REPORT ON STATEWIDE COMPLIANCE

FOR THE QUARTER ENDED
SEPTEMBER 30, 2016

OFFICE OF THE COMPTROLLER

DEPARTMENT OF ACCOUNTS

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REPORT ON STATEWIDE COMPLIANCE
Quarter Ended September 30, 2016

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, pre-audits and post-audits, 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 September 30, 2016, and comparative FY 2016 data.

David A. Von Moll, CPA, CGFM
Comptroller

COMPLIANCE

Auditor of Public Accounts Reports - Executive Branch 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 Workplan (CAW) to the Department of Planning and Budget, 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 additional recommendations that can include 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. Additional recommendations 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 Additional Recommendations section. The full text of these reports is available at www.apa.virginia.gov.

Audit Reports – Quarter Ended September 30, 2016

The APA issued 15 reports covering 18 State Agencies for the Executive Branch. The last column indicates whether the CAW has been received as of the date of this publication for each agency with audit findings. Note that in some cases, the CAW may not have been received because it is not yet due.

	New Findings	Repeat Findings	Total Findings	CAW Received
Administration				
Department of Elections	4	0	4	YES
Agriculture and Forestry				
None				
Commerce and Trade				
Board of Accountancy	0	0	0	N/A
Virginia Racing Commission	0	0	0	N/A

	New Findings	Repeat Findings	Total Findings	CAW Received
Education				
Christopher Newport University	1	0	1	YES
James Madison University	0	3	3	YES
Longwood University	4	0	4	NO
Old Dominion University	0	0	0	N/A
Southwest Virginia Higher Education Center	3	0	3	YES
University of Mary Washington	2	0	2	YES
Executive Offices				
Division of Selected Agency Support Services[1]	0	1	1	YES
Governor's Cabinet Secretaries	0	0	0	N/A
Office of the Governor	0	0	0	N/A
Office of the Lieutenant Governor	0	0	0	N/A
Finance				
None				
Health and Human Resources				
None				
Natural Resources				
Department of Game and Inland Fisheries	3	4	7	YES
Public Safety and Homeland Security				
None				
Technology				
None				
Transportation				
None				
Veterans and Defense Affairs				
Veterans Services Foundation	1	0	1	YES

(1) *The Division of Selected Agency Support Services for the year ended June 30, 2015 included four agencies: Secretary of the Commonwealth, Citizen's Advisory Council, Virginia-Israel Advisory Board, and Interstate Organization Contributions.*

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Audit Findings - Quarter Ended September 30, 2016

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

Administration

Department of Elections

1. Document Policies and Procedures for Critical Business Functions
2. Improve Process for Payments for General Registrars and Electoral Boards
3. Improve my VRS Navigator Reconciliation Processes
4. Ensure Adequate Internal Controls Exist for Federal Reporting

Education

Christopher Newport University

1. Improve Server Operating System Security

James Madison University

1. Improve Compliance Over Enrollment Reporting. **This is a Repeat Finding**.
2. Perform and Document Monthly Reconciliations of Direct Loans. **This is a Repeat Finding**.
3. Promptly Return Unclaimed Aid to Department of Education. **This is a Repeat Finding**.

Longwood University

1. Improve IT Change Management and Patch Management Policies and Procedures
2. Improve Virtual Private Network Security
3. Improve Server Operating System Security
4. Improve Oversight of Third-Party Service Providers

Southwest Virginia Higher Education Center

1. Perform Fixed Asset Inventory
2. Follow Established Departing Employee Procedure
3. Complete the Disaster Recovery Plan

University of Mary Washington

1. Improve Policies and Procedures for Granting and Restricting Elevated Workstation Privileges
2. Improve Virtual Private Network Security Controls

Executive Offices

Division of Selected Agency Support Services

1. Improve Controls over myVRS Navigator System. **This is a Repeat Finding**.

Natural Resources

Department of Game and Inland Fisheries

1. Improve Internal Controls over Recording and Reviewing Transactions. **This is a Repeat Finding**.
2. Properly Reconcile and Suspend Amounts in Revenue Clearing Accounts. **This is a Repeat Finding**.
3. Perform a Physical Inventory at Least Every Two Years. **This is a Repeat Finding**.
4. Improve Procedures for CARS Reconciliation
5. Improve Procedures over Construction in Progress
6. Conduct Thorough Reconciliations Between HR System and myVRS Navigator. **This is a Repeat Finding**.
7. Conduct Adequate Pre and Post Payroll Certification Procedures

Veterans Services

Veterans Services Foundation

1. Improve Internal Controls Over Donations

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Additional Recommendations – Quarter Ended September 30, 2016

No APA reports containing "Additional Recommendations" were received.

Special Reports – Quarter Ended September 30, 2016

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

Report to the Joint Legislative Audit and Review Commission for the quarter April 1, 2016 through June 30, 2016

Virginia Retirement System GASB 68 Schedules:

Political Subdivision Retirement Plans for the fiscal year ended June 30, 2015

State Employee Retirement Plan for the fiscal year ended June 30, 2015

Teacher Retirement Plan for the fiscal year ended June 30, 2015

Virginia Retirement System Management's Assertions Related to Census Data for the year ended June 30, 2014

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

Statewide Review of Travel Expenses - July 2016

Other Audit Reports – Quarter Ended September 30, 2016

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

Assistive Technology Loan Fund Authority for the year ended June 30, 2015

Commonwealth Health Research Board for the period July 1, 2012 through January 31, 2016

GenEdge Alliance for the period July 1, 2012 through June 30, 2015

Hampton Roads Transportation Accountability Commission for the year ended June 30, 2016[1]

Virginia Lottery "Cash4Life" – Report on Applying Agreed-Upon Procedures for the period April 2015 through March 2016

Virginia Lottery "Powerball" – Report on Applying Agreed-Upon Procedures for the period April 2015 through March 2016

Virginia Lottery "Power Play" – Report on Applying Agreed-Upon Procedures for the period April 2015 through March 2016

Virginia Lottery "Mega Millions" – Report on Applying Agreed-Upon Procedures for the period April 2015 through March 2016

Virginia Lottery "Megaplier" – Report on Applying Agreed-Upon Procedures for the period April 2015 through March 2016

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

State Corporation Commission for the period July 1, 2014 through January 31, 2016

Tobacco Region Revitalization Commission for the year ended June 30, 2015

Virginia Board of Bar Examiners for the year ended June 30, 2015

Virginia Health Workforce Development Authority Report on Audit for the Year Ended June 30, 2015

(1) *Hampton Roads Transportation Accountability Commission audit was performed by PBMares, LLP and the audit report provided to the APA.*

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Auditor of Public Accounts Reports - Executive Branch Agencies

Summary of Prior Audit Findings

The policy governing the Agency Response to APA Audits requires follow-up reports on agency workplans at the end of every quarter 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	1	2	3	0
Department of Human Resource Management	3	1	0	0
Agriculture and Forestry				
Department of Agriculture and Consumer Services	0	1	0	1
Commerce and Trade				
Virginia Employment Commission	3	5	1	1
Education				
Department of Education and Direct Aid to Public Education	0	2	0	0
George Mason University	1	1	2	0
The Library of Virginia	2	0	1	0
Longwood University	0	1	0	0
New College Institute	0	1	0	1
Norfolk State University	0	1	0	0
Radford University	0	1	3	0
Richard Bland College	0	8	0	0
Science Museum of Virginia	0	0	3	0
The College of William and Mary in Virginia	0	3	0	1
University of Virginia	0	3	1	0
Virginia Commonwealth University	0	0	0	1
Virginia Community College System Central Office	0	0	1	0
Germanna Community College	0	0	1	0
Virginia Military Institute	0	0	6	0
Virginia Museum of Fine Arts	0	0	0	3
Virginia School for the Deaf and Blind	0	1	3	0

Executive Offices				
None	0	0	0	0
Finance				
Department of Accounts	1	0	0	0
Department of Planning and Budget	0	0	0	1
Department of Taxation	0	1	4	0
Department of the Treasury	1	0	1	0
Health and Human Resources				
Department of Behavioral Health and Developmental Services	2	7	7	2
Department of Health	0	2	0	0
Department of Medical Assistance Services	0	2	0	0
Department of Social Services	2	1	2	0
Department for Aging and Rehabilitative Services	1	1	0	0
Natural Resources				
Department of Game and Inland Fisheries	0	3	0	0
Department of Conservation and Recreation	0	0	0	3
Public Safety and Homeland Security				
Department of Alcoholic Beverage Control	0	2	2	0
Department of Corrections	2	0	1	0
Virginia Correctional Enterprises	0	0	1	0
Department of Forensic Science	0	1	0	0
Department of Juvenile Justice	0	0	4	0
Department of Military Affairs	0	2	0	0
Department of State Police	1	4	0	0
Transportation				
Department of Motor Vehicles	0	8	0	1
Virginia Port Authority	0	2	0	0
Department of Transportation	2	1	6	0
Veterans and Defense Affairs				
None	0	0	0	0
TOTALS	22	71	53	15

Status of Prior Audit Findings

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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.

