director of Human Resources Corrective Action Planned: The Office of Human Resources (OHR) will evaluate and update policies and procedures, as necessary, to provide instruction for proper removal of staff that are separate or no longer need access. OHR will provide communication re: policies and procedures to agency business partners, including managers responsible for initiating and assuring proper separation actions. Estimated Completion Date: 6/20/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Perform System Access Reviews 2019-020 VDH	Responsible Contact Person(s): Diana Jordan - Director of Disease Prevention, Paula Garrett - Director of Community Nutrition, Stacey Ferrer - Director of Financial Management Corrective Action Planned: During the review period, three data systems have been in use to support the Ryan White (RW) related activities: E2Virginia recorded client level data for services other than the AIDS Drug Assistance Program (ADAP). User reviews for this system were conducted by email on a quarterly basis. The Division of Disease Prevention (DDP) Redcap RW module replaced E2Virginia. The DDP Redcap users are reviewed monthly on a rolling basis that is determined by the date the respective user was given access. The ADAP Database records client level data for individuals receiving medication, premium and co-payment assistance. The ADAP data manager did not complete all reviews. She was assigned to immediately perform and document a user access review. This was completed. Job descriptions for EP245, her supervisor (EP236), and the unit manager responsible for the Ryan White Program (EP237) were revised to clearly document that users reviews must be completed at least quarterly and signed by these positions by November 26, 2019. The next quarterly use review required prompting by the Division Director in order for EP245, EP236, and EP237 to complete. The Division Director will monitor until staff have completed 3 successive quarterly reviews without prompting. Until September 2019, the Business Analyst was sending out Crossroads User Access reports to all 35 Health districts individually and the coordinators responded if the report is correct or any changes needs to be made or any user must be deactivated from their Health District and changes were made based on their response accordingly. Since October 2019 there's a new process in place on how Crossroads access must be provided for each LA staff from the Health District. Each users role was reviewed to ensure they had the appropriate access based on their position. New access is provided for each staff member based on their roles and responsibilities once appropriate training is completed. This process is managed by the Nutrition Education Liaison. Currently, the Business Analyst generates one consolidated Local Agency User access report on a monthly basis and uploads them on our internal website. An email is sent to all 35 Health Districts Coordinators to have them review their Health District report and lets the Business Analyst know of any changes or any staff member's access deactivation. Responses are only needed if they find an error or need any changes/corrections. OFM will evaluate the current practice and implement the necessary procedures to ensure that all reviews are done in a timely manner with the appropriate level of review and sign-off. Estimated Completion Date: 10/24/2020	No
Improve Segregation of Duties Controls over the Payroll and Human Resources System 2019-021 UVA	Responsible Contact Person(s): Augie Maurelli, AVP for Financial Operations Corrective Action Planned: As noted, the University has proactively engaged an external consultant for a post-implementation review of segregation of duties associated with our HCM implementation. UVA Finance, ITS, HR, and Internal Audit have begun to evaluate and address the recommendations received in the report and will continue to do so through FY2020. UVA Finance will take the lead in addressing segregation of duties conflicts and creating an ongoing process in accordance with FIN-021 and ISO 27002, for evaluating, granting, and monitoring future access to the system, as well as resolving conflicts. Estimated Completion Date: 6/30/2020	No
Improve Process for Terminating Access to the Commonwealth's Retirement Benefits System 2019-022 UVA	Responsible Contact Person(s): David King, Senior HR Specialist for Benefits Corrective Action Planned: The University is developing an internal protocol with managers of the respective teams across Human Resources and Payroll to ensure the security administrator is notified in writing of a termination of anyone with current access to the system. Furthermore, the University will check the access list regularly and compare against active termination records to ensure that access is terminated timely. Estimated Completion Date: 1/1/2020	No
Improve Patient Accounting, Billing, and Management System Segregation of Duties 2019-023 UVAH	Responsible Contact Person(s): Mark Pulcinski Corrective Action Planned: The Medical Center continues to implement the processes in order to demonstrate appropriate segregation of duties within the Patient Billing system, therefore strengthening internal controls within the Medical Center, while minimizing risk. Estimated Completion Date: 6/30/2020	No

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Remove Separated Employee Access in a Timely Manner 2019-024 DMAS	Responsible Contact Person(s): William Burnette - Information Security Officer, Office of Compliance and Security Corrective Action Planned: In January 2019, DMAS implemented a K-2 Workflow to ensure all divisions receive uniform notification and acknowledge when they completed the assigned tasks. This gives more visibility to the process. In December 2019, the CISO Office of Compliance and Security (OCS) notified all agency supervisors of the gaps arising out of delayed notification. OCS will continue to work with HR on improving the K2 WorkFlow process to ensure supervisors and managers are properly following the exit clearance process. HR has been monitoring the system to ensure all separated employees have been entered into the system. HR includes this process in the quarterly HR Compliance and Process Training for DMAS Managers. OCS reviewed its process and identified a control gap. OCS changed the process to ensure system access is removed before signing off in the K-2 workflow that the task was completed. Access is removed on the last day of work which meets or exceeds the Security Standard. OCS Updated its policy to accurately state that access must be removed within 24 hours after separation. Estimated Completion Date: 3/31/2020	No
Continue to Improve Controls Over Role Access 2019-025 TAX	Responsible Contact Person(s): Patricia Higgins - Assistant Commissioner, Vengatesh Agaram - Assistant Commissioner Corrective Action Planned: Phase I (Jan-March 2020): Assemble a leadership workgroup to review circumstances surrounding the 14 of 35 roles accessed which provided excess authority of employee job duties. Goal is to identify communication, technology and operational breakdowns and opportunities for strengthening controls. Phase II (April-May 2020): Prioritize specific steps and initiatives to further strengthen controls, reduce unnecessary critical access, and ensure least privilege is maintained. These efforts may include technology enhancements, training and educational opportunities, policy and procedure changes, ongoing monitoring and review of roles, and memorialized documentation. Phase III (June-August 2020): Implementation of enhancements to include; communications, training and education, systems changes, and post recertification quality review. Estimated Completion Date: 8/30/2020	No
Continue to Improve Information System Access Controls 2019-026 TD	Responsible Contact Person(s): Vicki Bridgeman, Director of Unclaimed Property Deborah Edwards, Information Security Officer Corrective Action Planned: Treasury will continue to improve policies and procedures to include a timely review of its detective controls. Additionally, Treasury will continue to utilize least privilege and separation of duties when assigning access to systems. Estimated Completion Date: 6/30/2020	No
