REPORT ON STATEWIDE COMPLIANCE

FOR THE QUARTER ENDED
MARCH 31, 2019

OFFICE OF THE COMPTROLLER

DEPARTMENT OF ACCOUNTS

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REPORT ON STATEWIDE COMPLIANCE
Quarter Ended March 31, 2019

STATEMENT OF PURPOSE

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 March 31, 2019, and comparative FY 2018 data.

David A. Von Moll, CPA, CGFM
Comptroller

Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

SPECIAL REPORT
2018 Year-End Payroll Processing

At the end of calendar year 2018, DOA working with 204 state agencies and institutions, verified and printed 118,433 W-2s. This was a slight increase from the number of W-2s printed in 2017.

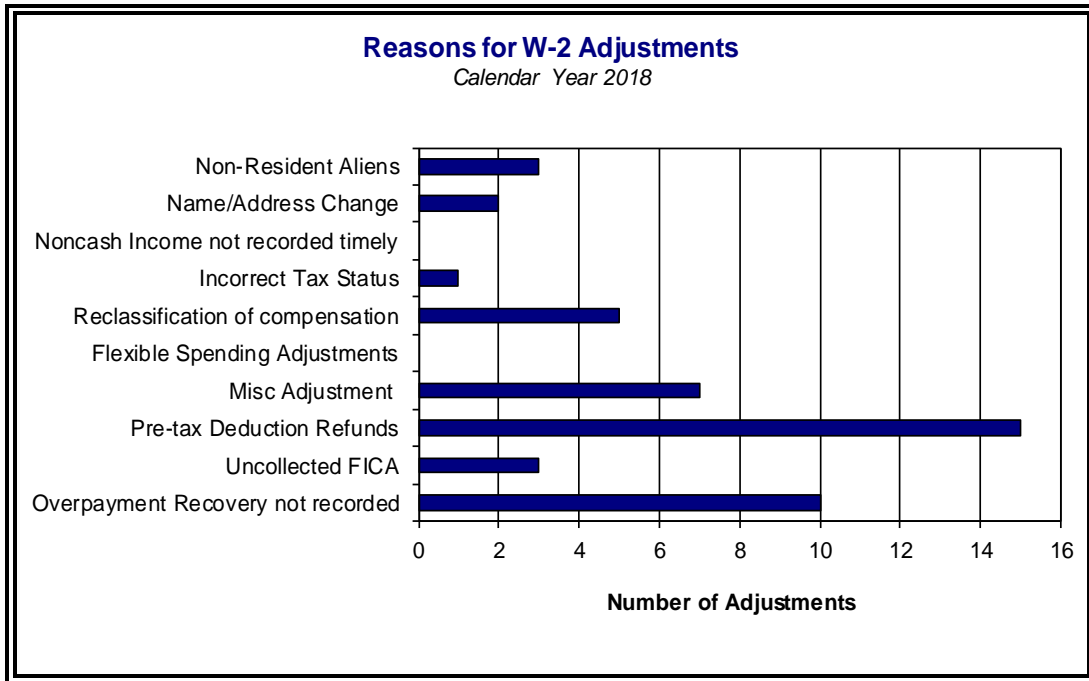|	CY 2018	CY 2017
W-2s Printed	118,433	118,238
W-2Cs Printed	46*	76*
Agencies Making Adjustments	57	43
Employee Records Requiring Year-End Adjustments	167	194

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

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

As a result, required processing deadlines continue to be met without difficulty. Submissions of certified year-end reports continue to follow the same trend as last year.

Agencies adjusted 167 employee records. Thirty-eight percent of all adjustments were required to correct taxable wages for employees resulting from incorrect tax status. Fifteen percent were due to adjustment of wages resulting from recovery of overpayments. Another thirteen percent of all adjustments were attributable to adjustments for refunds of pre-tax deductions.

W-2s are printed at the Department of Treasury using self-mailers. Upon return from Treasury, agencies are notified that the W-2s are ready for pickup. CIPPS W-2s were available in Payline by January 25th for all agencies. All paper copies were picked up by January 28th for subsequent delivery to employees.

Reasons for W-2 Adjustments
Calendar Year 2018

Reason	Number of Adjustments
Non-Resident Aliens	3
Name/Address Change	2
Noncash Income not recorded timely	0
Incorrect Tax Status	1
Reclassification of compensation	5
Flexible Spending Adjustments	0
Misc Adjustment	7
Pre-tax Deduction Refunds	15
Uncollected FICA	3
Overpayment Recovery not recorded	10

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COMPLIANCE

Auditor of Public Accounts Reports - Executive Branch and Independent Agencies

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

Each agency must provide a written response that includes a Corrective Action 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 March 31, 2019

The APA issued 15 reports covering 39 State Agencies for the Executive Branch and no reports for the Independent Agencies. 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 Human Resource Management	4	2	6	YES
Agriculture and Forestry				
None				
Commerce and Trade				
Department of Housing and Community Development[1][2][3]	0	0	0	N/A
Virginia Employment Commission	1	3	4	YES
Education				
Department of Education including Direct Aid to Public Education	8	2	10	YES

	New Findings	Repeat Findings	Total Findings	CAW Received
Blue Ridge Community College[4]	0	0	0	N/A
Central Virginia Community College[4]	0	1	1	YES
Germanna Community College[4]	0	0	0	N/A
George Mason University[4]	2	0	2	YES
J. Sargeant Reynolds Community College	0	0	0	N/A
John Tyler Community College[4]	0	0	0	N/A
James Madison University[4]	4	0	4	YES
Mountain Empire Community College4[4][5]	0	0	0	N/A
Norfolk State University[4]	2	1	3	YES
Northern Virginia Community College[4]	1	0	1	YES
Old Dominion University[4]	2	0	2	YES
Paul D. Camp Community College[4]	0	1	1	YES
Piedmont Virginia Community College	0	0	0	N/A
Radford University[4]	1	0	1	YES
Southwest Virginia Community College[4]	0	0	0	N/A
Tidewater Community College[4]	1	0	1	NO
University of Virginia[4]	3	0	3	YES
Virginia Commonwealth University[4]	1	0	1	YES
Virginia Highlands Community College[4]	0	0	0	N/A
Virginia Polytechnic Institute and State University[4][6]	2	0	2	YES
Virginia State University[4]	2	0	2	YES
Executive Offices				
Attorney General and Department of Law[7]	3	2	5	YES
Finance				
Secretary of Finance[8]				
Department of Accounts	1	1	2	YES
Department of Planning and Budget	0	0	0	N/A
Department of Taxation	3	3	6	YES
Department of the Treasury	1	3	4	YES
Treasury Board	0	0	0	N/A
Health and Human Resources				
Secretary of Health and Human Resources[9]				
Department of Behavioral Health and Developmental Services	9	5	14	YES
Department of Health	12	1	13	YES
Department of Medical Assistance Services	1	3	4	YES
Department of Social Services	15	2	17	NO
Independent Agencies				
None				
Natural Resources				
None				
Public Safety and Homeland Security				
None				
Technology				
None				
Transportation				
Secretary of Transportation[10]				
Department of Motor Vehicles	2	1	3	YES
Department of Transportation	4	2	6	NO

	New Findings	**Repeat Findings**	**Total Findings**	**CAW Received**

Veterans and Defense Affairs

None

(1) *Low-Income Home Energy Assistance Federal Grant Program*
(2) *Virginia Growth and Opportunity Fund*
(3) *Virginia Removal or Rehabilitation of Derelict Structures Fund*
(4) *The APA issued one report titled Student Financial Assistance Programs Cluster for the Year Ended June 30, 2018.*
(5) *Mountain Empire Community College was issued a second audit during the 3rd Quarter 2019 separate from its audit of Student Financial Assistance Programs Cluster for the Year Ended June 30, 2018.*
(6) *Virginia Polytechnic Institute and State University was issued a second audit during the 3rd Quarter 2019 separate from its initial finding reflected in the Student Financial Assistance Programs Cluster for the Year Ended June 30, 2018.*
(7) *The Attorney General and Department of Law audit included the Division of Debt Collection*
(8) *The Secretary of Finance audit included Department of Accounts, Department of Planning and Budget, Department of Taxation, and Department of the Treasury and the Treasury Board.*
(9) *The Secretary of Health and Human Resources audit included Department of Behavioral Health and Developmental Services, Department of Health, Department of Medical Assistance Services, and Department of Social Services.*
(10) *The Secretary of Transportation audit included Department of Motor Vehicles and Department of Transportation.*

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Audit Findings - Quarter Ended March 31, 2019

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

Administration

Department of Human Resource Management

1. Improve Controls Over Financial Reporting
2. Improve IT Security Governance
3. Improve Web Application Security Controls. **This is a Partial Repeat Finding.**
4. Improve IT Risk Management and Disaster Recovery Planning. **This is a Partial Repeat Finding.**
5. Review and Document Service Organization Control Reports of Third-Party Service Providers
6. Reconcile Billing Records for the Line of Duty Act Program

Commerce and Trade

Virginia Employment Commission

1. Continue to Improve Oversight Over Third-Party Service Providers. **This is a Repeat Finding**.
2. Complete IT Risk Assessments and Define System Boundaries. **This is a Repeat Finding**.
3. Continue to Improve Database Security. **This is a Repeat Finding**.
4. Improve Firewall Management

Education

Central Virginia Community College

1. Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**

Department of Education including Direct Aid to Public Education

1. Implement Separation of Duties over VPSA Education Technology Grant Payments
2. Continue to Improve Support and Review of Financial Recording. **This is a Repeat Finding.**
3. Ensure Consistent Recording of Receivables
4. Use Secure Local Division Data
5. Establish and Implement Policies and Procedures over Federal Reporting
6. Confirm that Subrecipients are not Suspended or Debarred
7. Continue Improving Database Security. **This is a Repeat Finding.**
8. Improve Vulnerability Scanning Process
9. Perform Information Technology Security Audits
10. Improve the IT Security Awareness Training Process

George Mason University

1. Improve Compliance over Enrollment Reporting

2. Properly Process Return of Title IV Calculations

James Madison University

1. Improve Compliance over Enrollment Reporting
2. Improve Notification of Awards to Students
3. Improve Reporting to the Common Origination and Disbursement System
4. Promptly Return Unclaimed Aid to the Department of Education

Norfolk State University

1. Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
2. Properly Process Return of Title IV Calculations
3. Improve Notification of Awards to Students

Northern Virginia Community College

1. Improve Compliance over Enrollment Reporting

Old Dominion University

1. Improve Compliance over Enrollment Reporting
2. Properly Process Return of Title IV Calculations

Paul D. Camp Community College

1. Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**

Radford University

1. Improve Compliance over Enrollment Reporting

Tidewater Community College

1. Improve Compliance over Enrollment Reporting

University of Virginia

1. Improve Compliance over Enrollment Reporting
2. Properly Process Return of Title IV Calculations
3. Improve Notification of Awards to Students

Virginia Commonwealth University

1. Improve Compliance over Enrollment Reporting

Virginia Polytechnic Institute and State University

1. Improve Compliance over Enrollment Reporting
2. Improve Reporting to National Student Loan Data System

Virginia State University

1. Improve Compliance over Enrollment Reporting
2. Improve Reporting to the Common Origination and Disbursement System

Executive Offices

Attorney General and Department of Law

1. Continue to Improve Firewall Management. **This is a Repeat Finding.**
2. Continue to Improve Physical and Environmental Security. **This is a Repeat Finding**.
3. Improve Legal Billings Internal Controls
4. Perform Annual Access Review of the Attendance and Leave System
5. Improve Employment Eligibility Process