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Department of General Services (DGS)				
2015	15-01	Improve Information Security Program	BIA Policy has been created. VITA has been engaged to assist with vulnerability scanning and DGS is at the top of their list to begin scans. DGS started working with the project managers and VITA to resolve the inconsistencies in sensitive systems. Initial conversations have been made regarding attaching the roles and responsibilities to DGS EWP's. DGS is engaging VITA for resources and have created a draft of the Risk Assessment Plan for sensitive systems.	In Progress (On Schedule)
	15-02	Improve Application Controls. **This is a Repeat Finding**.	Some of the user access identified has been changed. Work is ongoing to further correct other issues. First review is to be conducted during October 2016.	In Progress (Delayed)
	15-03	Improve Oversight of Third-Party Service Providers	DGS continues to formalize procedures through a decision brief with the contractor. Estimated completion date is third quarter FY17. Oversight and security	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			issues are required agenda topics during the weekly eVA Project Management Operations meeting, as well as the bi-monthly eVA Steering Committee Meetings.	
	15-04	Improve PeopleSoft to CARS Reconciliation Process	Procedures were updated based on the audit recommendations and put in place beginning in July 2016.	Completed (On Schedule)
	15-05	Document myVRS Navigator Reconciliations and Policies and Procedures	Procedures are completed and in use.	Completed (On Schedule)
	15-06	Improve Controls over Small Purchase Charge Card Reconciliations	All CAW plans are completed.	Completed (On Schedule)
Department of Human Resource Management (DHRM)				
2015	15-01	Improve IT Risk Management and Disaster Recovery Planning	DHRM is engaged in meetings, gathering documentation, and finalizing documents.	In Progress (On Schedule)
	15-02	Improve Security Awareness and Training	DHRM has developed and distributed a Security Awareness and Training Policy, created a communication strategy, and is engaged in meetings, and gathering documentation.	In Progress (Delayed)
	15-03 14-01	Improve System Security for the Time, Attendance, and Leave System. **This is a Repeat Finding**.	DHRM is engaged in meetings, gathering documentation.	In Progress (On Schedule)
	15-04 14-02	Improve Controls over the Personnel Management Information System. **This is a Repeat Finding**.	DHRM is engaged in meetings, gathering documentation.	In Progress (On Schedule)
Department of Agriculture and Consumer Affairs (VDACS)				
2013	13-01	Perform Timely Updates to IT Risk Management and Contingency Plans	VDACS completed its migration to a new Oracle platform on October 1, 2016. The VITA Work Request for Disaster Recovery Services will be changed to reflect the new servers and services that	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			will be initiated. VDACS anticipates being part of the 2017 Disaster Recovery Test.	
	13-02	Improve Oracle Database Security	Corrective action plan has been completed.	Completed (Delayed)

Virginia Employment Commission (VEC)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01 14-01	Continue to Effectively Allocate Resources to Reduce IT Security Risk. **This is a Repeat Finding**.	An additional funding opportunity for IT security was identified. VEC applied for this additional funding, and now is awaiting a decision, which is expected back by early October 2016.	In Progress (On Schedule)
	15-02	Obtain Approval to Use End-of-Life Operating Systems	Exceptions are being created to be sent to CSRM to obtain a 60-day exception in order to develop plans to either upgrade or decommission systems that utilize end-of-life operating systems or software. The estimated completion date is December 31, 2016.	In Progress (Delayed)
	15-03 14-03	Continue Improving Oversight over IT Risk Assessments and Security Audits. **This is a Repeat Finding**.	An additional funding opportunity for IT security was identified. VEC applied for this additional funding, and now is awaiting a decision, which is expected back by early October 2016. The ISO has taken full responsibility for overseeing the completion of all IT risk assessments and security audits.	In Progress (On Schedule)
	15-04	Continue to Improve Physical and Environmental Security. **This is a Repeat Finding**.	All server racks are now locked at all times. A review of access to the data center at VEC has been conducted. The changes identified during this review need to be implemented. A process of reviewing the visitor logs needs to be established.	In Progress (On Schedule)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-05	Document Separation of Duty Conflicts for Mission Critical Systems. **This is a Repeat Finding**.	No change reported from previous quarter. Waiting for the completion of other information security projects that need to be completed before these efforts can begin.	In Progress (Delayed)
	15-06	Maintain Oversight over Third-Party Service Providers. **This is a Repeat Finding**.	SEC525-02 has been released and needs to be reviewed to determine the requirements for third-party service organizations. Resource constraints continue to push the resolution of this finding back. The revised estimated completion date is December 31, 2017.	In Progress (Delayed)
	15-07	Improve Database Security	Patches and security controls are installed into the test environment and are waiting on testing by the Finance team before being setup in the production environment. The revised estimated completion date is December 31, 2016.	In Progress (Delayed)
	15-08	Strengthen Process for Monitoring Automated Reports Supporting Timesheet Approvals	Corrective action plan has been completed.	Completed (On Schedule)
	15-09	Confirm VABS is Calculating Maximum Benefit Amount Consistently for All Claimants. **This is a Repeat Finding**.	Corrective action plan has been completed.	Completed (Delayed)
	15-10	Withhold Child Support Obligations from Benefit Adjustment Payments. **This is a Repeat Finding**.	No change reported from previous quarter. The recommendation as originally stated has been satisfied, in that the VEC is withholding child support obligations from benefit adjustment payments.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Department of Education and Direct Aid to Public Education (DOE)				
2015	15-03	Continue to Improve Information Security Policies and Procedures. **This is a repeat finding.**	The APA has acknowledged that DOE has sufficiently addressed the identified weaknesses regarding IT Systems /Data Backup and Restoration. DOE provided the agency's Database Patching Procedure to the APA. DOE recognizes the need to properly track database updates and patches utilizing a solution that includes implementation, version control, and testing. DOE Information Security and Educational Information Management teams are evaluating potential remediation. DOE is in the process of updating documentation for its System Hardening Policy. DOE has opted in to VITA's centralized (shared) IT security vulnerability scanning service tier and the agency is contracting with VITA to have internal IT systems scanned.	In Progress (Delayed)
	15-04 14-04	Improve Risk Management and IT Security Audit Plan Document. **This is a repeat finding**.	DOE is in the process of reclassifying IT systems in accordance with Commonwealth Security Standards. DOE has documented the applicable laws and regulations for data according to each sensitive system. DOE is in the process of documenting the roles and responsibilities for each sensitive IT system. DOE has opted into VITA's centralized (shared) IT security service IT Security Auditing Services tier; and the agency is contracting with VITA to schedule an	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			Information Security Audit for Oracle Financials. DOE has opted into VITA's centralized (shared) IT security service IT Security Auditing Services tier; and the agency is contracting with VITA to schedule an Information Security Audit for the Teacher Licensure system.	

George Mason University (GMU)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01	Improve Library Books Valuation Process	General Accounting and the Library worked together to change the methodology, and the average actual cost valuation methodology has been adopted and was used in the preparation of the FY16 financial statements. The desk procedures have been updated and expanded into a detailed "How To" manual. Meetings were conducted by telephone and resulted in documentation being submitted to General Accounting by the Library summarizing FY16 library additions valued at average actual historical cost by reported category. General Accounting and the Library discussed the pros and cons of modifying library materials account codes in Banner for FY18 or leaving them the same. The Library will continue to evaluate what will be the best approach and make a final decision by March 31, 2017	In Progress (Delayed)

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Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-02	Develop and Incorporate Information Transfer Policies, Procedures, and Agreements into the University's Information Security Program	As of September 19, 2016, 12 of the 33 arrangements on the list have been identified as involving restricted or highly sensitive data. The IT Security Office is working on a revision of the Data Stewardship policy to address this requirement.	In Progress (On Schedule)
	15-03	Perform and Document Monthly Reconciliations of Direct Loans	Transitioned to a reconciliation process using RLRDLRC (a job in Banner) that allows the monthly reconciliation of Direct Loans to be performed, and the reconciliation supporting files to be retained on a secure server, internally by the Financial Aid Office.	Completed (On Schedule)
	15-04	Improve Notification of Awards to Students	Replaced manual activation of the process (ROREMAL) of sending Direct Loan Disclosure notification letters by the Operations Manager following the disbursement of loans with a job that will be run automatically in our Workload Automation Suite (Appworx) following the disbursement of loans.	Completed (On Schedule)
The Library of Virginia (LVA)				
2016	16-01	Improve General System Security Controls	Mission Essential column has been included in the Business Impact Analysis so each business function is explicitly tied to an MEF and revised IT Disaster Recovery Plan to identify each IT system necessary to recover agency business functions and the Recovery Point Objective for each one. LVA has interviewed for a new Information Security Officer position.	In Progress (On Schedule)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	16-02	Improve Controls over System Access	A new process has been implemented to coordinate with Human Resources to ensure prompt deactivation of terminated employees. Documentation and review templates are in progress.	In Progress (On Schedule)
	16-03	Improve the myVRS Navigator Reconciliation Process	Developed procedures to ensure compliance with myVRS Navigator reconciliation requirements; retained sufficient documentation to demonstrate the identification and correction of reconciling discrepancies.	Completed (On Schedule)

Longwood University (LU)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2014	14-01*	Improve Information Security Management and Prioritization	The University's ITS department has reviewed the findings and is taking a proactive approach to the findings. Some of the findings have already been addressed, some are requiring procurement, and others are requiring process change. Items that are the direct responsibility of the ITS department are anticipated to be completed May 2016.	In Progress (Delayed)

New College Institute (NCI)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2014	14-01	Improve Internal Controls over Fixed Assets	Corrective action plan has been completed.	Completed (Delayed)
	14-02	Improve Information Security Management and Prioritization	Changes have been implemented to address some concerns. The Disaster Recovery plan has been developed and the purchase of additional IT equipment has been requested and received and installation is scheduled. It will be complete once the secondary internet service	In Progress (Delayed)

*__*DOA did not receive an updated Corrective Action Workplan status by the time period required.__*

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Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			has been established. Plans have been developed and will continue to be implemented and reviewed.	