Improve Access Controls to Critical Systems 2019-027 DSS	Responsible Contact Person(s): Barry Davis - Director of Information Security and Risk Management Stephanie Larson - Director, Organizational Development Corrective Action Planned: DSS does not have sufficient policies and procedures in place to ensure access is granted based on least privilege, access is removed timely, includes accurate conflicting access roles and periodic reviews of access are completed. ISRM has met with Organizational Development to develop a process to notify ISRM when an employee's employment status is changing (i.e., termination or transfer). This will help ISRM ensure that access is removed when an employee leaves DSS or moves to a position that no longer requires a given system access. ISRM will use exception reports in SAMS (e.g., LDAP to Personnel Data Mismatch, Possible Employee Transfer) to identify users that may have separated or transferred, and will remove the users' systems access. ISRM has updated the documented standard operating procedure (SOP) for terminating systems access. The SOP now identifies the system access that is not managed in SAMS (e.g., EPPIC ECC) and the corresponding State employee user groups (e.g., the Division of Child Care & Early Childhood Development, Young Williams). This will help ISRM ensure access is removed for EPPIC ECC when a user separates from DSS. ISRM will perform annual access reviews for EPPIC ECC to ensure that a) user accounts belong to current DSS employees with a valid business need for access; and b) a user has only the least amount of access required to perform assigned job functions. Further, Organizational Development will update the separation and transfer checklist to include Cardinal access removal, as well as any other systems not controlled by the central authentication system. Estimated Completion Date: 9/1/2020	No

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Continue Improving Controls for Processing Access Terminations and Changes 2019-028 DMV	Responsible Contact Person(s): Beau Hurley - Chief IT Security & Agency Risk Management Corrective Action Planned: The Department of Motor Vehicles understands the need for timely account disablement for separating employees and has made significant progress on our internal controls. In the evaluation of the controls supporting this process we considered all technical controls and those requiring human interaction. Estimated Completion Date: 6/30/2020	No
Perform Annual Access Review of Information Systems 2019-029 DOC/CA	Responsible Contact Person(s): Lucinda Childs-White / Human Resources Director Corrective Action Planned: The Department of Corrections established an annual control process for reviewing users' access. At the end of the performance year, supervisors were required to review their employees' "Employee Work Profile". During this annual process, supervisors reviewed and updated the Computer Application Access Checklist to ensure that accesses were modified as needed. The Office of Human Resources at Headquarters strengthened the operational controls of our systems by implementing an annual validation cross check of user access to our Attendance/Leave and Human Resource (HR) systems. These additional measures have been included in the aforementioned procedure. This internal procedure was provided to all applicable personnel, discussed in monthly HR staff meetings, documented in the monthly HR newsletter, and electronically housed in a shared access platform by June 30, 2019. Our remaining time and attendance system will not require additional cross check verification, as it is linked to the HR system. When employees are removed from the HR system, their access to the time and attendance system is automatically removed. Therefore, when HR cross checks the HR system, the time and attendance system will also be cross checked and reviewed. Estimated Completion Date: 6/30/2020	No
Improve Logical Access Controls for Users with Privileged Access 2019-030 ABC	Responsible Contact Person(s): Paul Williams, CIO Corrective Action Planned: ABC will update account management of users with privileged access. Additionally, there is a concerted effort to adopt and implement the security standards now that the appropriate policies have been implemented. Virginia ABC will update our progress, on a quarterly basis, with the Virginia Department of Accounts (DOA). Estimated Completion Date: 6/30/2020	No
Improve Database Security 2019-031 VDOT	Responsible Contact Person(s): David Caudill - Division Administrator for Tolling Division Theresa Hadden - Division Administrator for Information Technology Corrective Action Planned: The APA identified that a database security control for a sensitive system's database did not meet the security standard. VDOT had addressed that control by assigning an independent database administrator from the VDOT Central Office Information Technology Division to independently review the log files generated by the project team members. Based on the APA's feedback, VDOT have modified our log file review process to change the independent reviewers to the Division Head and Designee who are the application business owners. The new process automatically generates audit log files daily and emails the files to the business owner and designee. ITD will conduct training on reviewing the audit logs and has developed a procedure that provides guidance on how to review and identify anomalies. Upon completion of the business owner review, the log files are stored on the VDOT file server and retained for 12 months. Estimated Completion Date: 1/30/2020	No
Implement Process for Ongoing Monitoring of System Access 2019-032 DOE/COO	Responsible Contact Person(s): Sandra Curwood - Director of School Nutrition Corrective Action Planned: Management is aware of the importance of removing temporary system access following the completion of tasks. In addition, management has begun development of formal policies and procedures for periodic monitoring of existing user access to ensure that accurate access and rights are maintained for systems in our School Nutrition Programs. Management would like to note that the system access in this case did not affect school divisions' previous approvals for participation in particular school nutrition programs, nor the reimbursement rates for the programs in which they were approved to participate. Estimated Completion Date: 6/30/2020	No

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Improve Web Application Security 2019-033 DOA	Responsible Contact Person(s): Pam Tauer - CTO Corrective Action Planned: Ticket RITM0189384 opened on January 23, 2020 requesting the security configuration setting be reviewed and modified by Service Provider to align with the Commonwealth's SEC501 Security Standard. Estimated Completion Date: 3/6/2020	No
Improve the Budget System Database Governance and Security 2019-034 DPB	Responsible Contact Person(s): Michelle Vucci - Associate Director for Administrative Services Corrective Action Planned: DPB has worked with its external vendor to convert its staff augmentation contract to a defined statement of work agreement that clearly delineates base level operations and maintenance support, which includes optional support to address activities that may fall outside the baseline operations agreement. This statement of work has finalized and is moving through the procurement process. Estimated Completion Date: 4/30/2020	No
Improve Web Application Security 2019-035 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO, Don Tyson - IT Manager Corrective Action Planned: DBHDS plans to have the administrator cross train other IT developers to support the system as secondary and tertiary resource for backup administrator support. The application is in the process of moving to a cloud based platform. DBHDS is currently updating the risk assessment to ensure sufficient mitigating controls are in place. The administrator has been moved, Daily, Weekly, Monthly and Yearly tasks documentation has been requested and will be used to create a reference document for cross training additional DBHDS staff. Estimated Completion Date: 7/1/2020	No
Improve Access Controls over the Internal Accounting and Patient Revenue Systems 2019-036 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO, Don Tyson - IT Manager Corrective Action Planned: DBHDS will improve access controls. This will include continuing to conduct security monitoring activities at all regions and facilities and ensuring they are sufficiently documented. Estimated Completion Date: 8/1/2020	No
Improve Web Application Security 2019-037 DSS	Responsible Contact Person(s): Roland Rivera - Deputy Commissioner Technology Barry Davis - Director of Information Security and Risk Management Corrective Action Planned: DSS does not configure a sensitive web application in accordance with the Security Standard. Social Services should develop a plan to implement the controls discussed in the communication marked FOIAE in accordance with the Security Standard in a timely manner. Doing this will help to ensure Social Services secures the web application to protect its sensitive and mission critical data. The Division of Enterprise Systems will dedicate resources to remediate security patch issues, scan vulnerabilities, continuous monitoring and logging, header sanitization, and encryption. Estimated Completion Date: 9/1/2020	No