Finance

<u>Secretary of Finance</u>

Department of Accounts

1. Ensure all Nonexempt Active Vendors in the Commonwealth's Accounting and Financial Reporting System Have a Form W-9. **This is a Repeat Finding.**
2. Review and Document Service Organization Control Reports of Third-Party Service Providers

Department of Taxation

1. Strengthen Access Controls. **This is a Repeat Finding.**
2. Continue to Improve Service Account Management. **This is a Repeat Finding.**
3. Improve Controls over Workgroups
4. Improve the Effectiveness of the Access Termination Process
5. Improve Controls over Role Access. **This is a Repeat Finding.**
6. Improve Disaster Recovery Planning Documentation

Department of the Treasury

1. Improve Accounting and Financial Reporting Control Environment of Trust Accounting. **This is a Repeat Finding.**
2. Improve Financial Reporting of Unclaimed Property Activity. **This is a Repeat Finding.**
3. Improve Information System Access Controls. **This is a Repeat Finding.**
4. Document Risk Management Procedures and Improve Quality of Data Provided to Actuary

Health and Human Resources

<u>*Secretary of Health and Human Resources*</u>

Department of Behavioral Health and Developmental Services

1. Improve Controls over Financial Reporting
2. Improve IT Contingency Management Program. **This is a Repeat Finding.**
3. Continue to Upgrade Unsupported Technology. **This is a Repeat Finding.**
4. Develop Baseline Configurations for Information Systems. **This is a Repeat Finding.**
5. Improve Application Security
6. Improve Access Controls over the Internal Accounting System
7. Develop and Implement Compliant Application Access Management Procedures
8. Improve Internal Controls over Capital Assets
9. Improve Controls over the Purchasing Process
10. Improve Controls over the Commonwealth's Retirement Benefits System. **This is a Repeat Finding.**
11. Comply with Employment Eligibility Requirements
12. Improve Controls over Payroll. **This is a Repeat Finding.**
13. Comply with 1,508 Hour Rule for Wage Employees
14. Improve Controls Surrounding At-Will Employees

Department of Health

1. Perform Review of Service Organization Control Reports for Third Party Service Providers
2. Ensure Timely Subrecipient Monitoring
3. Comply with Federal Requirements over High-Risk Vendors
4. Improve Controls over WIC Information System Access
5. Retain Documentation of WIC Financial Eligibility
6. Ensure Adequate Separation of Duties when Certifying WIC Participants
7. Comply with Virginia Administrative Code Requirements for Above-50-Percent Vendors
8. Develop Procedures to Ensure Price Limits Are Accurately Recorded
9. Improve Contingency Management Program
10. Improve Web Application Security
11. Improve Timely Removal of Critical System Access. **This is a Repeat Finding.**
12. Perform Financial System Access Reviews
13. Develop and Implement Policy for Monitoring Part-time Employee Hours

Department of Medical Assistance Services

1. Strengthen Controls over Year-End Accrual Reporting
2. Remove Access to the Claims Processing System in a Timely Manner. **This is a Repeat Finding.**
3. Continue Improving the Accounts Receivable Collection Process. **This is a Repeat Finding.**
4. Ensure Employees Complete Required Conflict of Interest Training. **This is a Partial Repeat Finding.**

Department of Social Services

1. Improve Controls over Income Verification for the Temporary Assistance for Needy Family Program.
2. Update the Work Verification Plan for the Temporary Assistance for Needy Family Program
3. Improve Controls over Federal Performance Reporting
4. Obtain Federal Authorization before Deviating from Cash Management Requirements
5. Improve the Billing Process
6. Improve Controls over Federal Reporting
7. Improve Process and Controls over Subrecipient Monitoring
8. Ensure that Subrecipient Reviews Adhere to Monitoring Plan
9. Continue Improving Database Security. **This is a Partial Repeat Finding.**
10. Develop Records Retention Requirements and Processes for Case Management System Electronic Records
11. Improve IT Risk Management and Contingency Planning Program
12. Remove Separated Employees' Access to Critical Systems in a Timely Manner
13. Ensure Statement of Economic Interest Filers Complete Required Training. **This is a Repeat Finding.**
14. Improve Processes and Controls over Employment Eligibility
15. Improve Internal Controls for Retirement Benefits System Census Data Reporting
16. Improve Reconciliation Process of the Commonwealth's Retirement Benefits System
17. Improve Controls over Journal Entries

Transportation

Secretary of Transportation

Department of Motor Vehicles

1. Ensure Timely Notification of Terminations and Transfers
2. Improve Information Technology Change Management Program. **This is a Repeat Finding.**
3. Improve Training on and Monitoring of the Employment Eligibility Process

Department of Transportation

1. Identify and Evaluate Changes to Previously Identified Component Units for Financial Reporting
2. Improve Financial Reporting of Infrastructure Assets with Proactive Policies and Procedures
3. Evaluate Invoices for Goods or Services Provided Across Multiple Fiscal Years
4. Enhance Review of Accounts Receivable for Financial Reporting
5. Improve Policies over Service Concession Arrangements. **This is a Partial Repeat Finding.**
6. Continue to Strengthen Internal Controls over the Employee Separation Process. **This is a Repeat Finding.**

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Risk Alerts – Quarter Ended March 31, 2019

The following repeat "Risk Alert" was issued to the Department of Taxation:

Mitigate Server Vulnerabilities

Comment to Management – Quarter Ended March 31, 2019

A Management Comment was issued to Department of Transportation in the Agencies of the Secretary of Transportation Audit Report for the year ended June 30, 2018.

Special Reports – Quarter Ended March 31, 2019

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

Commonwealth of Virginia Single Audit Report for the year ended June 30, 2018

Report on Collections of Commonwealth Revenues by Local Constitutional Officers for the fiscal year ended June 30, 2018

The following APA "Special Report" was received that did not contain management findings:

Comparative Report of Local Government Revenue and Expenditures for the fiscal year ended June 30, 2018

Report to the Joint Legislative Audit and Review Commission for the quarter October 1, 2018 through December 31, 2018

Other Audit Reports – Quarter Ended March 31, 2019

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

George Mason University Intercollegiate Athletics Programs for the year ended June 30, 2018

Internal Control Report on Local Government Investment Pool, Virginia College Building Authority, Virginia Public Building Authority, and Virginia Public School Authority for the year ended June 30, 2018

James Madison University Intercollegiate Athletics Programs for the year ended June 30, 2018

Longwood University Intercollegiate Athletics Programs for the year ended June 30, 2018

Norfolk State University Intercollegiate Athletics Programs for the year ended June 30, 2018

Old Dominion University Intercollegiate Athletics Programs for the year ended June 30, 2018

Radford University Intercollegiate Athletics Programs for the year ended June 30, 2018

Review of the Rappahannock River Basin Commission Financial Information, and the George Washington Regional Commission's audit report relating to fiscal year ended June 30, 2018

The College of William and Mary in Virginia Intercollegiate Athletics Programs for the year ended June 30, 2018

University of Virginia Intercollegiate Athletics Programs for the year ended June 30, 2018

Virginia Commonwealth University Intercollegiate Athletics Programs for the year ended June 30, 2018

Virginia Military Institute Intercollegiate Athletics Programs for the year ended June 30, 2018

Virginia Polytechnic Institute and State University Intercollegiate Athletics Programs for the year ended June 30, 2018

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

Virginia Health Workforce Development Authority for the year ended June 30, 2017

Internal Control Questionnaire Reviews - Quarter Ended March 31, 2019

The APA issued the following "Internal Control Questionnaire Review" that contained management recommendations:

Department of Aviation Internal Control Questionnaire Review Results as of July 2018

Department of Rail and Public Transportation as of July 2018

Office of Children's Services Internal Control Questionnaire Review Results as of June 2018

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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 every quarter end until control findings are certified by the agency head as corrected. The status of corrective action information reported by agencies under this policy is summarized in this report.

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

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Administration				
Department of General Services	2	1	0	0
Department of Human Resource Management	2	2	0	0
Commerce and Trade				
Virginia Employment Commission	3	1	1	3
Education				
Christopher Newport University	0	0	0	1
Department of Education	0	3	0	1
George Mason University	1	0	0	0
James Madison University	0	0	0	1
Longwood University	4	0	4	0
Norfolk State University	5	5	0	0
Old Dominion University	0	1	0	0
Richard Bland College	1	3	1	0
Southern Virginia Higher Education Center	0	1	0	0
University of Virginia Academic Division	1	1	5	0
University of Virginia Medical Center	2	3	1	0
Virginia Commonwealth University	2	0	3	0
Virginia Community College System – Central Office	2	0	1	0
Blue Ridge Community College	0	0	0	2
Central Virginia Community College	0	0	1	0
Eastern Shore Community College	0	2	2	0
J. Sargeant Community College	0	0	0	1
Northern Virginia Community College	0	1	0	0
Thomas Nelson Community College	0	2	0	0
Virginia School for the Deaf and Blind	2	0	0	0
Virginia State University	0	1	0	1
Finance				
Department of Accounts	0	1	0	0

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Department of the Taxation	2	1	0	0
Department of the Treasury	0	1	0	0
Health and Human Resources				
Department for Aging and Rehabilitative Services	2	0	0	0
Department of Behavioral Health and Developmental Services	0	3	0	0
Department of Medical Assistance Services	0	4	0	0
Independent Agencies				
State Corporation Commission	2	0	1	0
Virginia Lottery	2	0	0	0
Natural Resource				
Department of Game and Inland Fisheries	0	1	5	1
Public Safety and Homeland Security				
Department of Corrections	2	0	0	0
Department of Emergency Management	0	0	5	0
Department of State Police	9	20	0	0
Department of Veterans Services	0	1	0	0
Virginia Alcoholic Beverage Control Authority	1	0	0	0
Transportation				
Department of Motor Vehicles	0	1	0	0
TOTALS	47	60	30	11

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Status of Prior Audit Findings

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

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

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

Administration

Department of General Services (DGS)
Audit Year: 2018

> **Finding 18-01**: Properly Classify Lease Renewals and Establish Policies for Renovations
> **Status**: Modification of Capital Lease Analysis policy to reflect the procedures when reclassifying a lease from capital to operating due to new term with a renewal/extension/option; updating of lease classification in COVA Trax and the notification and communication with DGS Fiscal to expire the lease in LAS and DGS Fiscal to provide a confirmation notification that the lease has been expired. To modify the procedure with respect to Capital Lease Test Criteria whereby no consideration will be provided for the extension of the economic life of the asset and the modification of the assumed economic life of the asset to be adjusted to 30 years.
> **Status Summary**: Completed (On Schedule)

> **Finding 18-02**: Improve Preparation Procedures for Attachment 11
> **Status**: Update Attachment 11 procedures to specify LAS report to use in preparation of attachment.
> **Status Summary**: In Progress (On Schedule)

Audit Year: 2015

> **Finding 15-01**: Improve Information Security Program
> **Status**: DGS is well underway with one audit and beginning a second audit by April. By December 31, 2019, agency risk assessment and audits will be well over 90% compliance.
> **Status Summary**: In Progress (Delayed)

Department of Human Resource Management (DHRM)
Audit Year: 2017

> **Finding 17-01/16-03/15-03/14-01:** Improve Web Application Security Controls. **This is a Repeat Finding**.
> **Status:** Implementation in Progress.
> **Status Summary:** In Progress (Delayed)