Norfolk State University (NSU)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-02	Improve IT Server Maintenance Management Controls	NSU is continuing the project to update the IT system running on outdated software. OIT continues to work with departments and has employed contract resources to expedite the remediation of the remaining outdated software. There has been forward progress made in this effort and OIT continues to receive support from 3rd party vendors to install new software and perform other necessary steps for the outdated software. NSU plans to be completed by December 2016.	In Progress (Delayed)

Radford University (RU)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01	Improve Compliance Over Enrollment Reporting	Operating effectiveness of process put into place has been verified and is complete.	Completed (On Schedule)
	15-02	Perform and Document Monthly Reconciliations	Operating effectiveness of process put into place has been verified and is complete.	Completed (On Schedule)
	15-03	Promptly Process Return of Title IV Calculations	Procedures have been put into place to ensure the proper determination is made for summer terms and have been verified as effective. However, additional follow up verification has been planned to ensure subsequent procedures are properly followed. Due to the timing and nature of the academic terms, the test of operating	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			effectiveness will be performed following the current term. Test work for the Fall 2016 term is estimated to be completed by March 31, 2017.	
	15-04	Improve Notification of Awards to Students	Operating effectiveness of process put into place has been verified and is complete.	Completed (On Schedule)

Richard Bland College (RBC)

2015	15-01* 14-02	Improve Controls over Financial Reporting. **This is a Repeat Finding**.	No initial corrective action plan submitted.	In Progress (Delayed)
	15-02*	Improve Controls to Information Systems	No initial corrective action plan submitted.	In Progress (Delayed)
	15-03*	Comply with the Department of Human Resource Management Policy for Wage Employees. **This is a Repeat Finding**.	No initial corrective action plan submitted.	In Progress (Delayed)
	15-04*	Improve Controls over Expenditure Vouchers	No initial corrective action plan submitted.	In Progress (Delayed)
	15-05*	Improve Controls over Small Purchase Charge Cards	No initial corrective action plan submitted.	In Progress (Delayed)
	15-06*	Continue to Improve Information Security Program. **This is a Repeat Finding**.	No initial corrective action plan submitted.	In Progress (Delayed)

__DOA did not receive an updated Corrective Action Workplan status by the time period required.__

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2014	14-03*	Continue to Improve Information Security Program	The CIO will execute a team re-design to improve the quality of the resources needed to address the FOIAE recommendation. The CIO will continue to address the weaknesses discussed in the provided FOIAE recommendation.	In Progress (Delayed)
	14-05*	Improve the myVRS Navigator Reconciliation Process	Director-Finance Operations and Director-Human Resources and Compliance will develop procedures in concert with the APA Payroll Service Bureau. RBC is procuring the services of the Payroll Service Bureau effective August 1, 2015. RBC will outline the appropriate individuals responsible for performing this function.	In Progress (Delayed)

Science Museum of Virginia (SMV)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01	Improve Controls over *my*VRS Navigator Snapshot Certification	VRS navigation Snapshots are being reconciled and certified timely each month.	Completed (On Schedule)
	15-02	Improve Controls over Cardinal Reconciliations	SMV has improved controls over Cardinal reconciliations.	Completed (On Schedule)
	15-03	Improve the Process for Disclosing Economic Interest Requirements	SMV has taken immediate steps to correct the filing deficiencies outlined in the audit report. All classified positions have been reviewed, PMIS has been updated and SOIE system has also been updated.	Completed (On Schedule)

__DOA did not receive an updated Corrective Action Workplan status by the time period required.__

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
The College of William and Mary in Virginia (CWM)				
2015	15-01	Improve Access Controls to Information Systems	Corrective action plan has been completed.	Completed (Delayed)
	15-02	Improve the Reconciliation of Retirement Contributions. **This is a Repeat Finding.**	The HR/Payroll offices have had a number of meetings to discuss VNAV issues. As a result of those meetings, CWM is evaluating all current reports that are extracting data to ensure these reports are pulling the proper information from Banner. CWM is still working with IT to make the appropriate changes with the current reports. A conference call was made with the VRS Employer representative to discuss issues and to provide training. In addition, CWM is working with IT to develop a mid-month report so that CWM can make corrections prior to the last payroll run.	In Progress (Delayed)
	15-03	Improve Controls over Retirement Census Data	The HR/Payroll offices have had a number of meetings to discuss VNAV issues. As a result of those meetings, CWM is evaluating all current reports that are extracting data to ensure these reports are pulling the proper information from Banner. CWM is still working with IT to make the appropriate changes with the current reports. A conference call was made with the VRS Employer representative to discuss issues and to provide training. In addition, CWM is working with IT to develop a mid-month report so that CWM can make corrections prior to the last payroll run.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-04	Improve Database Security	The Director of Information Security met with the DBA team and the Director of Software Systems on July 26, 2016 and established the baseline standard for granting DBAs appropriate privileges. Vacancies have been filled since last report and a final version of the standard is now being drafted. CWM expects the standard to be finished and approved by the December 31, 2016 completion date.	In Progress (Delayed)

University of Virginia (UVA/AD)

2015	15-01	Improve Virtual Private Network Security Controls	During the 4Q 2016 a risk assessment was done concerning the audit finding on the use of split tunnels for the Joint VPN. UVA has moved ITS/EA staff who have access to sensitive ERP data in the Oracle E-Business Suite to full tunnel mode. Remaining users of split tunneling have not been moved to full tunnel mode at this point due to performance issues. Specifically, having every workstation in full tunnel mode when using Joint VPN would likely cause a serious degradation of performance across the user base requiring secure VPN access until UVA increases the Joint VPN capacity.

As an alternative, UVA investigated the possibility of using some of the projects within the Security Enhancement Program (SEP) as a compensating control in lieu of making this change. It was determined that even | In Progress (Delayed) |

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			though workstation controls like application whitelisting (Carbon Black Protect), additional monitoring, and network segmentation could be effective, the best solution is to remove the split tunnel and clearly avoid the risk of a workstation being used as a transit node in an attack from the internet. The Joint VPN equipment will be upgraded to allow a higher capacity of traffic. ITS/EI worked with Cisco to perform single workstation tests (completed in 4Q 2016), and scale tests in production with real users will be completed throughout the Summer 2016, and then deployment will take place in the early Fall 2016. The plan is to cut over all Joint VPN users to full tunnel mode, complete with a communications plan to those users, by December 31, 2016.	
	15-02	Improve Controls for Granting and Restricting Elevated Workstation Privileges	UVA is continuing to investigate the impact of implementing policy and procedure changes to address administrative access on workstations by users who have privileged access to Highly Sensitive Data (i.e. PII and/or PHI data). UVA will include any recommended changes to the policies as part of the "IT and Security Policy Review" project, which is expected to be completed by August 20, 2017.	In Progress (Delayed)
	15-04	Improve System Activity Monitoring Controls	UVA continues to make progress through the recommendations. For Unix and/or Linux machines, the process for sharing passwords for root access has ended for those machines in ITS/EA. Instead, those needing elevated access will use pseudo logs	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			after successfully authenticating to their own accounts.	
			Logs from ITS/EA systems, including pseudo logs, are automatically sent to the central ITS log repository. This repository will be used for both proactive analysis and reactive analysis. For the proactive analysis, UVA is implementing a Security Information and Event manager (SIEM). As a project in the Security Enhancement Program (SEP), this system will ingest logs from various systems, correlate the data, and alert on suspicious events. Authentication logs from multiple systems, including the VPN concentrators, will be analyzed for suspicious login activity. The anticipated time for roll-out of this component of the SIEM is prior to September 30, 2016.	
			For the database administrators in ITS/EA, the "DELETE_CATALOG_ROLE" permissions, which would allow database auditing to be turned off, were removed.	
	15-05	Improve Sole Source Procurement Documentation	Corrective action plan has been completed.	Completed (On Schedule)
Virginia Commonwealth University (VCU)				
2015	15-01	Improve Mobile Device Security	Corrective action plan has been completed.	Completed (Delayed)
Virginia Community College System (VCCS-CO)				
2015	15-01	Improve Database Security	Corrective action plan has been completed.	Completed (On Schedule)
Germanna Community College (GCC)				
2015	15-03	Continue to Improve Documentation of Policies and Procedures	Corrective action plan has been completed.	Completed (On Schedule)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Virginia Military Institute (VMI)				
2015	15-01	Improve Compliance Over Enrollment Reporting	To prevent recurrence, VMI Information Technology has addressed the underlying data extraction software glitch. In addition, supplementary processing steps have been incorporated into the enrollment reporting processing procedures to ensure status changes are appropriately updated and reported within the mandatory timeframe.	Completed (On Schedule)
	15-02	Perform and Document Monthly Reconciliations of Direct Loans	VMI Financial Aid Office now retains an audit trail evidencing and detailing the reconciliation to be available for secondary review. On a monthly basis, the Assistant Director of Financial Aid is responsible for executing the reconciliation, which is then reviewed by the Director of Financial Aid. All related information necessary to perform the reconciliation is retained in a consolidated file.	Completed (On Schedule)
	15-03	Properly Process Return of Title IV Calculations	R2T4 calculations are now performed by the Associate Director of Financial Aid. Upon completion of the calculation, the Director of Financial Aid is conducting a second level of review to ensure accuracy.	Completed (On Schedule)
	15-04	Reconcile Federal Funds Accounts	Student Accounting Office procedures have been updated with regards to the reconciliation process. A reconciliation template has been created, tested and instituted for utilization on a monthly basis as of January 12, 2016.	Completed (On Schedule)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-05	Ensure Verification is Complete Prior to Disbursing Federal Financial Aid	The Financial Aid Office has implemented a second level of review to ensure all supporting tax documentation is present. Verifications are performed by both the Director and Assistant Director of Financial Aid and reviewed separately by the Enrollment Services Representative to ensure completeness. Each file is initialed accordingly evidencing that verification and subsequent review has taken place.	Completed (On Schedule)
	15-06	Improve Notification of Awards to Students	Student Accounting Office has enhanced its procedures to provide required Perkins Loan Award notifications to applicable students through existing semi-annual loan communications, the details of which can be accessed electronically by students through the internet-based VMI student accounting portal, "PostView".	Completed (On Schedule)
Virginia Museum of Fine Arts (VMFA)				
2014	14-02	Properly Manage Local Funds	Corrective action plan has been completed.	Completed (Delayed)
	14-03	Update Fine Arts Policies and Procedures	Corrective action plan has been completed.	Completed (Delayed)
	14-04	Improve Internal Control over and Compliance with the Small Purchase Charge Card Program	Corrective action plan has been completed.	Completed (Delayed)
Virginia School for the Deaf and Blind (VSDB)				
2015	15-01	Document Firewall Policies and Procedures and Continue to Develop and Implement an Information Security Program. **This is a Repeat Finding**.	The contract VSDB put in place with Assura for an Information Security Program Action Plan has almost been completed. The firewall procedures will be written first to bring this finding into compliance.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-02	Improve Construction Contract Accounting. **This is a Repeat Finding**.	Contact was made with the Fixed Asset division and corrections have been made per their instructions.	Completed (On Schedule)
	15-03	Properly Record School Revenues. **This is a Repeat Finding**.	All incoming funds are being handled per audit recommendations.	Completed (On Schedule)
	15-04	Obtain Adequate Reimbursement from Foundation for Services Provided	VSDB staff is keeping a log for any VSDB Foundation work based on 15 minute increments.	Completed (On Schedule)