Improve IT Change and Configuration Management Process 2019-038 DSS	Responsible Contact Person(s): Roland Rivera - Deputy Commissioner Technology Corrective Action Planned: DSS does not follow an IT change and configuration management process that includes all elements required by the Security Standard. Change management is a key control to evaluate, approve, and verify configuration changes to security components. Social Services should develop a plan to implement the controls discussed in the communication marked FOIAE in accordance with the Security Standard in a timely manner. DIS and ISRM will dedicate resources to monitor activity of privileged users authorized to make changes to production environments. Estimated Completion Date: 9/1/2020	No

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Improve Web Application Security 2019-039 VDH	Responsible Contact Person(s): Suresh Soundararajan - Chief Information Officer, Stephanie Williams-Haynes - Information Security Officer Corrective Action Planned: CrossRoads application is subject to releases as scheduled by the CrossRoads's states' user group. The technology upgrade will allow the state to switch. This technology upgrade is currently planned for release 2.5 which the user group has scheduled for EARLY 2021. A finalized schedule for release 2.5 is due to the user group in LATE 2020. DXC (software vendor) notified in July 2019 of vulnerabilities identified in Quarterly VITA scan. The current status of this ticket is "XR Approved for Release Management; CR or Ticket is fully approved and ready assignment to a release". Health will perform an additional, more detailed, scan in QA environment during April 2020. Following this scan, VDH will open additional tickets with DXC for each URL scanned. March 2020 - Update : VDH is currently working to procure a sole source contract with DXC LLC to cloud host the Application and enhance and maintain the application. The new contract is expected to be signed by March 31, 2020. The vendor has worked with VITA and obtained ECOS approval. VDH and the vendor sanitized the header information for the web application September 23, 2019. Office of Information Management developed a change management procedure and process to include system impact analysis and supporting documentation on all Health's IT systems. Director of Information is coordinating with Office of Information to incorporate. The baseline configuration was reviewed and updated on September 10, 2019 and will be reviewed on an annual basis or as changes to architecture occur. VDH is now receiving backup emails from VITA. Estimated Completion Date: 6/1/2021	No
Improve Server Operating System Security 2019-040 VAL	Responsible Contact Person(s): David Harris - IT Operations Manager, Paul Battle - Information Security Manager Corrective Action Planned: CIS Benchmarks have been applied to the Financial Management System and documentation has been prepared to explain any deviations. Estimated Completion Date: 6/26/2019	No
Improve Vulnerability Remediation Efforts 2019-041 DOE/COO	Responsible Contact Person(s): Tim Tillman - CISO Corrective Action Planned: Management recognizes the concerns outlined in the report. DOE will continue to work with the Partnership (i.e., Virginia Information Technologies Agency) to ensure that installation of current security patches and other updates for its IT systems and workstations are conducted. DOE will also monitor additional resources that may be provided by the Partnership in support of improving this area. Estimated Completion Date: 6/30/2020	No
Improve Web Application Security 2019-042 DOE/COO	Responsible Contact Person(s): Tim Tillman - CISO Corrective Action Planned: Management would like to note that this finding was corrected during the course of the audit. Management will ensure that this information remains in the corrected status for future reviews and audits. Estimated Completion Date: 12/31/2019	No
Improve Database Security 2019-043 ABC	Responsible Contact Person(s): Paul Williams, CIO Corrective Action Planned: ABC will adopt the appropriate benchmark in order to align with industry best practice and implement the controls and configurations within our capability. For any that remain, Virginia ABC will document our business needs, explore mitigating, compensating controls, and will pursue security exceptions as may be necessary. Virginia ABC will update our progress, on a quarterly basis, with the Virginia Department of Accounts (DOA). Estimated Completion Date: 12/31/2020	No
Improve Database Security 2019-044 VEC	Responsible Contact Person(s): David Portner, Information Technology Director Corrective Action Planned: Due to the FOIA exempt nature of this finding, the detailed planned corrective actions have not been included. The VEC is taking corrective actions to address the weaknesses; one of the weaknesses has been completed and work is continuing to remediate the remaining four weaknesses. Estimated Completion Date: 6/30/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve IT Contingency Management Program 2019-045 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO Corrective Action Planned: DBHDS is changing the infrastructure to a more cloud based architecture which will provide greater availability of resources. This change is based on approved cloud based funding. Continuity of Operations Plans and Disaster Recovery Plans are changing to support the new infrastructure. Estimated Completion Date: 6/30/2020	No
Improve Disaster Recovery for Sensitive Systems 2019-046 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO Corrective Action Planned: DBHDS will submit a Request for Service (RFS) to SAIC to request a cost estimate to subscribe to the tier 1 support model for all its infrastructure. The previous quoted costs prohibited the ability to financially support the need. Estimated Completion Date: 6/30/2020	No
Improve Contingency Management Program 2019-047 VDH	Responsible Contact Person(s): Suresh Soundararajan - Chief Information Officer, Stephanie Williams-Haynes - Information Security Officer Corrective Action Planned: Office of Information Management will continue to work with VDH senior leadership on the agency's Continuity Program. VDH ISOs have successfully completed the Business Impact Analysis (BIA) for 2019 to include a list of primary business functions with management approvals on the BIAs. VDH leadership also established an IT systems prioritization group to identify mission essential functions, identified the tier levels for disaster recovery services, and IT systems prioritization. The Office of Emergency Preparedness (OEP) and the Office of Information Management (OIM) have scheduled an Agency COOP test and exercise to include IT systems in March 2020. Agency-wide COOP test will be planned. Estimated Completion Date: 3/31/2020	No
Improve the Disaster Recovery Plan 2019-048 VDH	Responsible Contact Person(s): Suresh Soundararajan - Chief Information Officer, Stephanie Williams-Haynes - Information Security Officer Corrective Action Planned: Agency Head has signed off on the 11 IT sensitive systems and tier 4 disaster recovery services for these system. Estimated Completion Date: 6/1/2020	No
Develop Records Retention Requirements and Processes for Case Management System 2019-049 DSS	Responsible Contact Person(s): Deborah Vaughn - Enterprise Systems Corrective Action Planned: Social Services did not make progress to develop and implement electronic records retention requirements for its case management system. Federal regulations require different record retention requirements for different federal programs. Additionally, the Virginia Public Records Act (§ 42.1-91 of the Code of Virginia) requires each agency to be responsible for ensuring that its public records are preserved, maintained, and accessible throughout their lifecycle, including converting and migrating electronic records as often as necessary so that information is not lost due to hardware, software, or media obsolescence or deterioration. The Virginia Department of Social Services, Division of Enterprise Systems has Change Request CR435: Records Purge and Retention tentatively on the schedule for November 2020 release and deployment. The business cites tentative due to IT leadership changes and the fact that agency priorities may cause adjustment to any and all scheduled changes. Estimated Completion Date: 11/30/2020	No