> **Finding 17-02/16-01/15-01:** Improve IT Risk Management and Disaster Recovery Planning. **This is a Partial Repeat Finding**.
> **Status:** Implementation in progress.
> **Status Summary:** In Progress (Delayed)

Finding 17-04: Improve Vulnerability Identification and Mitigation Process
Status: DHRM needs funding for a full-time ISO position that will be independent from IT Operations, and funding to maintain an effective and compliant Security Program; for that effect DHRM will submit a budget request for FY20 and following FY(s) requesting the funding necessary to support both needs.
Status Summary: In Progress (On Schedule)

Finding 17-05: Improve Database and Application Security
Status: DHRM IT Security staff is working with DHRM Systems Operations to review related web pages and assure the correct encryption and controls are implemented. DHRM IT Security staff is working with VITA/SAIC to review related web server headers and assure the sanitization is done and implemented by VITA/SAIC.
Status Summary: In Progress (On Schedule)

Commerce and Trade

Virginia Employment Commission (VEC)
Audit Year: 2017

Finding 17-01/16-01: Continue to Upgrade Unsupported Technology. **This is a Repeat Finding.**
Status: All work was completed by NG and the cable vendor. LAN connections were switched over to the new copper network by October 31, 2018 throughout Central Office.
Status Summary: Completed (Delayed)

Finding 17-02/16-02/15-03/14-03: Continue to Improve Oversight over IT Risk Assessments. **This is a Repeat Finding.**
Status: The agency is in the process of documenting all sensitive system risk assessments. Ten risk assessments were completed 2018. There are six risk assessments planned for 2019. The estimated completion date remains December 31, 2019.
Status Summary: In Progress (On Schedule)

Finding 17-03/16-03/15-06: Continue to Improve Oversight over Third-Party Service Providers. **This is a Repeat Finding**.
Status: VEC continues to work with vendors to obtain current SOC Reports. A third-party Security Policy and Procedures is complete. Two third-party service providers have completed the ECOS assessment and the next steps are to finalize the terms and conditions for entering into ECOS. A third provider will begin ECOS process immediately after SOC 2 Type 2 is complete.
Status Summary: In Progress (On Schedule)

Finding 17-04: Continue to Improve Database Security. **This is a Repeat Finding.**
Status: VEC has been having database administration staffing issues which have prevented it from making substantial progress. VEC has established a recruitment for a full-time classified database administrator. Two offers were made and declined. The second round of recruitment has started. VEC separated its contracted database administrator on December 18, 2018. The VEC will not be able to fully address this issue until staffing issues are resolved. Revised estimated completion date is September 30, 2019.
Status Summary: In Progress (Delayed)

Finding 17-06: Risk Management and Contingency Planning Documentation
Status: The 2018 DRP, BIA and System & Data Sensitivity Classifications are complete.
Status Summary: Completed (On Schedule)

Audit Year: 2016

Finding 16-06/15-04: Continue Improving Physical and Environmental Security. **This is a Repeat Finding**.
Status: Fire suppression is canceled. The agency is relocating fourth quarter 2019.
Status Summary: Complete (Delayed)

Finding 16-10/15-05: Document Separation of Duties of Individuals for Mission Critical Systems. **This is a Repeat Finding.**
Status: VEC is working on a Separation of Duties (SoD) matrix for each mission essential system. Estimated completion date remains December 31, 2019.
Status Summary: In Progress (On Schedule)

Audit Year: 2015

Finding 15-02: Obtain Approval to Use End-of-Life Operating Systems
Status: All work was completed by NG and the cable vendor. LAN connections were switched over to the new copper network by October 31, 2018 throughout Central Office.
Status Summary: Completed (Delayed)

Education

Christopher Newport University (CNU)
Audit Year: 2017

Finding 17-02: Improve Controls over Purchasing System Access
Status: The new process has been put in place and is functioning as designed.
Status Summary: Completed (Delayed)

Department of Education (DOE/COO)
Audit Year: 2017

Finding 17-10/16-05: Continue to Improve Information Security Program and IT Governance. **This is a Repeat Finding.**
Status: The general controls portion for Sensitive System audits have been completed. Delivery of final IT audit report test work and completion is under review with Commonwealth Security and Risk Management. Risk assessments of sensitive systems have been completed. GAP analysis and mitigation strategy has been completed and received. The plan has been presented to the Superintendent for review and comment. Policy and procedure manual signed by State Superintendent.
Status Summary: Completed (Delayed)

Finding 17-11/16-06: Improve Database Security. **This is a Repeat Finding.**
Status: APA has recognized DOE has resolved five out of six control weaknesses identified in the fiscal year 2017 audit. DOE expects to resolve the outstanding deficiency; monitoring of highly privileged user access by implementing security services that are to be made available to Executive Branch agencies via VITA's Master Services Agreement in CY 2019. VITA's scheduled security services offering via the VITA MSA in CY 2019. DOE will investigate commercial tools as well as there no implementation schedule available from VITA at present.
Status Summary: In Progress (Delayed)

Audit Year: 2015

Finding 15-03: Continue to Improve Information Security Policies and Procedures. **This is a Repeat Finding**.
Status: APA has recognized DOE has resolved five out of six control weaknesses identified in the fiscal year 2017 audit. DOE expects to resolve the outstanding deficiency; monitoring of highly privileged user access by implementing security services that are to be made available to Executive

Branch agencies via VITA's Master Services Agreement in CY 2019. VITA's scheduled security services offering via the VITA MSA in CY 2019. DOE will investigate commercial tools as well as there no implementation schedule available from VITA at present.
Status Summary: In Progress (Delayed)

Finding 15-04/14-04: Improve Risk Management and IT Security Audit Plan Document. **This is a Repeat Finding**.
Status: APA has recognized DOE has resolved five out of six control weaknesses identified in the fiscal year 2017 audit. DOE expects to resolve the outstanding deficiency; monitoring of highly privileged user access by implementing security services that are to be made available to Executive Branch agencies via VITA's Master Services Agreement in CY 2019. VITA's scheduled security services offering via the VITA MSA in CY 2019. DOE will investigate commercial tools as well as there no implementation schedule available from VITA at present.
Status Summary: In Progress (Delayed)

George Mason University (GMU)
Audit Year: 2017

Finding 17-01: Improve Information Security Policies and Procedures
Status: Under Project #534, a new structure for security policy and standards has been developed based on NIST standards. A new overarching IT Security Policy and supporting IT security Standard has been developed; as of March 7, 2019, the documents have been presented to key technical staff at GMU and are being edited based on feedback that has been received. Operating procedures are being updated in parallel with the policy reviews. On track for completion by target date.
Status Summary: In Progress (On Schedule)

James Madison University (JMU)
Audit Year: 2017

Finding 17-02: Assess and Classify Systems Based on Data Sensitivity
Status: Reviewed existing model and assigned new data and system classifications (Q1). Reevaluated systems in light of new classification model to create new list of sensitive systems (Q2-Q3). Started collecting SOC2 reports (Q1). Implemented formal process for evaluation and review (Q2-Q3). Began and continue to apply new process to add contract language into procurements/contract renewals as applicable (Q2). Hired IT Risk and Compliance analyst (Q1). This person is continuing to facilitate the collection/evaluation of SOC2 reports and assists IT's portion of contract review/negotiation.
Status Summary: Completed (Delayed)

Longwood University (LU)
Audit Year: 2017

Finding 17-01: Improve Database Security and Information System Access Controls. **This is a Material Weakness**.
Status: LU will review the CIS Benchmark for Oracle or the Oracle database Security Assessment Tool. During this review, LU will determine what auditing will be required and when reviews will take place. LU is implementing ELK, which will be used to collect and analyze Oracle logs. This part of the project is scheduled to be completed by December 2018. After the review, we will create an Oracle baseline configuration standard by updating current documentation including LU database baseline configurations which are documented in the LU Oracle Database Installation and Maintenance document and the LU Standardized Audit settings.
Status Summary: In Progress (On Schedule)

Finding 17-02: Improve Capital Asset Policies and Procedures That Support Financial Reporting. **This is a Material Weakness and a Repeat Finding**.
Status: A new procedure has been implemented by the Fixed Asset Accountant to prepare a monthly reconciliation between the two capital asset management systems. This reconciliation will continue while LU is utilizing both Sage and the manual spreadsheet simultaneously for financial reporting and inventory tracking. The reconciliation will confirm that capital assets are reported properly in both Sage and the depreciation spreadsheet, as well as verify that useful lives, acquisition dates, and acquisition values are valid. The final piece of the reconciliation will be to confirm disposals in both Sage and the depreciation spreadsheet are accurately removed from both systems. In addition to the above reconciliation, the Fixed Asset Accountant will complete a full 100 percent department audit of capital assets within the fiscal year. This audit will aid in the process of researching and adjusting all of the discrepancies listed above. This will further certify the integrity of fixed asset reporting, as well as confirm all LU capital assets are properly controlled in both systems. Completing a full inventory audit will furthermore enable us to comply with CAAP Manual Topic 30505. The software system has been updated and is currently awaiting a correction in eVA to Sage's address so that the order can be placed with Sage to correct the reporting model to GASB 34-35.
Status Summary: In Progress (On Schedule)

Finding 17-03: Properly Estimate Scholarship Allowance
Status: Financial Operations will follow the NACUBO Alternate method to estimate scholarship allowances in the future, properly allocate student aid sources, and complete all steps in the calculation.
Status Summary: Completed (On Schedule)

Finding 17-04/15-04: Continue to Improve Oversight of Third-Party Service Providers. **This is a Repeat Finding**.
Status: LU has adopted a process modeled from Radford University for Third Party Assessment and onboarding of proposed product. Depending on date type, HECVAT or SOC 2 type 2 reports may be required. During the 2019 APA audit it was viewed in pilot form and will be in production by June 2019. Material Management and ITS have worked closely to design and implement the process and have already implemented a Data Protection Addendum that is included in all contracts.
Status Summary: In Progress (On Schedule)

Finding 17-05/16-04: Continue to Improve Continuity of Operations Planning. **This is a Repeat Finding**.
Status: ITS has been working with the Emergency Operations Group. There have been several meetings to discuss COOP with the latest meeting with the department leaders to develop a clear understanding of requirements. As input is received from the departments Emergency Operations and IT assess the current state of operational process.
Status Summary: In Progress (On Schedule)

Finding 17-06: Continue to Improve Virtual Private Network Security. **This is a Partial Repeat Finding**.
Status: Continual improvements have been completed with the latest being the implementation of Multifactor Authentication for VPN users.
Status Summary: Completed (On Schedule)

Finding 17-07/16-05: Continue to Improve Server Operating System Security. **This is a Partial Repeat Finding**.
Status: Server Operating System Security has been improved by the implementation of CIS Foundation Standards. The systems have been hardened with baseline configurations.
Status Summary: Completed (On Schedule)

Finding 17-08/16-02: Continue to Develop a Process for Tracking Federal Grant Time and Effort Reporting. **This is a Repeat Finding**.
Status: Procedures were implemented spring 2018.
Status Summary: Completed (On Schedule)

Norfolk State University (NSU)
Audit Year: 2018

Finding 18-01: Improve Controls over Fixed Asset Inventory
Status: NSU Controller's office conducts a comprehensive fixed asset inventory annually. The Controller's office staff has conducted training for stewards to help understand their responsibility related to fixed asset management. The training material have been published and made available to all employees on NSU's internet. Adjustments needed to the fixed asset module will be made prior to year-end reporting.
Status Summary: In Progress (On Schedule)