Department of Accounts (DOA)

2015	15-01	Improve Cardinal System Security Controls	Cardinal Upgrade Project is now underway with an estimated completion date in the fourth quarter of FY2017.	In Progress (On Schedule)

Department of Planning and Budget (DPB)

2014	14-03	Improve IT Risk Management and Disaster Recovery Planning Programs	Corrective action plan has been completed.	Completed (Delayed)

Department of Taxation (TAX)

2015	15-01	Improve Administrative Access Controls	Corrective action plan has been completed.	Completed (On Schedule)
	15-02 14-01 13-02	Continue to Strengthen Controls over Advantage Revenue Access. **This is a Repeat Finding.**	Corrective action plan has been completed.	Completed (On Schedule)
	15-03	Complete System Security Plans	Corrective action will be complete by December 31, 2016. System Security plans have been drafted and are complete except for some required documentation for several of the plans. Final approvals need to be obtained.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-04	Improve Database Change Management Controls	Corrective action plan has been completed.	Completed (On Schedule)
	15-05	Improve Procedures for myVRS Navigator Reconciliations and Data Discrepancies	Corrective action plan has been completed.	Completed (On Schedule)

Department of the Treasury (TRS)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01	Improve Financial Reporting	The custodian has provided all Unclaimed Property Securities custody account reports available for the preparation of the 2016 template. The Division of Unclaimed Property staff researched GASB and held a number of meetings with various parties to gather information to correctly complete the template. Additionally, the Division of Unclaimed Property requested information from, provided information to, and invited Department of Accounts staff to meetings prior to and during the preparation of the template. The steps above were taken to ensure the submitted template was correct. Policies and procedures have been drafted and will be finalized based on the determined requirements for the final version of the template.	In Progress (On Schedule)
	15-03	Improve and Follow Internal Controls for Risk Management Claims Processing	Corrective action plan has been completed.	Completed (On Schedule)

Department of Behavioral Health and Developmental Services (DBHDS)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-02	Upgrade Unsupported Technology	DBHDS continues to make improvements in identifying and remediating systems that are utilizing end-of-life technologies. The date of December 2017 is obtainable for completion of this finding.	In Progress (On Schedule)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-03	Improve Risk Management Process	Corrective action plan has been completed.	Completed (Delayed)
	15-04	Develop Vulnerability Assessment Process	Corrective action plan has been completed.	Completed (On Schedule)
	15-05	Develop Baseline Configurations for Information Systems	Information Security and Server Administrators have worked to identify baseline configurations.	In Progress (Delayed)
	15-06	Improve Information Security Officer Independence and Grant Proper Authority to Regional Information Security Officers	Corrective action plan has been completed.	Completed (On Schedule)
	15-08 14-02	Improve IDOLS Security. **This is a Repeat Finding**.	The WaMS system is operational as of July 1, 2016 and the IDOLS system will be decommissioned as an operational system and will be used solely for reporting of historical information as the transition is completed to the WaMS system. IDOLS will be retired by December 31, 2016.	In Progress (On Schedule)
	15-09	Increase Oversight over Third-Party Providers	Information Security is the Security Officer within eVa and is in the process of creating an accurate list of third party providers. Project was initially delayed as a key procurement position had left the Agency.	In Progress (Delayed)
	15-10 14-03	Develop and Submit an Information Technology Audit Plan. **This is a Repeat Finding**.	Corrective action plan has been completed.	Completed (On Schedule)
	15-11 14-04	Improve Internal Controls over Systems Access. **This is a Repeat Finding**.	Information Security distributes security awareness training. Information Security will start sampling application access starting in November 2016.	In Progress (Delayed)

Latest <u>Audit</u> Year	Finding Number	Title of the <u>APA Audit Finding</u>	Current Status as <u>Reported by Agency</u>	<u>Status</u> <u>Summary</u>
	15-12	Improve Controls over Payroll	Follow-up reviews were completed at the four facilities that had full reviews in FY 2016 with only one repeat finding at one facility, which was reported to the APA. A second follow-up will be conducted in FY 2017.	In Progress (Delayed)
	15-13 14-06	Improve Controls over the myVRS Navigator System. **This is a Repeat Finding**.	DBHDS provided guidance regarding reconciliation policies and procedures to DBHDS facilities. DBHDS will work with facilities to determine that the Snapshot reconciliations are being done timely and included in a VNAV/CIPPS reconciliation.	In Progress (Delayed)
	15-15	Improve Policies and Procedures over Fixed Assets. **This is a Repeat Finding**.	Corrective action plan has been completed.	Completed (On Schedule)
	15-16	Improve Controls over Physical Inventory	Corrective action plan has been completed.	Completed (On Schedule)
	15-17	Improve Controls over Intangible Assets	Corrective action plan has been completed.	Completed (On Schedule)
	15-18	Improve Controls over Sale of Land	DBHDS will be implementing policies and procedures in FY 2017 to ensure all aspects of the sale of land are properly reflected in FAACS.	In Progress (Delayed)
	15-19	Improve Process Surrounding Fixed Asset Additions	Corrective action plan has been completed.	Completed (Delayed)
	15-20	Issue Management Decisions for Subrecipients	Corrective action plan has been completed.	Completed (On Schedule)
	15-21	Comply with the Code of Virginia Economic Interest Requirements	The Commonwealth is in the process of conducting user acceptance testing of a new version of the Commonwealth of Virginia Knowledge Center (COVA KC). This system is designed to manage, track	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			and even conduct training. DBHDS will track Statement of Economic Interest training through creation of a "user group". The upgraded COVA KC will allow for additional employee notifications.	

Department of Health (VDH)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-03	Improve VVESTS Web Application Security	Progress continues to be made on the WebLogic update. Recent testing uncovered a number of issues that need to be resolved prior to upgrade taking effect. OIM remains on target for originally planned conversion by the end of the third quarter of 2017.	In Progress (Delayed)
	15-06	Record Accurate Time and Effort Reporting	The new T&E verification process was implemented in July 2016. VDH is updating procedures based on some feedback received and necessary modifications will be implemented. Seventy-five percent of the modifications have been documented. Supervisor training will be scheduled by October 15, 2016. VDH anticipates full implementation by all staff no later than January 1, 2017.	In Progress (Delayed)

Department of Medical Assistance Services (DMAS)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01 14-02	Create Formal Documentation that Facilitates Controlling Privileges in the Medicaid Management Information System. **This is a Repeat Finding**.	The DMAS Office of Compliance and security (OCS) has reviewed MMIS access and completed transaction activity-level documentation on a spreadsheet. OCS is analyzing the spreadsheet to determine what business units need to perform their responsibilities.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-04 14-04	Correct Operating Environment and Security Issues Identified by their Security Compliance Audit. **This is a Repeat Finding**.	Message reminders were sent to all 12 Risk Assessment application system owners or contract monitors. The DMAS ISO is reviewing access to systems in two phases. Three policies have been finished: 1) Access Control, 2) Security Awareness and Training, and 3) Audit Accountability.	In Progress (Delayed)

Department of Social Services (DSS)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01	Expand Change Management Process to include All IT Environment Production Changes	Corrective action plan has been completed.	Completed (On Schedule)
	15-02	Obtain Assurance of Internal Control Effectiveness from Service Provider Agency	VDSS is working to finalize a department-wide process for reviewing Certifications of Internal Controls or other formal assurances from third-party service providers. Requests for assistance from VITA representatives have been made in order to obtain the required assurances and assessments of their (or their third party service provider) internal controls.	In Progress (On Schedule)
	15-03	Improve Database Security	Corrective action plan has been completed.	Completed (On Schedule)
	15-04	Continue Addressing Weaknesses from the 2014 IRS Safeguarded Review	The next IRS CAP coincides with the triennial compliance inspection in November. ISRM Safeguards team is currently working with DCSE, Benefit Programs, and local offices to coordinate the pre-inspection questionnaires.	In Progress (On Schedule)
2013	13-08	Automate an Eligibility Control	Action on this issue remains underway. The Phase II deployment is in process and lessons learned from the SNAP Pilot have been incorporated into the next VaCMS releases.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Department for Aging and Rehabilitative Services (DARS)				
2014	14-01	Continue to Improve IT Governance	DARS is approximately 35% complete. The three year risk assessment plan was submitted to and accepted by VITA. Change management procedures have been submitted, an in-house CM system will be developed, and server reports are done quarterly and submitted to security, while renaming the SA account is being studied. A Security Analyst was hired March 10, 2016. A new ISO was hired effective April 11, 2016. The former ISO moved to the Aging Division and the former WWRC ISO / security analyst was transferred to WWRC Network Engineering. Information Security has been moved to Internal Audit and Information Security. An initial set of IT policies have been put in SharePoint. The procedures will be refined and transferred to HTML. This will help with version control, as well as approvals. DARS has conducted the first IS Steering Committee meeting. The migration is 100% complete to CESC for applicable applications.	In Progress (On Schedule)
	14-02	Create Payroll Policies and Procedures and Document Pre-Certification Activities	DARS CFO is reevaluating the organizational structure and management of the payroll function and DARS is requesting extension to June 30, 2017.	In Progress (Delayed)
Department of Game and Inland Fisheries (DGIF)				
2014	14-02	Create Policies and Procedures for Multiple Areas in the Agency	DGIF continues to draft/adopt policies and procedures and evaluate these policies against future requirements/opportunities of CARDINAL, eVA, and internal systems' updates. Despite anticipated, ongoing	In Progress (Delayed)