Continue to Improve Disaster Recovery Planning Documentation 2019-050 TAX	Responsible Contact Person(s): Ed Cooper - Deputy CTO Corrective Action Planned: Tax is working to update the Contingency Plan (CP) and Disaster Recovery Plan (DRP) to reflect Business Impact Analysis (BIA) business requirements. Due to delayed responses from VITA regarding the Disaster Recovery contract offerings to include definition of Recovery Time Objectives (RTO), the project completion date will be impacted. Estimated Completion Date: 8/30/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Complete and Approve the System Security Plan 2019-051 DMAS	Responsible Contact Person(s): William Burnette - Information Security Officer, Office of Compliance and Security Mike Jones - Acting Chief Information Officer, Information Management Division Corrective Action Planned: DMAS OCS reviewed the latest update received from Conduent in January 2020 and communicated the major gaps in February 2020. OCS has approved 147 out of 450 controls but many are still not at a maturity level that OCS expects for a compliant system. Over the next quarter, DMAS OCS (Don Danielson) will work with Conduent through direct weekly meetings with the SMEs at Conduent to review individual controls. DMAS OCS will validate the documentation that supports the controls. The next check point for phase 1 will be March 31, 2020 with a goal of over 200 controls approved. DMAS OCS will approve the SSP after it thoroughly reviews the documentation and ensures that the SSP meets the COV Information Security Standards (SEC501-11.1 PL-2 – System Security Plan). OCS will set deadlines for Conduent with the overall completion date to be June 30, 2020, and will work with the DMAS Contract Monitor for Conduent to prioritize this requirement. Estimated Completion Date: 6/30/2020	No
Develop a Process to Maintain Oversight for Third-Party Providers 2019-052 DSS	Responsible Contact Person(s): Roland Rivera - Deputy Commissioner Technology Barry Davis - Director of Information Security and Risk Management Corrective Action Planned: DSS does not have a formal process to manage its third-party Software as a Service (SaaS) providers that fall under the Virginia Information Technologies Agency's (VITA) Enterprise Cloud Oversight Service (ECOS). Social Services uses VITA's ECOS to assist the agency with gaining assurance that its SaaS providers implement the minimum security requirements required by the Commonwealth's Hosted Environment Information Security Standard, SEC525 (Hosted Environment Security Standard). The Virginia Department of Social Services (DSS), Department of Information Systems (DIS), Department of Information Security and Risk Management (ISRM), and Department of General Services (DGS) will dedicate resources to developing a formal policy, procedure, and process to review and maintain VITA ECOS documentation. Procedures will detail a process to monitor and maintain the VITA ECOS oversight program of third-party SaaS providers. DSS will develop procedures to address inadequate security controls identified in VITA ECOS documentation. ISRM will coordinate with DGS to develop a policy that ensures security compliance is enforced as part of the vendor's contractual obligations. Estimated Completion Date: 9/1/2020	No
Create Processes for Review and Assessment of Third-Party Service Provider's Controls 2019-053 DBHDS	Responsible Contact Person(s): Dan Hinderliter - Director of Procurement and Administrative Services Corrective Action Planned: DBHDS has already implemented update requirement language and boilerplate documents to address future contracts. Estimated Completion Date: 2/14/2020	No
Practice Oversight of Service Providers Throughout the Lifecycle of a Project 2019-054 DMV	Responsible Contact Person(s): Beau Hurley - Chief IT Security & Agency Risk Management DMV will include a higher degree of oversight from the moment the vendor has the ability to present risk to the agency and work with the Commonwealth CISO on possible changes that we could make to Commonwealth Security Standards to establish more concrete requirements on what needs to be reviewed as part of vendor oversight. Estimated Completion Date: 5/1/2020	No
Improve Security Awareness Training Program 2019-055 UVA/AD	Responsible Contact Person(s): Jason C. Belford, Chief Information Security Officer Corrective Action Planned: As part of its risk-based approach to information security, the University will revise its policies, standards, and guidelines concerning general security awareness training to align more closely with ISO 27002. The University will update its requirements to "recommend" general security training for all employees and will continue to encourage all employees to successfully complete the general security training. Employees accessing Highly Sensitive Data (HSD) will continue to be required to complete security awareness training. Estimated Completion Date: 6/1/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve Security Awareness Training Program 2019-056 ABC	Responsible Contact Person(s): Paul Williams, CIO ABC will require users to take annual security awareness training within a set time of assignment and will produce monthly tracking reports communicated to directors throughout the organization and quarterly reports to the Virginia ABC Board. All users who have not completed training after the set period of time will have their accounts disabled until the training is complete. Virginia ABC will also establish a program for new hires to take training as an integrated part of the current new employee orientation. Virginia ABC will also conduct role-based security training for all appropriate employees. Virginia ABC will update our progress, on a quarterly basis, with the Virginia Department of Accounts (DOA). Estimated Completion Date: 12/31/2020	No
Improve Web Application Security Controls 2019-057 DHRM	Responsible Contact Person(s): Bradley Paul - DHRM IT Systems Architect Maurice Coles - DHRM InfoSec Security Analyst Corrective Action Planned: DHRM Information Technology Systems Operations staff is working with VITA/SAIC partnership to review and replace the depreciated encryption protocols and to review the web server headers, assuring the sanitization is done and implemented by the partnership; DHRM Information Security staff is monitoring the progress. Estimated Completion Date: 6/30/2020	No
Improve Web Application Security 2019-058 TD	Responsible Contact Person(s): Deborah Edwards - Information Security Officer Corrective Action Planned: Treasury will develop a plan to address the control discussed in the communication marked FOIAE in accordance with the Security Standard in a timely manner. Estimated Completion Date: 6/30/2020	No
Continue Improving Database Security 2019-059 DSS	Responsible Contact Person(s): Roland Rivera - Deputy Commissioner Technology Barry Davis - Director of Information Security and Risk Management Corrective Action Planned: DSS continues to not perform certain security procedures over the databases supporting its financial reporting system and case management system in accordance with the Security Standard and industry best practices. We communicated the weaknesses for both systems to management in a separate document marked Freedom of Information Act Exempt (FOIAE) under § 2.2-3705.2 of the Code of Virginia due to its sensitivity and description of security controls. The Virginia Department of Social Services, Department of Information Systems and Department of Information Security and Risk Management are dedicating resources to implementing audit logging and monitoring over the databases. Estimated Completion Date: 9/1/2020	No
Continue Improving Database Security 2019-060 DOE/COO	Responsible Contact Person(s): Tim Tillman - CISO Corrective Action Planned: Management is aware of the importance of meeting the requirement in the Commonwealth Security Standard to ensure confidentiality, integrity and availability of data within the database or the information it reports. DOE has made significant improvements in database security since the 2018 audit. DOE continues to work with the Partnership and due to the lack of responsiveness is in the process of pursuing alternative software through a 3rd party to report this information in order to achieve compliance with the Security Standard. Estimated Completion Date: 6/30/2020	No
Dedicate Resources to Support Information Security Program 2019-061 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO Corrective Action Planned: DBHDS IT has conducted a review of current applications and certified approximately 133 sensitive systems. DBHDS management will analyze staff requirements to maintain current applications and implement information security controls efficiently. Based on the analysis result, staffing will be increased to necessary levels to meet the audit finding objectives. Estimated Completion Date: 2/18/2021	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Develop Baseline Configurations for Informations Systems 2019-062 DBHDS	Responsible Contact Person(s): Robert Hobbelman - CIO Corrective Action Planned: DBHDS is will be resubmitting to SAIC a request to receive all the base configurations from the infrastructure side. Estimated Completion Date: 6/30/2020	No
Continue Improving IT Risk Management Program 2019-063 DSS	Responsible Contact Person(s): Barry Davis - Director of Information Security and Risk Management Corrective Action Planned: DSS does not have documentation supporting the IT System and Data Sensitivity Classifications for one system (2.5%) out of a total of 40 sensitive systems. The Security Standard, section 4, requires Social Services classify the IT system as sensitive if any type of data handled by the system is sensitive based on confidentiality, integrity, or availability. The Department of Social Services, Information Security and Risk Management Division is in the process of reviewing candidates for the unfilled Risk Manager position. The Risk Manager's job duties will include updating data classification for sensitive systems, conducting and updating risk assessments, conducting and updating system security plans, and developing corrective action plans for outstanding risks. Estimated Completion Date: 9/1/2020	No