Finding 18-02: Improve Processes for Employment Eligibility
Status: NSU Office of Human Resources (OHR) has made proactive efforts in meeting the requirements set forth in the action plan. OHR has hired a Special Assistant to audit all I-9"s that were currently in the possession of the OHR. The office continues to comply with current hiring practices in ensuring employees are hired and meet immigration standards.
Status Summary: In Progress (Delayed)

Finding 18-03: Improve Reporting to National Student Loan Data System. **This is a Repeat Finding.**
Status: The Financial Aid office continues to ensure timely and accurate reporting and is currently monitoring the process closely. All batches uploaded to the National Clearinghouse are reviewed to ensure that they are accepted and are free of errors. The Registrar also notifies the Financial Aid personnel of any batches uploaded to the National Clearinghouse during the 30-day process, 10-week, and final grading periods, and between semester breaks for verification. The Internal Control officer in NSU's Controllers Office also receives notifications when a file is uploaded to the NSLDS.
Status Summary: In Progress (On Schedule)

Finding 18-04: Properly Process Title IV Refund Calculations
Status: The Financial Aid office is still in progress with corrective action plan, the Financial Aid Office has reviewed fall and spring breaks to ensure that the break is inclusive of Sunday after any Saturday classes through the Sunday at the end of the break period. Financial aid continues to monitor the process to ensure compliance.
Status Summary: In Progress (On Schedule)

Finding 18-05: Improve Notification Process for Title IV Awards to Students
Status: The Financial Aid office continues to monitor the process and the procedures put in place to address the student's communication log. The Financial Aid Office currently establish Track (TRC) and Communications Management (CM) codes to generate various types of letters and emails. The TRC process allows for batches to be overwritten. The CM codes provides for storing of codes specific to the letter or email and assist in the process and history of batches. Awards are generated based upon the file complete date feature in Colleagues. Once the awarded process has been completed, an email notification is sent to the student informing them to review their award information in "My NSU". The Colleague "My NSU" affords students the opportunity to view and print letters at any time. First-time students are initially sent paper award notification letters, all subsequent notifications will be sent through email. All disbursements are scheduled and processed weekly with the 14-day loan cancellation notification to be performed at the end of the disbursement cycle. OHR will also ensure.
Status Summary: In Progress (On Schedule)

Audit Year: 2017

Finding 17-01/16-01: Improve Information Security, Risk Management and Contingency Programs. **This is a Repeat Finding**.
Status: NSU ITS, now Office of Information Technology (OIT) hired a Chief Information Security Officer (CISO) who started on December 10, 2018. VITA ISO is assisting with evolution of current information security program to ensure alignment with SEC501-10 (IT Security Standard). IT security policy updates are still in progress and VITA is assisting by providing templates and performing reviews. Updates to associated procedures are also being performed to ensure compliance and several have been reviewed and validated by VITA ISO. First phase of risk assessment is still underway. OIT internal impact analysis nearing completion; other NSU organizations are still in progress. Results of analysis will provide a prioritized inventory of sensitive systems and policies and procedures to facilitate system protection and recovery. Protocols commensurate with NSU acceptable risk are being developed. Continuity of Operations Planning (COOP) will be driven by results of risk assessment and identification of sensitive systems. Current COOP was tested and lessons learned were gathered from recent Hurricane Florence activity. Plan rewrite will address gaps identified by risk assessment and recent lessons learned; currently in progress.
Status Summary: In Progress (On Schedule)

Finding 17-02/16-02/15-02: Conduct Information Technology Security Audits on Sensitive Systems. **This is a Repeat Finding**.
Status: NSU has VITA Security Audit Agreement with VITA CSRM Audit Services. A plan to conduct SEC501 IT Security audit in January 2019 was created and preliminary meetings to establish guidelines occurred, however the audit dates has been changed due to a change in audit staff. NSU auditor working with OIT to assist in establishing internal audit guidelines for continuous monitoring.
Status Summary: In Progress (Delayed)

Finding 17-03/16-03/15-02: Continue to Upgrade or Decommission End-of-Life Technology. **This is a Repeat Finding**.
Status: NSU OIT continues to replace end-of-life technology. OIT is in the process of migrating information on certain physical hardware in data center to virtual environment. Legacy systems are being upgraded, university workstations are being updated and OIT is developing and socializing a plan with legacy system owners to refresh end-of life technology with new or updated systems. Hardware and software inventories are being developed through a variety of methods to establish baselines. The expected results include updated policies to reflect IT refresh plan for end-of-life hardware and software and an updated Security Program.
Status Summary: In Progress (Delayed)

Finding 17-04: Improve IT Asset Surplus and Sanitization Controls. **This is a Repeat Finding**.
Status: New Surplus and Sanitization policy and procedures are in development (currently being tested in client services, and telecommunications). Key stakeholders including warehouse and fixed asset management organizations are participating field testing in order to ensure appropriate results. Current asset management forms have been repurposed to accommodate the new procedures. Plan currently in draft.
Status Summary: In Progress (Delayed)

Finding 17-05: Improve Firewall Management
Status: NSU OIT commissioned a vendor firewall assessment which was completed and was completed in October 2018. Policy updates were made to address audit finding and other firewall recommendations have been made as a function of the assessment. Security policies are being updated to ensure separation of duties in technology services. A firewall change request process policy has been completed. Additional infrastructure and manpower changes will be made as funding is received to completely close this item.
Status Summary: In Progress (Delayed)

Old Dominion University (ODU)
Audit Year: 2017

    Finding 17-01: Improve Enrollment Reporting Process. **This is a Partial Repeat Finding.**
Status: ODU has taken steps to mitigate the impact of Banner's delivered process for enrollment reporting, which does not function consistent with federal reporting guidelines as ODU awaits a resolution from ellucian. Ellucian is continuing to adapt the logic for the NSLDS/Clearinghouse reporting file. This process has taken a bit longer than expected, due to conflicting and contradictory guidance from the DOE.
Status Summary: In Progress (Delayed)

Richard Bland College (RBC)
Audit Year: 2017

    Finding 17-01/16-01/15-01/14-02: Improve the Financial Reporting Process. **This is a Material Weakness and Repeat Finding**.
Status: Work continues (along with W&M staff) with respect to evaluating, updating and/or creating appropriate policies, procedures and processes around the financial reporting process to include internal controls. Simultaneously with this, we are also looking at the BANNER system set-up and functionality to ensure effective, efficient and accurate use of our ERP system. Also, we have re-organized the Finance Department and have filled several positions to include a Director of Accounting & Financial Reporting, an Accounting & Compliance Manager as well as two Senior Accountants. Work continues.
Status Summary: In Progress (On Schedule)

    Finding 17-02/16-13: Strengthen Internal Controls over Capital Assets. **This is a Material Weakness and a Repeat Finding**.
Status: RBC completed a physical inventory in July 2018 and worked with CWM to adjust to actuals for the fiscal year. RBC is in the process of creating business processes and procedures to ensure that the current list remains accurate with additions and disposals going forward. RBC has started the process of implementing Banner Fixed Assets with an estimate completion date of April 2019. Fixed Assets Accounting will be the regular duty of a Senior Accountant in the Finance department. This work continues.
Status Summary: In Progress (Delayed)

    Finding 17-03: Improve Controls Surrounding the Reconciliation between the College's and the Commonwealth's Accounting and Financial Reporting Systems
Status: Policies/procedures/processes are being evaluated and enhanced. Complete and accurate BANNER to CARDINAL reconciliations are being developed. BANNER to CARDINAL reconciliations are the regular duty of both of the new Senior Accountant positions in the Finance department. CARDINAL integration is still a project to be completed.
Status Summary: In Progress (Delayed)

    Finding 17-10: Develop Procedures for Proper Accrual of Accounts Payable
Status: RBC is confident in the accruals that were done at year end fiscal year 2018; however, there is work that needs to be done to maintain the accruals throughout the year to result in a smaller adjustment at year end. We are developing processes and procedures to ensure consistent and accurate treatment of accruals throughout the year and at fiscal year-end. This work continues.
Status Summary: In Progress (Delayed)

Audit Year: 2016

    Finding 16-04/15-04: Improve Controls over Expenditures Vouchers. **This is a Repeat Finding.**
Status: Corrective action workplan is Complete.
Status Summary: Completed (On Schedule)

Southern Virginia Higher Education Center (SVHEC)
Audit Year: 2016

Finding 16-01: Strengthen Fixed Asset Inventory and Related Documentation
Status: CFOO is continuing to work with the Budget and Finance Administrator and Fiscal Technician for training on CAPP topic requirements for Fixed Assets. Due to employee turnover, new employees will be assigned to assist with fixed asset inventory. Vacant positions in R&D and Workforce Development remain. Vacant position in CNE has been filled. These departments have the largest number of fixed assets. SVHEC continues to work on filling vacant positions and train new staff. SVHEC is preparing for end of year inventory.
Status Summary: In Progress (Delayed)

University of Virginia (UVA/AD)
Audit Year: 2018

Finding 18-01: Improve Security Awareness Training Program. **This is a Partial Repeat Finding.**
Status: When the new HR system went into production in early January, the new Learning Management System (LMS) also was moved into production. The Information Security Annual Training (ISAT) course, which is a video-based, interactive tutorial for training UVA users about cyber security, was put into the LMS. For new users, LMS notifies them of the training requirement and forces them to take the training within the first 14 days. Non new-hire employees are being rolled out in waves based on the month of their hire date. When users are first notified to take the annual tutorial, they have 30 days to complete the task. They are reminded with 14 days and again at 1 day before the deadline. If a user still has not taken the training 1 day after the deadline, the system notifies the employee and their supervisor. If the user does not take the training within one week of the deadline, a workflow is initiated, which disables the user's ability to connect to the Joint VPN, which is used to access highly sensitive data. After the January wave, we identified some issues with the new HR system. Working with HR, UVA corrected these and have now launched the February/March waves. UVA will continue to evaluate the process, the notifications, and the level of compliance to identify any tweaks needed going forward. Employees will be notified (via the HR system) on an annual basis (from the last completion date) of the annual requirement.
Status Summary: In Progress (Delayed)

Finding 18-02: Improve Oversight of Third-Party Service Providers
Status: UVA will determine the resources needed to create and maintain a formal process to request the high priority SOC reports from each vendor and review them on an annual basis. By the end of March 2019, ITS, Information Security, Finance, and General Counsel will create a plan to move forward to review high priority SOC reports, annually, and will ensure that this plan is executed and properly documented.
Status Summary: Completed (On Schedule)

Finding 18-03: Improve Database Security
Status: UVA believes the risk related to the database security to be minimal, given the restricted access and the length of service of the employees who have access, and given the large customer base that has followed the vendor's guidelines for database settings to support their applications. That said, UVA will develop a database hardening process and implement it by the end of March 2019. As we develop this process, we will evaluate each of the measures listed in the APA's finding and implement those that do not cause interference with the operational capabilities of our systems.
Status Summary: Completed (On Schedule)

Finding 18-04: Improve Revenue Recognition for Non-reimbursement Grant
Status: Financial Reporting has identified and formalized a process to properly recognize certain grant revenue on an annual basis going forward. The overstatement of unearned revenue was discovered by Financial Reporting staff, brought to the attention of the APA, and resolved by posting the necessary adjustments before the FY2018 financial reporting deadline.
Status Summary: Completed (On Schedule)