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			changes due to the above, updated policies and procedures have been implemented. Due to recent audit communications, additional policies and procedures are being considered.	
	14-03	Improve Controls for Fixed Asset Management	DGIF has established a set inventory schedule and updated specific policies and procedures for the DGIF fixed asset/inventory control function. As a result of the DGIF HQ move in May, 2015, a Federal Audit starting in June, 2015, and CARDINAL Transition, a revised inventory schedule was adopted in August, 2015. Due to competing agency priorities, the inventory schedule has been revised again; however, DGIF fully expects to achieve completion of a comprehensive physical inventory by June 30, 2016.	In Progress (Delayed)
	14-04	Perform a Physical Inventory At Least Every Two Years	DGIF has established a set inventory schedule for the fixed asset/inventory control function. As a result of DGIF HQ move in May 2015, Federal Audit commencing in June 2015, and CARDINAL Transition, a revised inventory schedule was adopted in August 2015. DGIF has provided training to the Fixed Asset Coordinator and other staff within the Planning and Finance Division to support the inventory function. Training for regional offices is being handled as part of an updated inventory schedule for field visits.	In Progress (Delayed)

Department of Conservation and Recreation (DCR)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2014 Special Review	14-12 Armics-01	Improve Controls over ARMICS Certifications to Comptroller	Corrective action plan has been completed.	Completed (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	14-13 Armics-02	Ensure ARMICS Documentation is Accurate	Corrective action plan has been completed.	Completed (Delayed)
	14-14 Armics-03	Complete ARMICS Requirements	Corrective action plan has been completed.	Completed (Delayed)
Department of Alcoholic Beverage Control (ABC)				
2015	15-01	Implement Automated User Access System	Corrective action plan has been completed.	Completed (On Schedule)
	15-02	Improve Web Application Security	Corrective action plan has been completed.	Completed (On Schedule)
	15-03	Finalize Security Exception Requests for Unsupported Databases	ABC is upgrading the applications (Performance, MOVE) currently residing on the unsupported databases, and the upgrades will move the applications onto supported databases. Upgrades are scheduled to be completed by February 2017 (contracts are in place). ABC and APA have both agreed that it is not cost effective to pursue VITA's solutions to have the exceptions granted, so ABC has accepted the risk, and purchased breach insurance, until the upgrades are complete.	In Progress (Delayed)
2013	13-02	Improve Database Security	ABC is upgrading the applications (Performance, MOVE) currently residing on the unsupported databases, and the upgrades will move the applications onto supported databases. Upgrades are scheduled to be completed by February 2017 (contracts are in place). ABC and APA have both agreed that it is not cost effective to pursue VITA's solutions to have the exceptions granted, so ABC has accepted the risk, and purchased breach insurance, until the upgrades are complete.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Department of Corrections (DOC)				
2015	15-01	Ensure Position Vacancy Does Not Adversely Affect Business Operations (Compliance with Financial Reconciliation Requirements)	The Director of Financial Service has ensured VCCW is reconciled in CARDINAL. In September 2016, training was provided on the new reconciliation process for CARDINAL using August data. The Business Office staff from VCCW attended the training and all aspects of the corrective action plan are being met.	Completed (On Schedule)
	15-02	Manage Offender Trust Accounts in Accordance with Requirements	The report referenced is currently being distributed to facility staff so affected accounts can be remedied. This process takes place on a monthly basis after offender payroll has posted. The program change referenced in the Corrective Action Plan will not require submission of a change request.	In Progress (On Schedule)
	15-03	Improve Internal Control and Process Surrounding Fixed Assets Accounting and Control System	Every quarter, the Capital Assets Specialist sends an email to the Regional Support Managers reminding them to ensure that their facilities are reviewing the Potential Fixed Asset Report in Cardinal to properly record assets in a timely manner. The Capital Assets Specialist is providing a monthly spreadsheet on iDOC of potential fixed asset information for facilities to utilize. The Capital Assets Specialist will continue to work with the Regional Support Managers to provide FAACS training to staff and update the FAACS training manual (available on iDOC). DOC is meeting all standards that were set and this finding is being resolved.	In Progress (On Schedule)

                                       Department of Accounts

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Virginia Correctional Enterprises (VCE)				
2015	15-01	Remove Terminated Employee Access to SyteLine in a Timely Manner	VCE has audited the list of Syteline users. VCE has also updated its procedures to ensure a monthly review of the Syteline users list will be performed.	Completed (On Schedule)
Department of Forensic Science (DFS)				
2015	15-01	Enforce Adequate Segregation of Duties within Cardinal	The journal entry desk procedure has been written and is in the final edit/approval stage. The Cardinal reconciliation desk procedure is still being written and is approximately seventy percent complete.	In Progress (Delayed)
Department of Juvenile Justice (DJJ)				
2015	15-01	Improve Information Security Program	DJJ has created the Information Technology Security Program, which addresses the security controls needed for its systems and processes.	Completed (On Schedule)
	15-02	Improve myVRS Navigator Reconciliation and Confirmation Process	Human Resources now reconciles the Snapshot files generated in VRS's Navigator to the e480 Workforce Query generated in DHRM's Hurman by the 10th of each month. Human Resources now verifies that the information found in the VNav Report Repository is accurate by the 10th of each month, and maintains hard copy documentation. Human Resources has been given access to Reportline in order to access CIPPS U reports.	Completed (On Schedule)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-03	Improve Internal Controls and Processes Surrounding Fixed Asset Accounting and Control System	DJJ has updated its FAACS Policies and Procedures to ensure Fixed Assets are added in a timely manner and removed properly from the FAACS System within a 30 day period.	Completed (On Schedule)
	15-04	Improve Controls over Removal of Systems Access for Terminated Employees	DJJ has updated its policies and procedures to address these issues through the new DJJ Security Program Book, Computer Account Access Procedure and the updated Separation of Employees Procedure.	Completed (On Schedule)

Department of Military Affairs (DMA)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01	Improve Controls around the Agency Small Purchase Charge Card Program	DMA prepared a "Procurement Handbook for Beginners" and retrained all cardholders. DMA still needs to revise the SPCC policy.	In Progress (Delayed)
	15-02	Maintain Compliance with Statement of Economic Interest Requirements	DMA attorney has been in touch with OAG, but has not received all guidance.	In Progress (Delayed)

Department of State Police (VSP)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2014	14-01	Improve Motor Vehicle Inspection Program Web Application Security	VSP has hired a new contract developer to address MVIP related issues. VSP has addressed six of the eight findings. One finding will be addressed by VSP's new ISO, and the remaining finding is being addressed by a scheduled project.	In Progress (Delayed)
	14-03 11-02 09-03	Continue to Upgrade Database System Software. **This is a Repeat Finding.**	VSP CCH Cobol system is scheduled to go live October 2016. Pursuit activity has been replaced by new functionality in LEAMS. Communications Equipment Tracking system RFP (AIMS) contract has been signed	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			and the project is underway. CARE, CPAS, and WARS Mapper systems are scheduled to be replaced by CAD expansion in January 2017. IBR Cobol system RFP contract is being prepared for signatures.	
	14-06	Improve Fixed Asset Internal Controls and Processes	The STARS AIMS project is in full swing and is scheduled to go live in the first quarter of 2017.	In Progress (On Schedule)
	14-08	Improve Processes over Work Zone Project Billings	The Property and Finance Division is reviewing current processes to determine the best way to proceed before issuing out new instructions to the field divisions.	In Progress (Delayed)
2011	11-01	Upgrade Unreliable and Unsupported Infrastructure Devices (Develop a Secretary Level Transformation Strategy for State Police and VITA)	A joint decision brief between VITA and VSP is being drafted to seek a statutory exemption that will exempt VSP from VITA's enterprise IT infrastructure services. The decision brief has been signed by the Governor, and legislation is pending in the upcoming session.	In Progress (Delayed)