Mitigate Server Vulnerabilities 2019-064 TAX	Responsible Contact Person(s): Simon Xue - CISO Corrective Action Planned: TAX leadership formally communicates the status of this issue with VITA executive management each quarter. Estimated Completion Date: 6/30/2021	No
Complete a Risk Assessment for Each Sensitive System 2019-065 TAX	Responsible Contact Person(s): Simon Xue - CISO Corrective Action Planned: Virginia Tax will implement a risk assessment plan that will assess and report risks of sensitive systems as required by SEC 501. Estimated Completion Date: 9/1/2020	No
Improve IT Asset Surplus Process 2019-066 VCU	Responsible Contact Person(s): Dan Haan - Chief Information Security Officer Corrective Action Planned: VCU utilizes a three tiered policy framework to govern its operations related to information technology and information management that includes top level policies, middle tier technology standards, and the technical operational baselines. As such, the Media Sanitization Baseline is a set of technical operational procedures that is governed by the Computer and Network Resource Use Policy and Information Security Policy, enforced through the Data Handling and Storage standards. The aforementioned standard is up for its triennial update and VCU will modify the standard to provide additional clarification on IT asset disposal. Further, VCU will review and update as necessary, its media sanitization baseline to include additional guidance on media sanitization and destruction. Estimated Completion Date: 6/30/2020	No
Comply with Employment Eligibility Requirements 2019-067 DBHDS	Responsible Contact Person(s): Stacy Pendleton - HR Director Corrective Action Planned: DBHDS will ensure all facility Human Resources staff are trained on employment eligibility requirements, on how to fill out the I9, and on how to use E-verify. It should be noted that training was offered to staff in December 2018. In 2020 we will continue to offer training on completing the I9 process. USCIS is offering training in March and April on the I9 - this information has been shared with field HR. Estimated Completion Date: 5/1/2020	No
Perform Reconciliation between the Commonwealth's Payroll and the Accounting and Financial Reporting Systems 2019-068 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting Corrective Action Planned: This issue is one of post payroll certification. DBHDS Finance has developed a checklist that each facility will be required to complete and sign indicating that all post payroll certification functions have been performed. DBHDS Finance has quarterly CFO meetings where this issue will be raised. DBHDS Finance will provide appropriate training and assessment as necessary. Estimated Completion Date: 2/20/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve Controls over Payroll Certifications 2019-069 DBHDS	Responsible Contact Person(s): Andrew Diefenthaler - Chief Financial Officer, Ken Gunn - Director of Budget Execution and Financial Reporting Corrective Action Planned: DBHDS will address the need to adjust specific procedures in this area at our quarterly CFO meetings this year. Specific and standardized procedures across all facilities and the Central Office will be developed. Estimated Completion Date: 7/1/2020	No
Retain Documentation of Property Collection and Removal of Terminated Employee Badge Access 2019-070 DBHDS	Responsible Contact Person(s): Stacy Pendleton - HR Director Corrective Action Planned: DBHDS HR staff met with the APA to review these findings. Termination process/policy will be updated and shared with all facilities. Training will be provided and presentations will be given at the DBHDS HR Forum in April. Estimated Completion Date: 5/1/2020	No
Ensure Terminated Employees Are Properly Classified in the Payroll System 2019-071 DBHDS	Responsible Contact Person(s): Stacy Pendleton - HR Director Corrective Action Planned: Training on CAPP Manual Topic 50320 will be reviewed at the DBHDS HR Forum in April. Information will be shared with payroll staff for training. Estimated Completion Date: 5/1/2020	No
Properly Approve and Monitor Administrative Employee Overtime 2019-072 DBHDS	Responsible Contact Person(s): Stacy Pendleton - HR Director Corrective Action Planned: Training on DHRM policies regarding hours of work and OT will be reviewed at the DBHDS HR Forum. Estimated Completion Date: 5/1/2020	No
Strengthen the Employee Off-Boarding Process 2019-073 VDH	Responsible Contact Person(s): Stacey Ferrer - Director of Financial Management Corrective Action Planned: The Office of Information Management will work with HR on improving the internal controls around the agency's staff separation process. Estimated Completion Date: 6/1/2020	No
Enhance the Overtime Reporting Process 2019-074 VDH	Responsible Contact Person(s): Stacey Ferrer - Director of Financial Management Corrective Action Planned: The Office of Information Management will work with the business units on the proper way to complete the overtime form. Estimated Completion Date: 6/1/2020	No
Develop and Implement Policy for Monitoring Part-time Employee Hours 2019-075 VDH	Responsible Contact Person(s): Stacey Ferrer - Director of Financial Management Corrective Action Planned: The Office of Information Management will evaluate the current practice and implement the necessary procedures to ensure that part time employees' time are monitored and does not exceed the threshold. Estimated Completion Date: 6/1/2020	No
Improve Timesheet Approval Process 2019-076 UVA/AD	Responsible Contact Person(s): Paul Grisdale, Payroll Director Corrective Action Planned: The University will review the timesheet approval process and take the necessary steps to create adequate timesheet controls. Estimated Completion Date: 6/30/2020	No
Implement Internal Controls to Terminate Benefits for Employees Convicted of a Felony 2019-077 DMV	Responsible Contact Person(s): Catey Dickensheets - Director of Human Resources Corrective Action Planned: DMV has now put in place an internal process that will keep HR apprised of all pending court cases involving current and former employees that may result in the initiation of the VRS process. DMV management is confident that moving forward, the agency will initiate the benefits forfeiture process in a timely manner. Estimated Completion Date: 10/1/2019	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Perform and Document Commonwealth's Retirement Benefits System Reconciliations 2019-078 DBHDS	Responsible Contact Person(s): Stacy Pendleton - HR Director Corrective Action Planned: All facilities have the identical policy; however, it is not always being followed properly. DBHDS will work with its facilities to ensure all employees are trained on the procedures. DBHDS has reached out to VRS for further training and draft policy/process on the VNAV process. This will allow CO to better train and audit the facilities compliance with this requirement. DBHDS HR staff met with the APA to discuss this finding. APA gave guidance on what was missing in policy/process. Estimated Completion Date: 6/30/2020	No
Improve Documentation and Timeliness of Retirement Benefits System Reconciliations 2019-079 DOC/CA	Responsible Contact Person(s): Lucinda Childs-White / Human Resources Director Corrective Action Planned: The Office of Human Resources within the Department of Corrections (DOC) has a systematic process for reconciling essential retirement data between the Human Resources Information System and the Virginia Retirement Benefits System. DOC's Human Resource procedure was revised to include the appropriate process for maintaining documentation of the reconciliations between the two systems. Subsequently, the enhanced procedures for reconciliation between the human resources system and the retirement benefits system was distributed to Human Resource (HR) Officers and HR support staff at the annual conferences in the Fall of 2018. The updated procedure was also communicated to the Department's HR community during monthly staff meetings, outlined in a monthly HR newsletter, and distributed to HR staff by mass email. As the HR Office at Headquarters has reinforced the importance of thorough and timely reconciliations with Department HR staff, these actions assisted the Payroll Department in resolving credible compensation reconciliation in a timely manner. An internal HR procedure has been drafted that addresses how to perform and document reconciliations. This procedure was finalized, approved by management, and shared with DOC staff by June 30, 2019. The Human Resources Director generated a memo to the HROs with a copy to unit heads. The purpose of this memo was to further emphasize the importance of clearing discrepancies prior to certifying the Virginia Retirement System snapshot. Estimated Completion Date: 6/30/2020	No