Finding 18-05: Improve Notification Process for Federal Direct Loan Awards to Students
Status: UVA immediately corrected the underlying systems to ensure that all required disclosures are sent to students on a timely basis. SFS will closely monitor the notification process and system on a regular basis going forward to ensure continued compliance.
Status Summary: Completed (On Schedule)

Finding 18-06: Promptly Return Title IV Funds
Status: UVA has promptly implemented improvements to existing processes that ensures accurate monitoring and the timely return of Title IV funds, including additional controls that alert management to the transactions and impending deadlines.
Status Summary: Completed (On Schedule)

Finding 18-07: Improve Reporting to the National Student Loan Data System
Status: UVA understanding of the federal regulations with regards to the effective enrollment change date and date of determination differs from the APA. Based on the University's interpretation of both the Code of Federal Regulations and the NSLDS Reporting Guide, we feel that we are in compliance with NSLDS requirements. The University has consulted with the National Student Clearinghouse (NSC), the organization that delivers financial aid student enrollment certifications to the NSLDS for UVA and most colleges in regards to the NSLDS requirements and these specific students
Status Summary: In Progress (On Schedule)

University of Virginia Medical Center (UVAH)
Audit Year: 2018

Finding 18-01/17-02: Improve IT Risk Management Process and Documentation. **This is a Repeat Finding.**
Status: Continued evaluation of risk assessment.
Status Summary: In Progress (Delayed)

Finding 18-02/17-03: Improve Oversight of Third-Party Service Providers. **This is a Repeat Finding.**
Status: Ongoing assessment.
Status Summary: In Progress (Delayed)

Finding 18-03: Improve Wireless Local Area Network Security
Status: No initial corrective action workplan received.
Status Summary: In Progress (On Schedule)

Finding 18-04: Improve Patient Accounting, Billing, and Management System Segregation of Duties
Status: No initial corrective action workplan received.
Status Summary: In Progress (On Schedule)

Finding 18-05: Improve Bank Reconciliation Policies and Procedures
Status: Corrective action plan has been completed.
Status Summary: Completed (On Schedule)

Audit Year: 2017

Finding 17-01: Improve Database Security
Status: Ongoing assessment.
Status Summary: In Progress (Delayed)

Virginia Commonwealth University (VCU/AD)
Audit Year: 2018

Finding 18-01/17-01: Improve Continuity Planning Documentation. **This is a Partial Repeat Finding.**
Status: VEOCI Training Completed November 2018. Timeline for remaining tasks- policy developed in April 2019; BIA meeting with departments in April 2019; BIA information entered into system in May 2019; formal training documents to be developed and sent to staff in June 2019.
Status Summary: In Progress (On Schedule)

Finding 18-02: Improve Timeliness of the Commonwealth's Retirement Benefits System Reconciliation Process
Status: The Payroll Department will coordinate with the Benefits Office to ensure the files are generated by the 6th of the month and payments are processed on or before the 10th of each month. A new Executive Director of Payroll and Tax Services has been hired and this person will be responsible for ensuring That VCU adheres to all deadlines related to the reconciliation process.
Status Summary: Completed (On Schedule)

Finding 18-03: Comply with Commonwealth Requirements for Wage Employees. **This is a Repeat Finding.**
Status: Monitoring and educational efforts continued. Resulted in action being taken on six employees to prevent being out of compliance.
Status Summary: In Progress (On Schedule)

Finding 18-04: Improve Reporting to National Student Loan Data System
Status: Manual enrollment updates for unofficial withdrawals were sent to NSLDS on February 21, 2019 for the end of the fall 2018 semester. A total of 62 students were manually entered into the NSLDS system by the Title IV Coordinator in the OFA. Records for students who subsequently returned to enrollment in the spring semester were not reported as withdrawn as their enrollment reporting would have already begun for the spring semester. Procedures have been put in place to continue this manual update at the end of each semester until a more automated process can be developed.
Status Summary: Completed (On Schedule)

Finding 18-05: Ensure Proper FISAP Reporting of State Aid
Status: FISAP was updated by December 15, 2018 removing the state grant funds from the appropriate line and documenting the procedure for future submissions.
Status Summary: Completed (On Schedule)

Virginia Community College System – Central Office (VCCS-CO)
Audit Year: 2017

Finding 17-01: Improve Effectiveness of System Access Controls
Status: In 2018, the SRC conducted WebEx conference calls on the following dates (March 29, June 28, and July 31) to update college Enterprise Applications Security Administrators on security access matters, new role additions and changes, and answer questions related to security for all systems. The next conference call is scheduled for October 9, 2018. On target for completion on or before June 30, 2019. Follow-up December 31, 2018: The SRC team continues to communicate with the colleges, Fiscal Services, and Internal Audit on establishing and maintaining the appropriate access levels to enterprise applications based on the principle of least privilege. The team is in the process of reviewing and updating the system role matrix tool to identify the combinations of roles that create segregation of duty conflicts. The SRC is also working on developing the Segregation of Duties Exception Policy that colleges must follow to justify conflicting access situations. Additionally, the SRC team continues to schedule WebEx training sessions for the colleges. On target for completion on or before June 30, 2019. Follow-up: March 31, 2019: Meetings have been ongoing with a rollout of the revised Roles matrix to follow shortly. Additional training sessions to be complete by June 30, 2019.
Status Summary: In Progress (On Schedule)

Finding 17-02: Improve Software Patching and Vulnerability Mitigation Processes
Status: Several system upgrades are complete with the remaining on track to be completed by January 1, 2019. The existing guidelines are also being modified and reviewed.
Status Summary: Completed (On Schedule)

Finding 17-04: Complete a Risk Assessment for Each Sensitive System
Status: On target for completion by May 1, 2019. Stakeholder meetings are scheduled over the next few weeks to review and approve the first group of risk assessments. All risk assessments are on schedule for development by May 1, 2019.
Status Summary: In Progress (On Schedule)

Blue Ridge Community College (BRCC)
Audit Year: 2017

Finding 17-03: Improve Controls over Employee Terminations
Status: HR managers have met with all managers involved in off-boarding and separation process, have updated the separation checklist and are now working with webmaster and IT to make the process electronic to improve timeliness of termination notifications. The completion date was extended until January 31, 2019.
Status Summary: Completed (Delayed)

Finding 17-05: Properly Monitor Revenue Contract Deliverables
Status: The ability to revise or amend language of current commission contract is under review. No new contracts have been implemented. The completion date has been extended until January 31, 2019. As new revenue contracts are initiated, language will be more specific pertaining to receipts. Current vending revenues are monitored.
Status Summary: Completed (Delayed)

Central Virginia Community College (CVCC)
Audit Year: 2017

Finding 17-02: Perform and Document Monthly Reconciliations of Direct Loans. **This is a Repeat Finding.**
Status: The Coordinator of Financial Aid, the Finance Manager, and VCCS Director of Financial Aid worked together to develop procedures for effectively communicating final reconciliation totals between the two offices at CVCC. Beginning with the January 2019 monthly reconciliation, the two offices were able to demonstrate effective communication in a manner to satisfy the finding.
Status Summary: Completed (On Schedule)

Eastern Shore Community College (ESCC)
Audit Year: 2017

Finding 17-01: Improve Benefits System Reconciliation Process
Status: The Human Resources Manager has been consistently running the "Cancelled Records" reports monthly. HR is in the process of formally documenting the policies and procedures. The target date for completion has been extended until March 31, 2019. Procedures have been documented and reviewed.
Status Summary: Completed (On Schedule)

Finding 17-03: Improve Human Resources Data Reporting Procedures
Status: HR has improved data reporting and is in the process of formally documenting the policies and procedures. The target date for completion has been extended until March 31, 2019. Procedures, including policy citations, have been completed and reviewed.
Status Summary: Completed (Delayed)

Finding 17-04: Improve Documentation of Policies and Procedures
Status: On target for completion on June 30, 2019. The College is still on target for completion on June 30, 2019.
Status Summary: In Progress (On Schedule)

Finding 17-07: Properly Maintain Faculty Records
Status: All faculty, Adjunct & Dual Enrollment instructor files have been reviewed, updated & complete. The College will continue to work on specifics for the file transfer from Academics to Human Resources. The College is still on target for completion on May 31, 2019.
Status Summary: In Progress (Delayed)

J. Sargeant Reynolds Community College (JSRCC)
Audit Year: 2017

Finding 17-02: Improve Internal Controls over Terminated Wage Employees
Status: Policy 3-16 Employee Separation from College Service policy and the related checklists was lodged at the March 3, 2019 meeting for constituency review and also at the President's Executive Cabinet on March 5, 2019. Additionally, the policy and comments was reviewed at the March 28, 2019 Reynolds Leadership Council meeting and since there were no objections or substantive changes, the policy was approved. The Reynolds Human Resources office will continue to operate under the revised policy.
Status Summary: Completed (Delayed)

Northern Virginia Community College (NVCC)
Audit Year: 2017

Finding 17-02: Report Missing Assets
Status: New policies and procedures have been developed/implemented. Testing is now underway to ensure that the updated processes put in place are working as intended. The date for completion has been extended until June 30, 2019.
Status Summary: In Progress (Delayed)

Thomas Nelson Community College (TNCC)
Audit Year: 2017

Finding 17-06: Deactivate Terminated User Access Timely. **This is a Repeat Finding**.
Status: The target date for completion has been extended until June 30, 2019.
Status Summary: In Progress (Delayed)

Finding 17-07: Ensure Employee Clearance Forms Are Completed at Termination
Status: The target date for completion has been extended until June 30, 2019.
Status Summary: In Progress (Delayed)

Virginia School for the Deaf and Blind (VSDB)
Audit Year: 2017

Finding 17-01: Continue to Develop an Information Security Program. **This is a Repeat Finding.**
Status: Work continues and it is estimated to take about two years to complete.
Status Summary: In Progress (On Schedule)

Audit Year: 2015

Finding 15-01: Document Firewall Policies and Procedures and Continue to Develop and Implement an Information Security Program. **This is a Repeat Finding**.
Status: Work continues and it is estimated to take about two years to complete.
Status Summary: In Progress (On Schedule)

Virginia State University (VSU)
Audit Year: 2017

Finding 17-02: Improve User Access Controls. **This is a Partial Repeat Finding**.
Status: The Automated Access Request Form has been implemented and supervisors are required to submit new account request forms to gain access to VSU information systems ten business days before the new employee's start date. Guest access will continue to be a manual process in certain cases. The Identity Management System was deployed in October 2018. The system employs both two factor authentication and a single sign on solution. The annual access review for all sensitive systems is in progress. The lists have been distributed to data owners and annual security role training was completed in July 2018.
Status Summary: Completed (Delayed)

Finding 17-03: Improve Documentation of Emergency and Sole Source Contract Procurements
Status: Office of Procurement has completed revising and completing the emergency and sole source checklist and discussed this with Purchasing Officers. Discussions have been held with all Purchasing staff regarding the use of the internal emergency and sole source requirement checklist. Discussions and training are planned to be held at the VP meeting to ensure VSU executives to ensure everyone understands what constitutes emergency and sole source procurements.
Status Summary: In Progress (Delayed)