Department of Motor Vehicles (DMV)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01 14-01 13-01 12-01 11-02	Continue to Improve Database and Application Baseline Security Configurations. **This is a Repeat Finding**.	Multiple databases, applications, and operating systems have had security baselines applied. Since this process has a high probability of causing a service disruption it's being handled following our SDLC process with multiple iterations of testing.	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
	15-02 14-02	Continue to Improve Physical and Environmental Security Controls. **This is a Repeat Finding**.	Access log reviews are underway, rack lock solutions are being investigated and the rack layout in the server rooms is being changed to reduce the risk of a wet fire suppression system.	In Progress (Delayed)
	15-03 14-03	Continue to Improve IT Risk and Continuity Management Program. **This is a Repeat Finding**.	DMV has undergone a series of departmental BIA's to determine sensitive processes/data that was then used to establish a sensitive system listing and 23 new Risk Assessments and establishing processes for the reoccurring review and update of these documents. Information from this effort is feeding into a revamping of our Continuity Plan and DR plans. DR plan testing has been performed twice in the last 9 months. Another exercise is set for Fall 2016.	In Progress (Delayed)
	15-04	Improve IT Software Maintenance and Management Controls	Significant process has been made in the upgrade/removal of unsupported software in the environment. There is still a number of systems that due to their complexity are taking longer to migrate.	In Progress (Delayed)
	15-05	Improve System Authentication Controls	A project has been established for this effort and resources are being secured. Expectation is to start the project by the end of 2016.	In Progress (Delayed)
	15-08	Create Processes for Review and Assessment of Third Party Vendors' Controls	In FY2016, a Third Party Assurance Framework was drafted and a Third Party Assurance Committee was formed. APA staff was briefed on agency progress in August 2016. Third party provider	In Progress (Delayed)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			data was submitted on FY2016 ARMICS Appendix B - Certification of Internal Control Third-Party Provider Clause.	
2014	14-05	Improve Termination Procedures Supporting Timely Removal of Commonwealth Systems' Access	The SAR13 process has been fully documented after consulting with all impacted departments. Gaps that were noted are being included in an update to the process.	In Progress (Delayed)
	14-06	Improve Retirement Contribution Snapshot Certification Process	Corrective action has been completed.	Completed (Delayed)
2013	13-02 12-03	Improve User Access Controls. **This is a Repeat Finding.**	A project has been established for this effort and resources are being secured. Expectation is to start the project by the end of 2016.	In Progress (Delayed)

Virginia Port Authority (VPA)

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
2015	15-01*	Improve Internal Controls over Financial Reporting	Permanent resource for capital outlay accounting started December 2015. Average CIP balances based on cumulative expenditures are being calculated for application of the applicable borrowing rate to determine appropriate level of interest cost to include in cost basis.	In Progress (Delayed)
	15-02*	Improve Internal Controls over Major Federal Programs	Permanent resource for grant accounting started December 2015. Separate accounts exist in the general ledger to segregate federal grant activity from state grant activity. Analysis is being performed to validate the segregation of Federal vs State grant activity.	In Progress (Delayed)

** **DOA did not receive an updated Corrective Action Workplan status by the time period required.**

Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
Department of Transportation (VDOT)				
2015	15-01	Improve controls over Financial Reporting. **This is a Repeat Finding a Material Weakness**.	Corrective action plan has been completed.	Completed (On Schedule)
	15-02	Document Impact Funding has on Highway Infrastructure Capitalization	Corrective action plan has been completed.	Completed (On Schedule)
	15-03	Develop and Implement IT Hardening Procedures	Corrective action plan has been completed.	Completed (On Schedule)
	15-04	Improve the Sensitive System Classification Process	VDOT has tentatively updated the "VDOT System Sensitivity Classification Procedure" that details steps to complete the data sensitivity analysis for all datasets to VITA requirements. VDOT is in the process of verifying system and business process entries with each VDOT business unit as a part of the 2016 calendar year BIA update. VDOT is in the process of reviewing and documenting all decision points relative to the final sensitive system list.	In Progress (On Schedule)
	15-05	Improve Access Controls to IT Hardware	Corrective action plan has been completed.	Completed (On Schedule)
	15-06	Improve Vulnerability Scanning and Remediation Procedures	Corrective action plan has been completed.	Completed (On Schedule)
	15-07	Upgrade End-of-Life Technology	VDOT has implemented necessary security controls and a security exception has been submitted and approved as VDOT continues to remediate/decommission Windows 2000/2003 servers in the environment. They are tracked and status is determined weekly to ensure progress is being made for completion by	In Progress (On Schedule)

| Latest Audit Year	Finding Number	Title of the APA Audit Finding	Current Status as Reported by Agency	Status Summary
			December 31, 2016. As of November 15, 2016, there are 44 servers remaining. Artifacts /evidence have been provided to APA for their review of progress to date.	
	15-08	Improve the Billing Process	Corrective action plan has been completed.	Completed (On Schedule)
	15-09	Improve the Process of Disclosing Economic Interests	Due to potential changes in legislation, VDOT held off finalizing policy until after the changes in law became effective. Additional positions designated will be required to report all activities for the calendar year 2016.	In Progress (Delayed)

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Annual Summary of APA Audit Findings

As of September 30, 2016, the Auditor of Public Accounts has issued 48 audit reports for the fiscal year ended June 30, 2015. These 48 audits covered 63 Executive Branch agencies. Of these reports, 14 reflected no internal control weaknesses or compliance findings. The remaining 34 audit reports covered 49 agencies. Of these 49 agencies, 44 agencies had at least one finding. The APA identified 188 audit findings that cited internal control weaknesses and instances of noncompliance in the 63 agencies. For the fiscal year ending 2014, 23 of 44 reports contained findings and 168 total findings were reported.

Category	New Findings	Repeat Findings	Total Findings
General Information Technology Security	57	23	80
Payroll & Leave Accounting	7	4	11
Financial Accounting Systems & Reporting	23	11	34
Financial Aid	8	3	11
Federal Programs and Grants Accounting	3	-	3
Program Monitoring / Auditing Requirements	7	-	7
Expenditures and Procurement	7	-	7
Fixed Assets	10	2	12
Cash Receipts & Revenue	3	2	5
Financial Resources	1	-	1
Miscellaneous	15	2	17
	141	**47**	**188**

Statewide Findings by Category
FY 2013 - FY 2015 Comparison
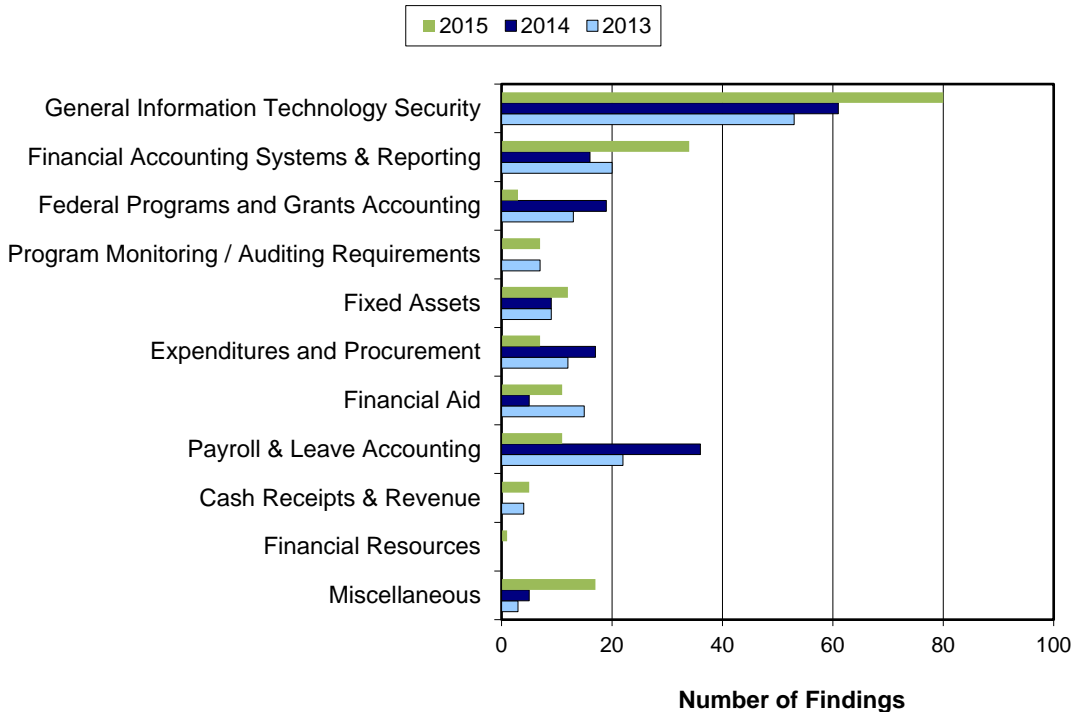
Compliance Monitoring

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" and their 2004 work entitled, "Enterprise Risk Management."

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 submission of the annual certification statement (without an extension authorized by DOA) will result in citation in the current year's 9/30 Comptroller's Quarterly Report (QR).

2. Submission of Exhibit 4: Agency Statement, 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 and submits an ARMICS certification. The status of the agency's submitted Corrective Action Plan (CAP) will be reported until the ARMICS certification has been received.

3. 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 the ARMICS certification has been received.

As of September 30, 2016, the following agencies were not in compliance with the ARMICS process based on their 2016 ARMICS submission:

Agency Name	Reason for Non-Compliance	Corrective Action Plan Received	Status of Corrective Action
Department of Behavioral Health & Developmental Services	Exhibit 4 Filed	Yes	Agency states corrective action will be completed by October 31, 2016.
Department of Criminal Justice Services	Exhibit 4 Filed & Submitted Late Certification for FY16	Yes	Agency states corrective action will be completed by September 30, 2017.

Agency Name	Reason for Non-Compliance	Corrective Action Plan Received	Status of Corrective Action
Department of Emergency Management	Exhibit 4 Filed	Yes	Agency states corrective action will be completed by October 31, 2016.
Department of Fire Programs	Exhibit 4 Filed	Yes	Agency states corrective action will be completed by June 30, 2017.
Department of Historic Resources	DOA requested an amended certification	N/A	Agency was contacted numerous times without response.
Virginia Employment Commission	Exhibit 4 Filed	Yes	Agency has stated that corrective action will be completed by December 31, 2016.
Virginia State University	Exhibit 4 Filed	Yes	Agency states corrective action will be completed by December 30, 2016.