Perform Monthly Reconciliations of the Payroll and Retirement Systems 2019-080 VDH	Responsible Contact Person(s): Stacey Ferrer - Director of Financial Management Corrective Action Planned: VDH has implemented the monthly review process. Estimated Completion Date: 1/20/2020	No
Ensure Completion of the Commonwealth's Retirement Benefits System Reconciliation Process 2019-081 UVA	Responsible Contact Person(s): Mary Carter - Retirement Plan Administration Associate, Erica Wheat - HR Manager Benefits Leave and Payroll, David King - Senior HR Specialist for Benefits Corrective Action Planned: The University implemented a new Human Resources and Payroll System during the fiscal year and the integration with the Commonwealth's Retirement Benefits System was one of the most complex integration in its tenant. Accordingly, a significant amount of resources and testing was required to ensure a clean, production quality dataset prior to reconciliation. The University has hired a full-time dedicated resource to handle reconciliations and work is underway to catch up past due reconciliations. Estimated Completion Date: 6/30/2020	No
Improve Internal Controls for Reviewing Exceptions in the Commonwealth's Retirement System 2019-082 DMV	Responsible Contact Person(s): Catey Dickensheets - Director of Human Resources Corrective Action Planned: DMV has since hired a new Compensation and Benefits Manager who is currently documenting a process for reviewing and reconciling discrepancies, establishing and training a main point of contact within DMV as well as a back-up, and developing a means to retain supporting documentation. DMV continues to partner with Virginia Retirement System in order to receive automated reconciliation reports in a timely, routine manner. Estimated Completion Date: 6/1/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Ensure Employees Complete Required Conflict of Interest Training 2019-083 DMAS	Responsible Contact Person(s): Kathleen Guinan - Human Resources Division Director Corrective Action Planned: The Human Resources Division (HR) includes a reference to completion of an annual Statement of Economic Interests (SOEI) on all job postings for positions of trust. HR has also added a reference on the job postings about the required Conflict of Interest Act (COI) Training. In addition, employment offer letters state that employees in positions of trust must complete a SOEI at hire and annually thereafter. Senior management has agreed that DMAS will require SOEI filers to complete the COI Training annually rather than every two years. Tracking anniversary dates for each filer's two-year window is cumbersome and inefficient. Filers also have difficulty remembering when they last took the training. Going forward, we will require filers to take the training (once updated by the Council and the OAG) by March 30, 2020 each year. HR has also added information in employment offer letters about the COI training requirement and their responsibilities. Before new hires who will hold positions of trust start employment, HR sends an email to their personal email addresses (since no COV account yet) to inform them that they have to complete the SOEI on or before the date of employment. HR includes information in the email about the required COI training and that they will have to complete the training within the first two months of employment. HR will follow-up on all new employees designated in positions of trust to ensure they complete the required COI training within two months of hire to ensure that they complete the training. Email follow-up with employees will include copies to managers and directors so that as the APA states, employee will be held "accountable." HR has continued to work with the Ethics Council Coordinator regarding issues with the database and managing DMAS' information on positions of trust. HR also works with the Ethics Council Coordinator to answer questions that DMAS filers may have when they are completing a SOEI. In December 2019, HR performed the annual update to the Disclosure System and verified that the DMAS employees, associated positions, and contact information was correct in the system. On January 7, 2020, HR initiated notifications from the Disclosure System for completion of the SOEI. It is an extremely manual process to track the COI training because the COI training on the Virginia Learning Center (VLC) does not interface with the Ethics Council's Disclosure System. The systems also do not notify filers when training has not been completed. The VLC report only reflects those who took the training not those who did not take the training. The Virginia Learning Center (VLC) site was not updated is with the most up-to-date version (2020) until mid-February. HR will announce that the COI training for 2020 must be completed by March 31, 2020 and will follow-up to ensure all SOEI filers complete the training. Estimated Completion Date: 6/30/2020	No
Ensure Compliance with Conflict of Interests Act 2019-084 DSS	Responsible Contact Person(s): Stephanie Larson - Director, Organizational Development Corrective Action Planned: Human Resources did not properly identify all employees and board members holding a position of trust, to ensure required disclosures were properly filed. DSS employees in Positions of Trust, who had not completed the training, were given the corrected instructions that the initial training should be completed within 2-months of hire. All identified employees have since completed the SOEI training. DSS Board Members were confirmed for the FY2020 cycle and will be added to the site during the enrollment FY2020 period. Estimated Completion Date: 2/28/2020	No
Comply with the Conflicts of Interest Act 2019-085 VDH	Responsible Contact Person(s): Jamie Porter - SBS Director Corrective Action Planned: VDH updated the SOEI Orientation/Training notification process. VDH is also in discussion with the Office of Information Management (OIM) to explore an improved automated notification system. Estimated Completion Date: 6/20/2020	No
Develop Policies and Procedures to Ensure Compliance with Conflict of Interest Act Requirements 2019-086 UVA	Responsible Contact Person(s): Tom Kim, Manager of HR Business Operations Corrective Action Planned: The University of Virginia will make the following corrective actions: By January 10, 2020 , notify employees to complete SOEI training. By January 10, 2020 , notify employees to file their SOEI. By March 31, 2020, implement a process that would require SOEI training for SOEI identified positions, and implement a process for continuous monitoring of completion. By March 31, 2020, implement a process through which new employees will file the SOEI and complete training as they are hired. Estimated Completion Date: 3/31/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve the Process to Identify Individuals in a Position of Trust 2019-087 VPISU/ID	Responsible Contact Person(s): Bryan Garey - VP for Human Resources Corrective Action Planned: Assign coordinator for SOEI program (completed October 1, 2019). Complete review of all 17,506 employees, including review with COI team to include their list (complete by December 20, 2019). Update SOEI spreadsheet identifying all required positions (complete by Dec 30, 2019). Review of new hires/terms (monthly, starting in December 2019, and monthly thereafter through 2020). Add/review required positions and initiate communication with new hires (monthly starting in December 2019 through 2020). Review monthly those who have completed the new hire requirement (monthly starting in December 2019 through 2020). Notify employee two times then senior management if the employee has not completed form or training completed for annual requirements. Explore the possibility of adding SOEI tag to position descriptions in Page Up (complete review by March 31, 2020 – if feasible, complete by May 1, 2020). Explore options for onboarding communication. Report those who do not complete the required training to senior management (Provost or SVP as appropriate) for further review (start in January 2020 with the annual reporting date). Estimated Completion Date: 5/1/2020	No
Improve Controls over the Income Verification for the TANF Program 2019-088 DSS	Responsible Contact Person(s): Toni Washington - Director of Benefit Programs Corrective Action Planned: Social Services does not have adequate controls in place to ensure accurate federal reporting for two TANF performance reports, the ACF-199 "TANF Data Report" and ACF-209 "SSP-MOE Data Report". These reports are submitted quarterly and utilize a case management system to create the reports. The Division of Benefit Programs currently has an active change request with the Division of Enterprise Systems to automate the IEVS process. The process is identified as mandatory in the policy manual, therefore there is no need to update the guidance. Additional monitoring of agency processes will be put in place until the change request implementing automation is put in place. Estimated Completion Date: 5/31/2020	No