Finance

Department of Accounts (DOA)
Audit Year: 2017

Finding 17-01: Ensure all Nonexempt Active Vendors in the Commonwealth's Accounting and Financial Reporting System Have a Form W-9
Status: Approximately 1,000 vendors have been deactivated due to the outstanding vouchers being paid and then CVG has deactivated the vendors. CVG has implemented a daily process to review those vendors who still maintain outstanding vouchers. Once the payments are made, those vendors will be inactivated and will not be reactivated until a valid W-9 or exemption is received and approved by CVG. As of March 31, there are 263 vendors who remain in Cardinal without an exemption or W-9. CVG will search eVA and work with agencies and vendors to obtain a W-9 form for the remaining vendors. The estimated completion date has been updated to September 30, 2019.
Status Summary: In Progress (Delayed)

Department of Taxation (TAX)
Audit Year: 2017

Finding 17-01: Strengthen Access Controls
Status: AR recertification was completed but some segregation of duties and "least privilege" accesses were missed. Efforts will be undertaken to recommunicate necessary actions so that better results are achieved. TAX anticipates that corrective action will be complete by December 31, 2019.
Status Summary: In Progress (Delayed)

Finding 17-02: Improve Service Account Management
Status: System Security plans are in the process of being updated and will include all service accounts and will be completed by March 30, 2019. Service Accounts will be managed in Sailpoint and Vaulted in Cyberark. Cyberark has been implemented and all service accounts will be added to the Cyberark process by July 1, 2019.
Status Summary: In Progress (On Schedule)

Finding 17-05: Perform Annual Access Review
Status: AR roles have been recertified. User access has been recertified. AR recertification was completed but some segregation of duties and "least privilege" accesses were missed. Efforts will be undertaken to recommunicate necessary actions so that better results are achieved. Technology is in the process of reconfirming that all applications are managed through Sailpoint.
Status Summary: In Progress (On Schedule)

Department of the Treasury (TD)
Audit Year: 2017
Finding 17-04: Improve Information System Access Controls
Status: TD has begun documenting the roles and workflows associated with TD Unclaimed Property System (TUPS) and document management system (PaperVision). Under the guidance of the ISO, workflow permissions are being reviewed and assigned by individual security role.
Status Summary: In Progress (Delayed)

Health and Human Resources

Department for Aging and Rehabilitative Services (DARS)
Audit Year: 2017

Finding 17-01: Comply with the Commonwealth Neurotrauma Initiative Trust Fund Requirements
Status: The estimated budget for administrative expenses were established at the beginning of the state fiscal year and the fund is being monitored monthly.
Status Summary: In Progress (On Schedule)

Finding 17-03: Improve Documentation and Timeliness of the Commonwealth's Benefit System Reconciliations. **This is a Partial Repeat**.
Status: Procedures are being developed and documented. Review of the procedures is outstanding.
Status Summary: In Progress (On Schedule)

Department of Behavioral Health and Developmental Services (DBHDS)
Audit Year: 2017

Finding 17-02: Improve IT Contingency Management Program
Status: DBHDS is changing the infrastructure to a more cloud based architecture which will provide greater availability of resources. This change is based on approved cloud based funding. COOPS and DRPs are changing to support the new infrastructure and will be complete by October 1, 2019. An extension of time is needed to incorporate the Executive Order 19.
Status Summary: In Progress (Delayed)

Finding 17-03/16-03/15-02: Continue to Upgrade Unsupported Technology. **This is a Repeat Finding.**
Status: DBHDS is finalizing the implementation of supported technology and it will be complete by May 1, 2019. A delay was caused by two issues. First, NG disentanglement and a VITA work request was delayed. Second, an IT Procurement was delayed to remove an outdated application. IT management will continue to provide Internal Audit with updates as the process to remove Unsupported Technology proceeds.
Status Summary: In Progress (Delayed)

Finding 17-09: Improve Controls over Payroll
Status: The payroll findings were at different facilities than the facilities cited in 2015 and in 2016, thus this is not a repeat for the facilities cited in FY 2017. Follow-ups will be completed to determine compliance. Follow-ups were completed in August 2018 and three of the four facilities tested had repeat findings. There will be a Payroll finding as part of the FY 2018 APA audit.
Status Summary: In Progress (Delayed)

Department of Medical Assistance Services (DMAS)
Audit Year: 2017

Finding 17-01: Develop Processes to Facilitate the Controlling of Privileges in the Claims Processing System. **This is a Material Weakness**.
Status: Role based access definitions are continuing to be developed for access to the new MES OPSS system. Preliminary access definitions were presented to the user groups for discussion in March 2019.
Status Summary: In Progress (Delayed)

Finding 17-02: Remove Access to the Current Claims Processing System in a Timely Manner. **This is a Material Weakness**.
Status: Access management team set up a new tracking, review process in December 2018 to ensure timely removal of access to MMIS system. Exit Clearance Automation workflow process in K2 was fully adopted and paper approval forms were stopped. Reports generation and reminder notifications on actual separation dates are manual processes and are yet to be automated effectively. A quarterly review of access removal was done in the month of March based on quarterly consolidated report as of March 27, 2019 from K2. Three exceptions were noted as a result of the review process. Daily tracking of exiting employees and weekly review process is being instituted starting April 2019 as a corrective measure.
Status Summary: In Progress (Delayed)

Finding 17-05/16-04*: Review and Document Service Organization Control Reports of Third-Party Service Providers. **This is a Repeat Finding**.
Status: DGS contracts are in process (PCM). This is an evolving process that will continue to improve with new contracts and renewals of existing contracts. PCM has hired a new Contract Manager that will review the current processes for obtaining SOC reports and determine what other steps are needed to ensure that DMAS is adequately monitoring third party services.
Status Summary: In Progress (Delayed)

Finding 17-10/16-06*: Improve the Accounts Receivable Collection Process. **This is a Repeat Finding.**
Status: The Fraud & Abuse Detection System (FADS) that Program Integrity (PI) will use as an analytical tool to manage cases was scheduled to go live in November 2018. This date has been pushed back to February 2019. After FADS goes live, Fiscal will partner with PI to discuss the system enhancements of electronic reporting or the capability to interface with TPLRS to further automate the member receivable process. In the meantime, Fiscal has increased staffing with temporary resources to assist with member receivables. Provider Receivables: Fiscal continues to work on improving collections for provider receivables. We have added 2 additional resources in the past 12 months. Member Receivables: Fiscal added an additional resources for the member (recipient) receivable collections and now has 3 resources working in this area. This area is still a very manual process until FADS goes live. We are going to review methods that will efficiently track the receivables manually until FADS goes live. Our goal is for FADS to interface with the TPLRS system and help reduce the manual tasks.
Status Summary: In Progress (Delayed)

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

Independent Agencies

State Corporation Commission (SCC)
Audit Year: 2018

Finding 18-01: Continue Improving the Information Security Program. **This is a Repeat Finding.**
Status: IS Policy Committee reviewed: Incident Response Standard at January Meeting (approved February 2019), Media Protection Standard (approved March 2019) and Data Classification & Handling Standard (not approved: vendor revisions needed) at February meeting. Configuration Management is still being drafted which will cover Systems Hardening.
Status Summary: In Progress (On Schedule)

Finding 18-02: Continue Improving Logical Access Controls. **This is a Repeat Finding.**
Status: SCC Information Security Officer (ISO) will work with the appropriate SCC staff and assure the logical access requests to SCC information systems ae documented in the Service Desk system.
Status Summary: In Progress (On Schedule)

Finding 18-03: Improve Database Security Controls
Status: Indicated weaknesses have been corrected and moving forward CIS benchmarks will be used as baseline security configuration for databases.
Status Summary: Completed (On Schedule)

Virginia Lottery (VAL)
Audit Year: 2018

Finding 18-01: Improve Server Operating System Security
Status: Currently in testing phase, on schedule for implementation by June 30, 2019.
Status Summary: In Progress (On Schedule)

Finding 18-02: Improve Application and Database Controls over the Enterprise Resource Planning System
Status: Currently in configuration and testing phase, on schedule for implementation by June 30, 2019.
Status Summary: In Progress (On Schedule)

Natural Resources

Department of Game and Inland Fisheries (DGIF)
Audit Year: 2017

Finding 17-01: Improve Quarterly Access Review of the Commonwealth's Purchasing System
Status: Conduct review of current eVA accounts that have not been accessed in at least 90 days and deactivate accordingly. Assign and train new agency Information Security Officer to conduct timely quarterly review of purchasing system access.
Status Summary: Completed (On Schedule)

Finding 17-02: Improve Controls Surrounding the SPCC Program
Status: Enhance staffing and cross training to overcome gaps in SPCC review and monitoring. Updated and created additional policies and procedures, to included new accountability measures, and provide regional and headquarters training to improve compliance with the SPCC card program. Conduct review of current SPCC card holders, approvers, and purchase levels to reduce current footprint and overall agency liability where possible.
Status Summary: Completed (On Schedule)

Finding 17-03: Enforce Timeliness of Employee Travel Reimbursement Requests
Status: Develop, update and implement written policies and procedures governing Travel Reimbursement.
Status Summary: Completed (On Schedule)

Finding 17-04: Improve the License Revenue Reconciliation Process
Status: Cross train additional staff on agency revenue/accounts receivable reconciliation process and requirements, and make adjustments to ensure proper segregation of duties. Enhance monthly license revenue reconciliation process to include more detail on all revenue sources.
Status Summary: In Progress (Delayed)

Finding 17-05: Improve Logical Access Controls
Status: Develop and implement DGIF-specific policies and procedures governing access, roles, permissions and responsibilities as it relates to Licensing and Registration System. Implement automatic review and access monitoring for licensing and registration system to account for 90 day inactive accounts and separation of employees.
Status Summary: Completed (On Schedule)

Finding 17-06: Improve Budget Development and Management Process
Status: Develop written documentation for DGIF budget development, approval, and management process.
Status Summary: Completed (On Schedule)

Audit Year: 2016

Finding 16-07*: Improve Procedures Over Monthly Commonwealth Retirement System Reconciliations. **This is a Repeat Finding**.
Status: Planning and finance staff have continued cross training and is using current end of year requirements to evaluate if more steps are needed. New policy and procedure has been drafted and has been approved.
Status Summary: Completed (Delayed)

Public Safety and Homeland Security

Department of Corrections (DOC)
Audit Year: 2018

Finding 18-01: Document Retirement Benefits System Reconciliations
Status: The Office of Human Resources is still in the process of finalizing the distribution of the internal Human Resource procedure to include an accompanying Management Directive Memo which will detail how to perform and document reconciliations.
Status Summary: In Progress (On Schedule)

Finding 18-02: Perform Annual Access Review of Information System
Status: The Office of Human Resources has noted the importance of reviewing employees' access to the Department's information systems at multiple monthly HRO meetings as well as dedicating an article to the subject in its HRS newsletter. The Human Resources Office has operationalized (via direction and instruction to the applicable agents within the DOC organization) the process of conducting an additional annual review validation cross check of employee accesses to both the Department's Attendance/Leave and Human Resources Information Systems.
Status Summary: In Progress (On Schedule)

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

Department of Emergency Management (DEM)
Audit Year: 2018

Finding 18-01: Continue to Strengthen Internal Controls over Time and Effort Reporting for Federal Grants. **This is a Material Weakness and a Repeat Finding**.
Status: DEM has implemented a certification process for time and effort reporting. By adding project details to TAL and reconciling TAL hours, with CIPPS pay, and Cardinal General Ledger reports to ensure that time and effort are is correctly distributed.
Status Summary: Completed (On Schedule)