The following agencies were not in compliance with the ARMICS process based on a QAR performed:

Agency Name	Reason for Non-Compliance	Corrective Action Plan Received	Status of Corrective Action
Department of Criminal Justice Services	Substantial non-compliance with ARMICS process based on a QAR.	Yes	In process. Agency is making progress in testing of significant fiscal processes. The agency originally indicated this process should be completed by September 30, 2016. Revised completion date to September 30, 2017.
State Corporation Commission	Substantial non-compliance with ARMICS process based on a QAR.	Yes	In process. Agency has stated that corrective action will be completed by December 31, 2016.
Division of Mines Minerals and Energy	Substantial non-compliance with ARMICS process based on a QAR.	Yes	Final certification in process. Agency stated this will be completed by mid-January 2017.
Department of Medical Assistance Services	Substantial non-compliance with ARMICS process based on a QAR.	Yes	In process. Agency is making progress. The agency originally indicated this process should be completed by September 30, 2016. Revised completion date to

September 30, 2017.

Agency Name	Reason for Non-Compliance	Corrective Action Plan Received	Status of Corrective Action
Virginia Worker's Compensation Commission	Substantial non-compliance with ARMICS process based on a QAR.	Yes	Final CAP submitted. The agency has completed this process as of 9/30/2016.

All agencies who certify ARMICS are considered to be in compliance. However, the following table lists the agency whose compliance has been verified by a QAR performed during FY16:

Compliant Agencies based on a QAR
Department of Environmental Quality

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Decentralized Review Compliance

DOA performs decentralized record reviews to fulfill its statutory responsibilities under the *Code of Virginia* regarding expenditures by state agencies and institutions. The decentralized record reviews emphasize the impact and effect of the findings on overall compliance with the applicable sections of the Commonwealth Accounting Policies and Procedures Manual.

A formal corrective action plan is required for agencies considered deficient in their compliance responsibilities. DOA will perform a follow-up review to verify the actions taken by the agency adequately addressed the deficiencies noted in the original report.

Although an agency's report may state that it "generally complies with the CAPP Manual" and not require a formal corrective action plan, most reports do contain some findings and recommendations. Agencies are strongly encouraged to address these findings. Repeat occurrences of the same findings in future reviews may result in the agency having to prepare a formal corrective action plan.

Agencies are evaluated for compliance with the following sections of the Commonwealth Accounting Policies and Procedures CAPP Manual:

- CAPP Topic 20310 - *Expenditures*
- CAPP Topic 20315 - *Prompt Payment*
- CAPP Topic 20330 - *Petty Cash*
- CAPP Topic 20335 - *State Travel Regulations*
- CAPP Topic 20336 - *Agency Travel Processing*
- CAPP Topic 20345 - *Moving and Relocation*
- CAPP Topic 20355 - *Purchasing Charge Card*

Agencies are generally selected each quarter using a systematic risk evaluation of all decentralized agencies. One decentralized agency review report was finalized for distribution during this quarter.

Compliant Agencies

Department of Human Resources Management

Agencies Requiring Corrective Action

Corrective Actions Needed

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Certification of Agency Reconciliation to Cardinal

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 July and August were due 08/31/2016 and 09/30/2016 respectively.

Certifications Late or Outstanding
As of February 10, 2017

Agency	Jul	Aug
Department of the Treasury-Trust Funds	12/28/16*	12/28/16*
Department of the Treasury-Statewide Activities	1/5/17*	O/S*

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

*Note: Department of the Treasury – Trust Funds and Department of the Treasury – Statewide Activities were granted an extension until 11/30/2016 for the months of July and August.

E-Commerce

Travel Check Charges

In accordance with Chapter 780, 2016 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 first quarter of FY 2017.

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 September 30, 2016
Education	
Virginia Military Institute	$10.00
Eastern Shore Community College	$5.00
Health and Human Resources	
Department of Health	$25.00
Southwestern Virginia Mental Health Institute	$5.00
Department of Social Services	$10.00
Independent Agencies	
State Corporation Commission	$5.00
Judicial	
Magistrate System	$45.00
Circuit Courts	$125.00
General District Courts	$220.00
Juvenile and Domestic Relations District Courts	$50.00
Natural Resources	
Department of Game and Inland Fisheries	$10.00
Public Safety and Homeland Security	
Department of Emergency Management	$15.00
Veterans and Defense Affairs	
Department of Veterans Services	$5.00

Agencies and institutions participating in the Charge Card program are required to submit Bank of America VISA payments via EDI no later than the 7th of each month. Failure to pay the correct amount when due jeopardizes the Commonwealth's contractual relationship with the charge card vendor and may result in suspension of an agency's charge card program. Any agency that pays their bill late by more than two (2) business days is reported. For the month of July, this represents the bill date of July 15, 2016, with the payment due no later than August 7th.

Agencies are credited under prompt payment reporting for timely payment of each purchasing charge card transaction. ***Effective July 1, 2007, any late payments on the Airline Travel Card (ATC) will be reflected in this section along with purchase card late payments. If an agency is late paying their ATC bill, agency prompt payment statistics may be adjusted downward to reflect each ATC bill submitted as a late payment.***

The following table lists agencies more than two days late in submitting their payments by each program type.

Agency	July	Aug	Sep
Purchase Card Program:			
Education			
Frontier Culture Museum of Virginia		X	X
New College Institute	X		
Richard Bland College	X		
Thomas Nelson Community College	X		
University of Virginia Medical Center		X	
Veterans and Defense Affairs			
Sitter & Barfoot Veterans Care Center			X
Transportation			
Department of Rail and Public Transportation		X	
Department of Transportation		X	X
Airline Travel Card Program:			
Education			
Virginia Western Community College	X		
Health and Human Resources			
Department of Medical Assistance Services		X	
Transportation			
Department of Rail and Public Transportation		X	

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The Commonwealth of Virginia has contracted with Bank of America to provide employees with a means of charging reimbursable travel and related expenses while conducting official state business. Unlike the SPCC program, in which the agency directly receives and pays a summarized bill for all cardholders, each cardholder is personally responsible for all charges placed on the travel card and for paying the bill on time.

One of the major concerns under this program is the timely payment of card statements. Delinquent accounts result in higher costs to the contractor and ultimately threaten the viability of the Commonwealth's travel charge card program.

The contract provides for the following actions on delinquent accounts:

- 30 days past due – noted on statement, letter sent to the cardholder.
- 31 - 60 days past due – charging privileges are temporarily suspended until balance is paid.
- 61 - 90 days past due – the account is permanently closed. Cardholder is no longer eligible to participate in the program.

The following table identifies the number of delinquent card accounts with Bank of America by agency during the quarter ended September 30, 2016, and the total amounts past due.

Travel Charge Card Program

As of September 30, 2016

Agency	Total Delinquent Accounts	Amounts 60 Days Past Due	Amounts 90-120 Days Past Due	Amounts >150 Days Past Due
Education				
Norfolk State University	3	1,221	0	0
University of Virginia Medical Center	1	406	0	0
Virginia Polytechnic Institute and State University	2	200	135	0
Health and Human Resources				
Department of Health	1	942	0	0
Transportation				
Department of Transportation	1	203	0	0

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Payroll Controls

CIPPS/PMIS Payroll Audit

During the quarter, DOA's automated comparison of payroll (CIPPS) and personnel (PMIS) records examined 403,561 salaried pay transactions and 92,800 wage pay transactions. The comparison is performed following each payday and is designed to identify discrepancies between authorized salary/wage amounts in PMIS and amounts paid in CIPPS. There were 3,388 new exceptions noted statewide during the quarter, with an overall exception rate of 0.06%.

The statewide salaried payroll exception rate was 0.20% and the wage payroll exception rate was 0.07%. During this quarter, 7 employee paychecks were reduced to recover $3,620.02 in overpayments.

While the largest cause of exceptions are employees whose position has expired in PMIS, the second largest cause of exceptions is the processing of payments to employees whose records have been terminated in PMIS. This can largely be avoided through timely PMIS data entry by agency Human Resource staff. Although segregation of these Human Resource and Payroll functions is an effective internal control, coordination and communication between agency Human Resource and Payroll staffs is essential.

Payroll Audit Exception Report
Quarter Ended September 30, 2016
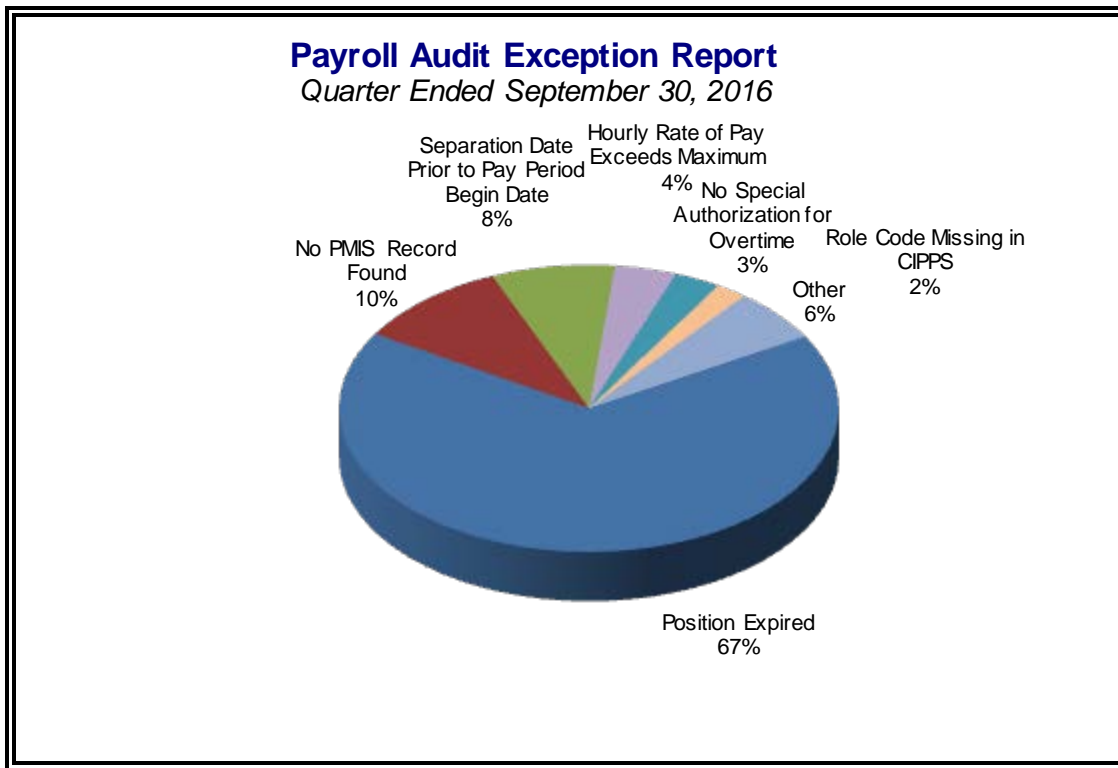
Exception percentages are calculated by dividing the number of exceptions by the number of salaried or wage employees. Agencies are reported below if the percentage of payroll exceptions to salaried or wage payments exceeds three times the statewide average for the quarter.