Improve Controls over SNAP Federal Reporting 2019-089 DSS	Responsible Contact Person(s): Deborah Vaughn - Enterprise Systems Corrective Action Planned: Finance does not have adequate controls in place to ensure accurate federal quarterly reporting on the FNS-209 "Status of Claims Against Households" Report (FNS-209). Since the audit, Finance has worked with Information Technology to correct the VaCMS EBT Reconciliation Report to properly account for all transaction types. The beginning balance has been updated in VaCMS and the report and reconciliation process are currently working. Finance will bring discrepancies between VaCMS and Conduent to the attention of Information Technology management within 24 hours of discovery for research of the underlying information. If the discrepancy cannot be resolved, Finance will also bring this to the attention of Benefit Programs management and the CFO. Finance has also begun requiring supervisor approval of the SNAP EBT on the monthly reconciliation. DSS would be able to report their data monthly and have the capability to edit their "initial" and "interim" monthly aggregate data submittals, as well as designate when the data are available to meet the quarterly reporting requirements. Estimated Completion Date: 9/30/2020	No
Ensure Subrecipient Reviews Adhere to Monitoring Plan 2019-090 DSS	Responsible Contact Person(s): Ross McDonald - Director of Compliance Corrective Action Planned: DSS Division of Family Services (Family Services) cannot provide assurance that Adoption Assistance and Title IV-E Foster Care subrecipient monitoring reviews are completed timely and in accordance with Family Services' Subrecipient Monitoring plan and related processes. According to DSS policy, each subrecipient is to be monitored onsite at least once every three years. The DFS is unique in that subrecipients can be any agency, nonprofit, or any other state agency awarded federal funding to administer federal programs. Mechanisms to award federal funding include grants, memorandums of agreement (MOA), and requests for application (RFA). Due to differences in funding mechanisms, subrecipients classify as local agencies or non-local agencies. However, a Subrecipient staff has been hired as of December 25, 2019 and already reviewing departmental monitoring plans and process. Subrecipient monitoring involves conducting on-site and desk reviews, the collection and analysis of critical documents, and reporting the findings by each program unit's requirements of the review to the DFS subrecipient monitoring coordinator. Estimated Completion Date: 9/1/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Continue to Improve Controls over Subrecipient Monitoring 2019-091 DSS	Responsible Contact Person(s): Ross McDonald - Director of Compliance Corrective Action Planned: DSS continues to not provide assurance that audits are performed and reviewed for all subrecipients expending $750,000 or more and that management is making timely decisions based on the results of the audit report reviews. According to OMB Circular A-133, A pass-through entity shall monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. The condition in part, requires the subrecipient that expects to expend more than $750,000 in federal funds during their fiscal year to submit on-line to the Federal Audit Clearinghouse the subrecipients auditor's report. Additional, RFA's also include a Cover Sheet in which the subrecipient identifies 1) expect to expend more than $750,000 in federal funds during their fiscal year and 2) the subrecipient fiscal year. Furthermore, DSS Subrecipient staff has meet with all the department staff responsible for monitoring with the Administrators to address controls. Also our SharePoint database where all subrecipient documents are uploaded is being review and updated to remove access to staff who don't need to or left the agency. Estimated Completion Date: 9/30/2020	No
Ensure Performance Evaluations are Completed for Professional Service Contracts 2109-092 VDOT	Responsible Contact Person(s): Shailendra Patel - Division Administrator of Alternative Project Delivery, Mohammad Mirshahi - Deputy Chief Engineer Corrective Action Planned: On January 16, 2020, VDOT notified the respective contract owners of the responsibility to complete performance evaluations of contracts by the end of January and by the end of June. Each Division Administrator will certify the completion of the performance evaluations to the Alternative Project Delivery Division as specified above. Furthermore, the department is exploring the feasibility of developing automated reminders and reports through the existing contract system. With the addition of a tracking mechanism, VDOT believe that the agency will be in a better position to monitor compliance. Estimated Completion Date: 6/30/2020	No
Improve Controls for Ensuring Quality Improvement Recommendations are Implemented 2019-093 VDOT	Responsible Contact Person(s): Kerry Bates - Division Administrator for Construction Division Corrective Action Planned: VDOT understands the importance of making sure that recommendations identified through the Construction Quality Improvement Program (CQIP) are implemented. VDOT will identify all CQIP reports that have pending follow-up activities that exceed 30 days and elevate them to the applicable District Construction Engineer and Assistant State Construction Engineer to ensure that they are completed; this will occur monthly. Further, this item will be discussed at the regularly scheduled District Construction Engineer Community of Practice meetings to ensure that CQIP follow-up activities are addressed. The Department will also look into the feasibility of employing an automated solution to ensure quality improvement recommendations are implemented in the future. Estimated Completion Date: 6/30/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve Controls over the Purchasing Process 2019-094 DBHDS	Responsible Contact Person(s): Dan Hinderliter - Director of Procurement and Administrative Services Corrective Action Planned: The Fiscal Director at the applicable DBHDS facility will review the relevant CAPP Manual policies and procedures for the receipt of goods and services with applicable Accounts Payable personnel and backups. Expenditure voucher samples will be pulled once a month for the period January through June 2019 to monitor compliance with CAPP Manual regulations. Expenditure audits will also be conducted during the FY 2019 ARMICS Internal Controls Review and Testwork. The Annual Procurement Symposium will feature this finding as a topic, additionally it is being addressed at Facility Fiscal Officer and Facility Director meetings. In August 2018, Fiscal and Procurement staff at the facility discovered the exception noted and "self- corrected" to comply with a new procurement regulation issued under Procurement Information Memoranda 98-034 dated 7/1/17. Prior to the corrective action, the facility was not compliant with Memoranda 98-034 because Fiscal Staff were not forwarding purchase orders for eVA exempt vendors for medical services and prescription drugs to Procurement personnel to enter into eVA. To ensure future compliance, Fiscal personnel will meet with Procurement personnel to review the requirements of Memoranda 98-34 and any subsequent updates. Medical Services and prescription drug expenditure samples will be pulled once a month for the period January through June 2019 to monitor compliance. Medical Services and Prescription Drug purchases will also be reviewed during the FY 2019 ARMICS Internal Controls Review and Testwork. Estimated Completion Date: 4/17/2020	No
Continue Improving the Overpayment Collection Process 2019-095 DMAS	Responsible Contact Person(s): Shionda Scott - Co-Acting Fiscal Director Mike Harlow - Co-Acting Fiscal Director Corrective Action Planned: To ensure adequate resources, the Fiscal Division management will evaluate the staffing needs of the Accounts Receivable unit to ensure that not only the critical functions are performed but also adequate controls are in place for effective compliance with state policies. Fiscal already started by filling a staff vacancy to balance the workload of the unit. Also, Fiscal initiated the hiring process for a classified Accounts Receivable Manager and has screened the applicants. Interviews have been scheduled for February 2020. To address the recommendation to "evaluate its current policies, the Fiscal Division is utilizing the experience of the part time contract AR manager to review and update Accounts Receivable policies and procedures. The policies and procedures will updated by May 1, 2020. This review will include the process of establishing a dollar threshold to guide collections efforts as well as clarify policy in terms of business days or calendar days. The DMAS CFO will review and approve the implementation of the proposed updated procedures by May 15, 2020. When the Accounts Receivable Manager is hired, this effort will support implementation before June 30, 2020. Estimated Completion Date: 6/30/2020	No