Finding 18-02: Strengthen Internal Controls over Journal Entries. **This is a Material Weakness and a Repeat Finding**.
Status: Strengthen internal controls over JE and ensure the supporting documentation is valid.
Status Summary: Completed (On Schedule)

Finding 18-03: Improve Controls over Payroll Adjustments. **This is a Material Weakness.**
Status: Improve controls over payroll adjustment in Cardinal; DEM and APA were not aware that there is no audit trail within cardinal when changing the speed chart during the CIPPS conversion to Cardinal. A process has been put in place to ensure supporting documentation is part of the certification file each time this error takes place.
Status Summary: Completed (On Schedule)

Finding 18-04: Strengthen Internal Controls over Procurement to Ensure that Procurement Records are Complete
Status: Contracts that were reviewed were from several years ago. New processes are in place to include checklists and management oversight of all contractual files.
Status Summary: Completed (On Schedule)

Finding 18-05: Improve Process for Allocating Overhead Costs
Status: The Finance Division went through a major turnover (87%) in fiscal years 2017 and 2018. Several people were responsible for this task and in some cases it was completed incorrectly. When the issue was discovered it took several months to correct. With the current workload there has been processes put in place to ensure this does not happen again.
Status Summary: Completed (On Schedule)

Department of State Police (VSP)
Audit Year: 2017

Finding 17-01/14-03/11-02/09-03: Continue to Upgrade and Replace End-of-Life Technology. **This is a Repeat Finding**.
Status: Remaining Legacy Systems: evidence statewide roll out is complete. Human Resources project continues to make progress. The first phase (core HR data) has been deployed and is in use. Scheduled completion in mid-2019.
Status Summary: In Progress (Delayed)

Finding 17-02: Align Information Technology Security Audits with Current Sensitive Systems
Status: IT inventory certified within Archer November 30, 2018. Systems currently being validated for sensitivity. On target for March 31, 2019. Audit plan will be updated for COV 2019 cycle.
Status Summary: In Progress (On Schedule)

Finding 17-03: Perform Information Technology Security Audits
Status: VSP will continue to work with VITA's IT Security Audit Services to ensure they perform IT security audits according to the audit plan and maintain compliance with the Security Audit Standard.
Status Summary: In Progress (On Schedule)

Finding 17-04: Improve Business Impact Analysis
Status: The BIA will be completed by April 30, 2019.
Status Summary: In Progress (Delayed)

Finding 17-05: Improve Disaster Recovery Plan
Status: Preparation for enterprise readiness started March 2018. Solutions are developed but pricing remains to be completed. High level overview schedule for VSP transformation: March 5, 2019 High Level Designs for 8011-8014 to VSP for review.
Status Summary: In Progress (On Schedule)

Finding 17-06: Improve Risk Assessments
Status: Risk Assessment plan estimated for completion on April 30, 2019. With sufficient resources, Risk assessments will be completed by September 30, 2019.
Status Summary: In Progress (Delayed)

Finding 17-07/14-01: Continue to Improve Web Application Security. **This is a Repeat Finding**.
Status: The IT Engineering team has identified and implemented a solution. The solution currently is proactively and automatically ingesting IT system event logs, correlating information with the other automated tools, identify suspicious activities, and providing reports and notifications. The IT Engineering team is currently working with the vendor to enhance the system to provide real-time monitoring of event logs and generate alerts. The current target time-frame of these enhancements is no later than the end of April 2019. The IT Engineering team has identified and tested a solution to address the Password related audit findings. The IT Engineering team is working with the Application and Security teams as well as business owner to coordinate the implementation of the solution. If all goes well, the configuration changes should go in affect by no later than the end of April 2019. VSP will be filing a Security Exception for not meeting the password minimum change window of 24 hours.
Status Summary: In Progress (Delayed)

Finding 17-08: Obtain, Review, and Document Service Organization Control Reports of Third-Party Service Providers
Status: Tasks identified to complete policy and identify vendors requiring to submit a SOC report.
Status Summary: In Progress (Delayed)

Finding 17-09: Strengthen User Access Policies and Procedures. **This is a Repeat Finding**.
Status: In the process of drafting desk procedures. Will keep auditable documentation with the next quarterly review.
Status Summary: In Progress (Delayed)

Finding 17-10: Timely Remove Terminated Employee Access to the Commonwealth's Lease Accounting System
Status: The Assistant Property & Finance Officer obtained a listing of persons with access to LAS. VSP plans to provide forms to change accesses to DOA by April 30, 2019.
Status Summary: In Progress (Delayed)

Finding 17-11: Timely Remove Terminated Employee Access to the Commonwealth's Fixed Asset System
Status: The Assistant Property & Finance Officer obtained a listing of persons with access to FAACS. VSP plans to provide forms to change accesses to DOA by April 30, 2019.
Status Summary: In Progress (Delayed)

Finding 17-12: Timely Remove Terminated Employee Access to the Commonwealth's Purchasing System
Status: Update December 31, 2018: The Procurement Director completed an annual review of the user access in October 2018. A formal P&FD user access policy and process has been developed. Once fully implemented, the user access of all P&FD related systems will be reviewed on a quarterly basis. The process is being implemented and it is anticipated to be completed by March 31, 2019.
Status Summary: In Progress (On Schedule)

Finding 17-13: Deactivate Access to the Commonwealth's Purchasing System
Status: The Procurement Director completed an annual review of the user access in October 2018. The Director submitted the forms to DGS for removal and followed up to ensure access was terminated. A formal P&FD user access policy and process has been developed. Once fully implemented, the user access of all P&FD related systems will be reviewed on a quarterly basis. The process is being implemented and it is anticipated to be completed by March 31, 2019.
Status Summary: In Progress (On Schedule)

Finding 17-14/14-06: Align Fixed Asset Accounting Policies with Code of Virginia and CAPP Manual Best Practices. **This is a Repeat Finding**.
Status: Processes have been implemented to capture realistic useful life and salvage values for agency vehicles based upon historic averages. .
Status Summary: In Progress (Delayed)
Finding 17-15: Enter Assets into the Commonwealth's Fixed Asset System in a Timely Manner
Status: VSP submitted an exception request to DOA to enter fixed assets into FAACS within 30 days of posing of transaction to the Potential Fixed Asset Report. DOA responded with questions regarding our request; responses will be provided shortly.
Status Summary: In Progress (Delayed)

Finding 17-16: Capitalize Fixed Assets in Accordance with Commonwealth and VSP Policy
Status: Accountant Senior hired March 25, 2019. This person will be given the proper tools and training to perform the duties of the position in compliance with all requirements. Need to determine training options available.
Status Summary: In Progress (Delayed)

Finding 17-17: Complete Fixed Assets Physical Inventories. **This is a Repeat Finding**.
Status: Inventory assignments have been discussed with contractors who are assisting VSP in conducting the physical inventory. Actual inventory work should begin shortly.
Status Summary: In Progress (Delayed)

Finding 17-18: Develop a Methodology for Estimating Useful Lives
Status: A methodology has been developed to determine the useful life of VSP vehicles based upon an average life span of vehicles sold. This methodology has been implemented. VSP still need to determine appropriate useful life values for Aviation and Communications equipment.
Status Summary: In Progress (Delayed)

Finding 17-19: Develop a Method for Estimating Salvage Value
Status: A methodology has been developed to determine the appropriate salvage value for our vehicles based upon an average value of vehicles sold. This methodology has been implemented. VSP still need to determine appropriate useful life values for Aviation and Communications equipment.
Status Summary: In Progress (Delayed)

Finding 17-20: Update the Commonwealth's Fixed Assets System to Reflect Asset Disposals. **This is a Repeat Finding**.
Status: Once the physical inventory is complete, all disposed assets will be updated as such in FAACS.
Status Summary: In Progress (Delayed)

Finding 17-21: Adequately Document Fixed Asset Reconciliations. **This is a Repeat Finding**.
Status: A process to adequately document fixed asset reconciliations has been developed but needs to be fully reviewed to determine if it meets compliance requirements. Once that is done, the process will be implemented.
Status Summary: In Progress (Delayed)

Finding 17-25: Align Internal Purchase Card Policies with CAPP Manual Best Practices
Status: Charge Card Program Policy and procedures have been updated. The revised policy will be distributed to the all agency users and incorporated into annual card member training. Will be complete upon the distribution of the updated policy to the agency.
Status Summary: In Progress (On Schedule)

Finding 17-27: Retain Adequate Documentation to Support Purchase Card Program
Status: The policies and procedures were updated to include the maintenance of charge card request forms, justifications of merchant categories, and employee agreements.
Status Summary: In Progress (On Schedule)

Finding 17-28: Complete Purchase Card Reconciliations Timely
Status: The VSP policies and procedures have been updated to include best practices. The Procurement Director is including a review of the reconciliations in the buyer specialist's annual reviews.
Status Summary: In Progress (On Schedule)

Finding 17-32: Align Internal Policies and Procedures with the Virginia Debt Collection Act and Commonwealth Accounting Policies and Procedures
Status: Updated desk procedures are under review. Use of State Contract Debt Collection vendors is currently under discussion, with a recommendation to management to be made shortly; desk procedures will be updated to reflect the use of a collection agency once a decision is made.
Status Summary: In Progress (Delayed)

Finding 17-33: Improve Accounts Receivable Collection Process
Status: VSP has hired contractors to assist in the Accounts Receivable collection process. Our desk procedures for AR Collections have been updated recently. VSP is in the process of making a recommendation to management regarding the use of a collection agency on State Contract. And, VSP is analyzing PSS and WZ receivables to begin the process of sending out Dunning letters for invoices greater than $3,000.
Status Summary: In Progress (Delayed)

Finding 17-34: Improve Accounts Receivable Tracking Process
Status: VSP has hired contractors to assist in the Accounts Receivable collection process. Our desk procedures for AR Collections have been updated recently. VSP is in the process of making a recommendation to management regarding the use of a collection agency on State Contract. And, VSP is analyzing PSS and WZ receivables to begin the process of sending out Dunning letters for invoices greater than $3,000.
Status Summary: In Progress (On Schedule)

Finding 17-35/14-08: Improve Processes over Work Zone Project Billings. **This is a Repeat Finding**.
Status: VSP has reached out to a private contractor for a quote for WZ document management system in an attempt to directly address this finding.
Status Summary: In Progress (Delayed)

Finding 17-38: Document Retirement Benefits System Reconciliations
Status: Received updated VRS reconciliation from DOA-PSB. Will complete outstanding items identified and train staff using the desk procedures written, making updates as required.
Status Summary: In Progress (Delayed)

Department of Veterans Services (DVS)
Audit Year: 2017

Finding 17-01: Improve Capital Asset Accounting Policies and Procedures
Status: A new positon has been created to address Fixed Assets and other various Policies and Procedures to bring DVS into compliance in all areas of operations. The new employee starts April 1st and Fixed Asset Policies will be the first area addressed.
Status Summary: In Progress (Delayed)

Virginia Alcoholic Beverage Control Authority (ABC)
Audit Year: 2018

Finding 18-01: Improve Logical Access Controls for Users with Privileged Access.
Status: VA ABC Authority Board has approved information security policies providing the Authority an information security framework for the future-state of access management. Additionally, as stated in our initial response to the APA, the IT infrastructure update projects continue, with many not scheduled to go-live until the end of FY19 and into FY20. These implementations will also impact the ultimate logical access solution.
Status Summary: In Progress (On Schedule)

Transportation

Department of Motor Vehicles (DMV)
Audit Year: 2017

Finding 17-04*: Improve Information Technology Change Management Program
Status: Migrated the hosted platform to Gsuite. All systems are not reporting through the Agency CAB. Started the rollout of encrypted email to protect configuration information. Encrypted email has been rolled out as a mitigating control.
Status Summary: In Progress (Delayed)

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

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Compliance Monitoring

Agency Risk Management and Internal Control Standards (ARMICS) Compliance

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

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

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

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

1. Late 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. Non-compliance with the processes required for successful completion of ARMICS; therefore, the agency's ARMICS submission was rejected by DOA. This will result in continued citation in the QR until the agency has complied with the ARMICS certification process and has submitted an ARMICS certification or Exhibit 4 (with required CAP).