Payroll Exception Audit
Agency Payroll Exceptions as a Percent of Salaried Payments
Quarter Ended September 30, 2016

Agency	# of Salaried Exceptions	Exceptions as a % of Salaried Payments
Southern Virginia Mental Health Institute	11	0.98%
Salaried Payroll Exceptions for the Quarter		**0.20%**

The following chart compares payroll exceptions as a percentage of salaried payments by quarter for the past two years.

Total Quarterly Salaried Exceptions
*September 2014 - September 2016*
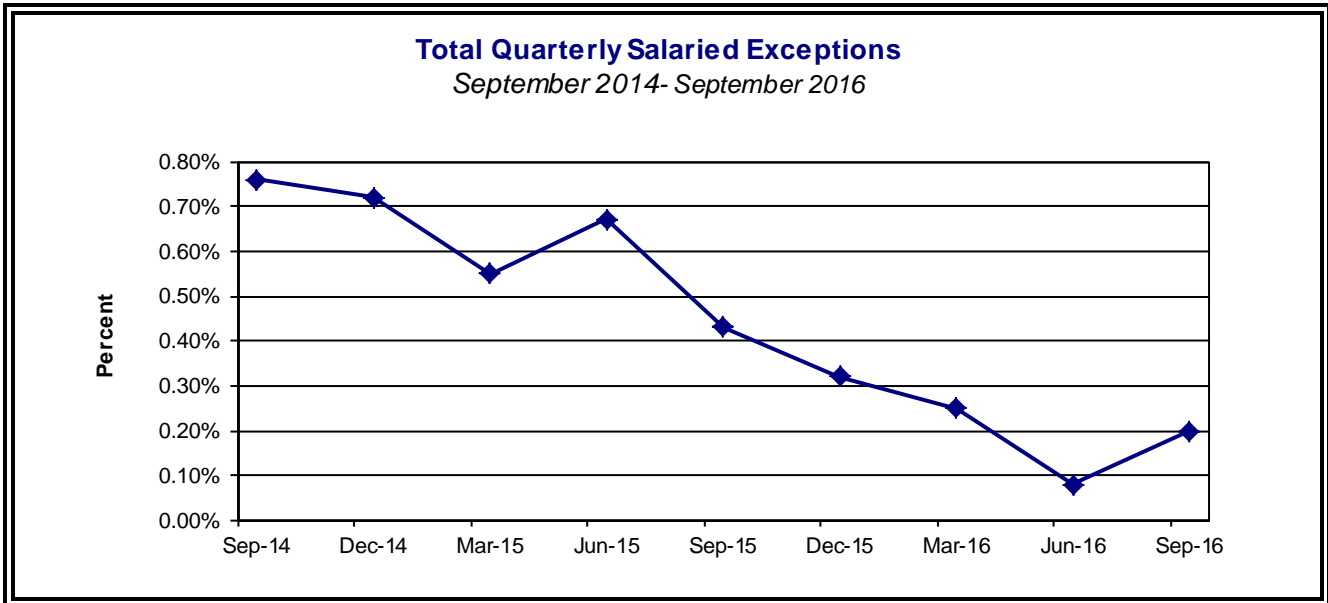
Payroll Exception Audit
Agency Payroll Exceptions as a Percent of Wage Payments
Quarter Ended September 30, 2016

Agency	# of Wage Exceptions	Exceptions as a % of Wage Payments
Wage Payroll Exceptions for the Quarter		**0.07%**

The following chart compares payroll exceptions as a percentage of salaried payments by quarter for the past two years.

Total Quarterly Wage Exceptions
September 2014- September 2016

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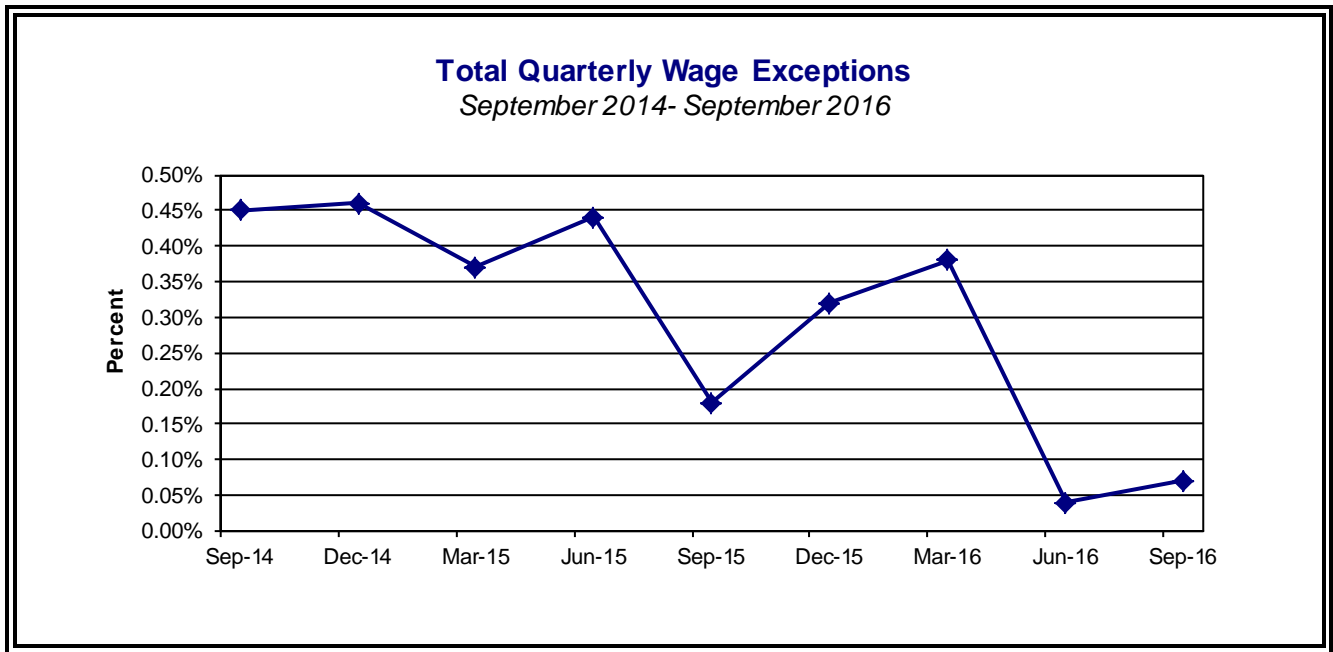
CIPPS/PMIS Exceptions

Agencies are required to submit explanations and/or reconciliations for the differences identified on the CIPPS/PMIS Unresolved Exceptions Report, within six weeks of notification. The following table lists those agencies having exceptions that remain unresolved six weeks after receipt of the report.

Agency	Unresolved Exceptions
None	

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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 automated edit reports, and correction of errors prior to requesting actual payroll runs which result 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.

Differences between the amount calculated by the payroll system based on agency input and the amount certified by the agency to be disbursed based on edit reports are identified in automated reports provided to agencies. Agencies are required to submit explanations and/or reconciliations of the differences identified on each report by the end of the day following receipt of the report. Differences result from agency payroll errors, miscalculations, online-certification data entry errors, and inappropriately high volumes of changes following certification. Although 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.

Agencies are required to enter applicable payroll certification requests into the payroll system by **3:30 p.m.** daily to ensure sufficient time is available for central review by DOA staff to validate certification entries, a critical compensating control. Late entries, either initial or correcting, make certification review more difficult or impossible. When a data entry error is detected during the review process, DOA must make corrections to avoid inaccurate payroll disbursements and/or voluminous and costly corrective action.

The table on the following page 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)	Performed by DOA (b)	Submitted Late (c)	Corrected by DOA (d)
Education				
Lord Fairfax Community College	$6,000,000			
Norfolk State University	$20,152			
Veterans and Defense Affairs				
Virginia Veterans Care Center	$35,648			

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 times DOA had to perform the certification function for the agency due to inadequate agency back-up.
(c) The number of certifications that were submitted or altered later than the daily deadline.
(d) The number of times DOA made corrections to agency certifications during the quarter.

Health Care Reconciliations

Employee health care fringe benefits costs are covered by a combination of agency-paid and employee-paid premiums. Agencies are required to return a *Certification of Automated Health Care Reconciliations* package to DOA by the close of the month following the month of coverage. This reconciliation annotates differences between health care eligibility records (BES) and health care premium payments collected through payroll deduction. The following table lists those agencies that did not comply with reporting requirements.

Health Care Reconciliations
as of September 30, 2016

Agency	Incomplete*	Errors*	Late
None			

*Agencies with more than two occurrences over the most recent 5-month period are reported.

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