Implement Separation of Duties over Accounts Receivable Resulting from Dealership Transactions 2019-096 DMV	Responsible Contact Person(s): Scott Cummings - Assistant Commissioner Financial Management & Administrative Services Corrective Action Planned: Staff from DMV Finance will work with Dealer Services to establish the right process controls for these receivables and payments. Identification will continue to be done by the Dealer Services Work Center, but collection will occur in the Accounts Receivable Department. Estimated Completion Date: 2/28/2020	No
Improve Process for Payment of Risk Management Invoices 2019-097 TD	Responsible Contact Person(s): Brian Parker - Director of Risk Management Corrective Action Planned: The Division of Risk Management (DRM) will strengthen internal controls to ensure prompt payment of invoices. These efforts include upgrading a part-time position to full-time, reallocating workload across existing resources, and emphasizing compliance with Code of Virginia §2.2-4347 and CAPP topic 21005. Estimated Completion Date: 6/30/2020	No
Improve Service Organization Control Report Review Policies and Procedures 2019-098 TD	Responsible Contact Person(s): Cliff Lewis - Internal Review Manager Corrective Action Planned: Treasury updated its SOC Report Policies and Procedures, provided training to applicable employees, and enhanced all supplemental documents related to SOC reviews. Treasury will continue to focus on maintaining updated policies and procedures. Estimated Completion Date: 6/30/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve Reporting to National Student Loan Data System 2019-099 VCU	Responsible Contact Person(s): Valerie Clem-Brown - Associate Director of Compliance and Reporting Corrective Action Planned: To ensure that unofficial withdrawal enrollment updates are reported accurately and timely to NSLDS, the Office of Financial Aid will perform manual enrollment updates to NSLDS for all students who have withdrawn without official notification during a term/semester. This step has been added to the existing Return of Title IV procedure and will begin implementation at the conclusion of the fall 2018 term/semester. To rectify the graduation status finding, the Office of Records and Registration is sending amended enrollment files to the National Student Clearinghouse (NSC) to update the NSLDS. The office has also added a supplementary enrollment report for graduates only to the transmission schedule provided to the NSC each semester. In addition, quality control reviews will be conducted in collaboration with staff from the Offices of Financial Aid and Records and Registration at the end of each semester to ensure timely and accurate reporting at both the campus and program levels. Estimated Completion Date: 3/31/2020	No
Improve Controls over TANF Federal Performance Reporting 2019-100 DSS	Responsible Contact Person(s): Deborah Vaughn - Enterprise Systems Corrective Action Planned: DSS does not have adequate controls in place to ensure accurate federal reporting for two TANF performance reports, the ACF-199 "TANF Data Report" and ACF-209 "SSP-MOE Data Report". Findings meeting with Business Areas scheduled for January 24, 2019. Determine if VaCMS Change Request or Defect Tickets need to be developed. Based on the findings defects will be schedule in a 2019 VaCMS release. If Change Request (CR) required, documentation for CR will be developed and the CR will be scheduled for a 2019 release and implemented in 2020. Estimated Completion Date: 9/30/2020	No
Ensure Family Services Subrecipient Reviews Adhere to Monitoring Plan 2019-101 DSS	Responsible Contact Person(s): Ross McDonald - Director of Compliance Corrective Action Planned: DSS is still not adhering to its established approach for monitoring subrecipients. During fiscal year 2019, DSS did not produce quarterly reports to brief Executive Management on subrecipient monitoring activities for each Division within DSS. Division Family Services (DFS) has updated its monitoring plans for FY20 which also includes Subrecipient Monitoring Training for the department and creates a local agency risk assessment tool. DFS has a plan called the DFS Subrecipient Monitoring Plan which guides the process for meeting subrecipient monitoring requirements. The DFS Subrecipient Monitoring Plan addresses the applicable unique attributes and requirements of each program unit; the primary focus is the use of a standard monitoring risk assessment instrument, standard programmatic review instrument, compliance, internal controls, sampling methodology, applicable Office of Management and Budget (OMB) Circulars and state guidance. The DFS Subrecipient Monitoring Plan should overall have only minor revisions from one state fiscal year to another. Estimated Completion Date: 9/1/2020	No
Implement Opioid Grant Sub-Recipient Monitoring 2019-102 DBHDS	Responsible Contact Person(s): Margaret Steele - Director of Adult Community Behavioral Health, Mike Zohab - SUD Operations Manager Corrective Action Planned: DBHDS' Division of Community Behavioral Health has begun the process of developing standardized subrecipient monitoring procedures as well as documentation standards for these procedures for the opioid grant to ensure that CSBs are properly following all requirements. Estimated Completion Date: 7/1/2020	No
Provide Federal Award Requirements to Subrecipients 2019-103 DBHDS	Responsible Contact Person(s): Margaret Steele - Director of Adult Community Behavioral Health, Mike Zohab - SUD Operations Manager Corrective Action Planned: DBHDS' Division of Community Behavioral Health has begun the process of providing CSBs with the federal requirements attached to their federal awards. Also, DBHDS' Division of Community Behavioral Health is in the process of developing standards to guide subrecipient monitoring over federal award to ensure that DBHDS will be able to properly monitor whether the CSB complies with federal regulations set forth in the contract. Estimated Completion Date: 7/1/2020	No

Audit Finding Reference Number	Planned Corrective Action	Did Text contain a chart or table?
Improve the Case Management System Access Review Process 2019-104 DARS	Responsible Contact Person(s): Dale Batten - Division of Rehabilitation Services Director, Rick Mitchell - Deputy Commissioner for Services Corrective Action Planned: The Directors of Vocational Rehabilitation in coordination with the Information Systems staff will ensure that annual performs reviews will be documented within spreadsheet of users, update ISAA forms and make required changes in the case management system and ensure reviews are filed in appropriate location. Estimated Completion Date: 12/31/2020	No
Improve the Eligibility Determination Process for Vocational Rehabilitation 2019-105 DARS	Responsible Contact Person(s): Dale Batten - Division of Rehabilitation Services Director Corrective Action Planned: The Division of Rehabilitative Services Director has implemented revised procedures and system reporting to identify clients that are within 30 days of eligibility so that those cases are expedited by staff and management. Estimated Completion Date: 9/30/2020	No
Improve Processes to Comply with the Conflicts of Interest Act 2019-106 DARS	Responsible Contact Person(s): Wallica Gaines - Deputy Commissioner for Administration and Executive Assistant to the Commissioner of DARS Corrective Action Planned: The agencies will maintain a list of positions of trust and individuals that are required to complete the Statement of Economic Interest and develop training schedule for existing employees. New hires will complete training within two months after hire date. All individuals in positions of trust will complete the training every two years in accordance with the Code of Virginia. Estimated Completion Date: 12/31/2020	No
Improve Documentation to Show Compliance 2019-107 DARS	Responsible Contact Person(s): Leon Scales - DDS Director, John Thaniel - Chief Financial Officer and Chief Information Officer Corrective Action Planned: The DDS Director and CFO will provide additional training and communication with the appropriate staff to ensure the documentation is maintained and properly recorded and retained. Estimated Completion Date: 12/31/2020	No
Improve Oversight of Third-Party Service Providers 2019-108 DARS	Responsible Contact Person(s): Ned Campbell - Acting DSA Information Security Officer and Chief Information Officer Corrective Action Planned: The ISO and CIO will require that SOC reports are submitted annually from 3rd party contractors at annual renewal. Estimated Completion Date: 12/31/2020	No