4. 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 March 31, 2019, the following agencies were not in compliance with the ARMICS process based on their 2018 ARMICS submission:

The following agencies did not comply with ARMICS in FY 2018 and submitted an Exhibit 4 Certification Statement:

Agency Name	Reason for Non-Compliance	Initial Corrective Action Plan Received	Status of Corrective Action
New College Institute	Exhibit 4 Filed	Yes	Agency states corrective action will be completed by June 30, 2019. Quarterly status update received.
State Council of Higher Education for VA	Exhibit 4 Filed	Yes	Agency states corrective action will be completed by March 31, 2019. Quarterly status update received.

The following agency's' ARMICS Certification was rejected by DOA for not complying with ARMICS Minimum Requirements:

Agency Name	Reason for Non-Compliance	ARMICS Certification or Exhibit 4 Received
Frontier Culture Museum of Virginia	FY18 ARMICS Certification Rejected	No

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

Agency Name	Reason for Non-Compliance	Quarterly Corrective Action Plan Received	Status of Corrective Action
State Council of Higher Education for VA	Substantial non-compliance with ARMICS process based on a QAR	Yes	Agency initially stated corrective action would be completed by June 30, 2018. Revised completion date to March 31, 2019. Quarterly status update received.

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E-Commerce

Travel Check Charges

In accordance with Chapter 2, 2018 Special Session I, Virginia Acts of Assembly § 4-5.04 f., the Comptroller charges agencies $5 for travel reimbursement checks issued in lieu of Travel EDI. Agencies are charged for each travel reimbursement check issued to an employee after their second check of the fiscal year. Agencies are expected to take action to enroll applicable employees in the EDI program and thus avoid the fees altogether. The following table lists agencies that have incurred travel check charges during the third quarter of FY 2019.

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

Agency Non-Compliance Travel Check Charges

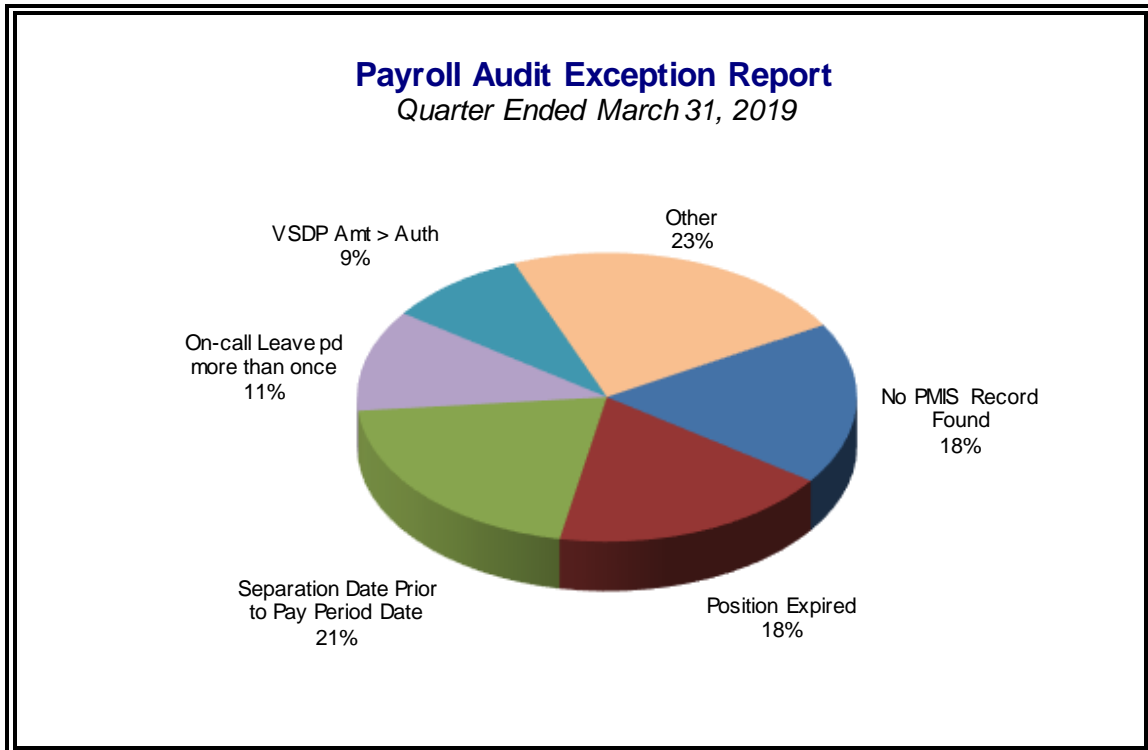| Agency by Secretarial Area	Quarter Ended March 31, 2019	Fiscal Year 2019 To-date Charges
Agriculture and Forestry		
Department of Agriculture and Consumer Services	$5.00	$15.00
Commerce and Trade		
Department of Housing and Community Development	$0.00	$15.00
Education		
Virginia Military Institute	$45.00	$100.00
Virginia State University	$65.00	$135.00
Virginia Museum of Fine Arts	$5.00	$5.00
Patrick Henry Community College	$0.00	$5.00
Southern Virginia Higher Education Center	$5.00	$5.00
Health and Human Resources		
Department of Health	$45.00	$90.00
Independent Agencies		
Virginia Lottery	$0.00	$5.00
Judicial		
Magistrate System	$10.00	$70.00
Circuit Courts	$150.00	$435.00
General District Courts	$280.00	$740.00
Juvenile and Domestic Relations District Courts	$30.00	$100.00
Legislative		
Virginia State Crime Commission	$0.00	$5.00
Capitol Square Preservation Council	$5.00	$5.00
Joint Commission on Technology and Science	$0.00	$5.00
Natural Resources		
Department of Conservation and Recreation	$5.00	$20.00
Department of Game and Inland Fisheries	$5.00	$10.00
Public Safety and Homeland Security		
Department of Military Affairs	$5.00	$5.00
Virginia Alcoholic Beverage Control Authority	$35.00	$65.00
Transportation		
Department of Motor Vehicles	$10.00	$45.00

Payroll Controls

CIPPS/PMIS Payroll Audit

During the quarter, DOA's automated comparison of payroll (CIPPS) and personnel (PMIS) records examined 396,950 salaried pay transactions and 130,492 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 3,272 new exceptions noted statewide during the quarter, with an overall exception rate of 0.04%.

The statewide salaried payroll exception rate was 0.04% and the wage payroll exception rate was 0.01%. During this quarter, 8 employee paychecks were reduced to recover $4,628.55 in overpayments.

While the largest cause of exceptions are due to processing payroll for employees whose positions have expired in PMIS, the second largest cause of exceptions was because no PMIS records were found. These exceptions can 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 March 31, 2019

VSDP Amt > Auth 9%
Other 23%
On-call Leave pd more than once 11%
No PMIS Record Found 18%
Separation Date Prior to Pay Period Date 21%
Position Expired 18%

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. None of the agencies exceeded the allowed threshold for wage or salaried payments during the quarter ending March 31, 2019.

Payroll Exception Audit
Agency Payroll Exceptions as a Percent of Salaried Payments
Quarter Ended March 31, 2019

Agency	# of Salaried Exceptions	Exceptions as a % of Salaried Payments
None		0.00%
Salaried Payroll Exceptions for the Quarter		**0.04%**

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

Total Quarterly Salaried Exceptions
March 2017 - March 2019

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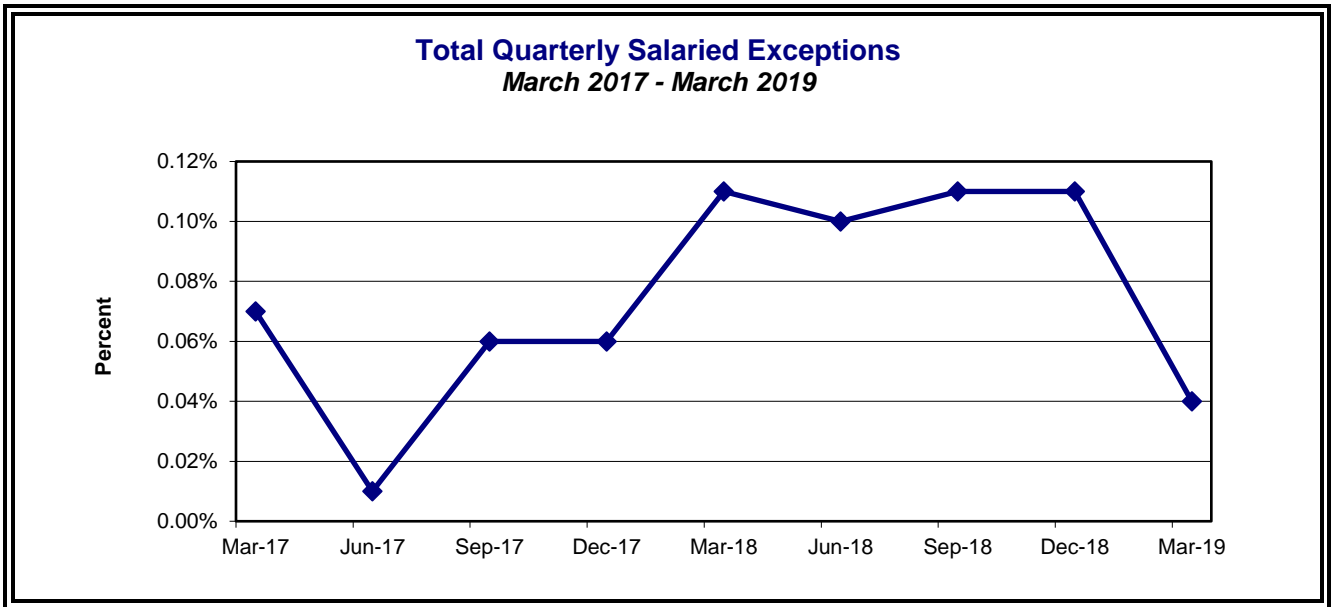
CIPPS/PMIS Exceptions

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
Central State Hospital	8
Piedmont Geriatric Hospital	4
Sitter-Barfoot Veterans Care Center	3
Wilson Workforce and Rehabilitation Center	6
Alcoholic Beverage Control	4

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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				
Dabney S. Lancaster Community College	$22,890	1		
Virginia State University	$32,334	1		
J Sargeant Reynols Community College			2	
Mountain Empire Community College			2	
Blue Ridge Community College		1		
Health and Human Resources				
Department of Health	$40,541			
Catawba Hospital	$57,611			
Southwestern Virginia Training Center	$30,890			
Judicial				
Senate of Virginia	$182,000	1	2	
Legislative				
JLARC			6	
Public Safety And Homeland Security				
Department of State Police*	$52,195			

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.

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