

REPORT ON STATEWIDE COMPLIANCE

**FOR THE QUARTER ENDED
DECEMBER 31, 2020**



OFFICE OF THE COMPTROLLER

DEPARTMENT OF ACCOUNTS

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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 December 31, 2020, and comparative FY 2020 data.

David A. Von Moll, CPA, CGFM
Comptroller



Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

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 December 31, 2020

The APA issued 7 reports covering 8 State Agencies for the Executive Branch and 1 report 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 General Services’ Bureau of Real Estate Services	1	0	1	YES
Agriculture and Forestry				
None				
Commerce and Trade				
None				
Education				
University of Virginia	5	2	7	YES
Virginia Polytechnic Institute and State University	2	1	3	YES

	New Findings	Repeat Findings	Total Findings	CAW Received
Executive Offices				
Attorney General and Department of Law ⁽¹⁾	1	2	3	YES
Finance				
None				
Health and Human Resources				
None				
Independent Agencies				
State Corporation Commission	3	1	4	YES
Natural Resources				
None				
Public Safety and Homeland Security				
Department of Corrections ⁽²⁾	3	0	3	YES
Virginia Alcoholic Beverage Control Authority	2	2	4	YES
Technology				
None				
Transportation				
Virginia Port Authority ⁽³⁾	0	0	0	N/A
Veterans and Defense Affairs				
None				

(1) The Attorney General and Department of Law audit included the Division of Debt Collection.

(2) Includes Virginia Parole Board

(3) The Virginia Port Authority audit was performed by PBMares, LLP and the audit report provided to the APA.



Audit Findings - Quarter Ended December 31, 2020

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

Administration

Department of General Services' Bureau of Real Estate Services

1. Improve Lease Policies and Procedures and Review of Lease Classifications

Education

University of Virginia

1. Improve Controls over User Access to the Payroll and Human Resource System. **This is a Partial Repeat Finding.**
2. Develop Policies and Procedures to Ensure Compliance with Conflict of Interest Act Requirements. **This is a Partial Repeat Finding.**
3. Improve Processes over Employment Eligibility Verification
4. Improve Database Security
5. Improve Controls Over the creation of Medicaid Cost Settlement Report Estimates
6. Improve Compliance with Unclaimed Property Act
7. Improve Cash Reconciliation and Review Process

Virginia Polytechnic Institute and State University

1. Report Student Status Enrollment Changes Timely to National Student Loan Data System. **This is a Repeat Finding.**
2. Strengthen the Schedule of Expenditures of Federal Awards Review Process
3. Improve Timeline of Grant Closeout

Executive Offices

Attorney General and Department of Law

1. Comply with Federal Requirements for the Documentation of Employment Eligibility. **This is a Repeat Finding.**
2. Continue to Improve Firewall Management. **This is a Repeat Finding.**
3. Improve Virtual Private Network Security Controls

Independent Agencies

State Corporation Commission

1. Document Policies and Procedures and Implement Separation of Duties for Legal Service Contracts
2. Improve Database Security
3. Improve Server Operating System Security
4. Continue Improving Information Security Program. **This is a Partial Repeat Finding.**

Public Safety and Homeland Security

Department of Corrections

1. Align System Access with the Principle of Least Privilege
2. Strengthen Controls over Small Purchase Charge Cards
3. Ensure Segregation of Duties During Payroll Certifications

Virginia Alcoholic Beverage Control Authority

1. Improve Database Security. **This is a Repeat Finding.**
2. Improve Security Awareness Training Program. **This is a Repeat Finding.**
3. Improve Oversight of Third-Party Service Providers
4. Improve Internal Controls Over Terminated Employee Access Removal



Risk Alerts – Quarter Ended December 31, 2020

No “Risk Alerts” were issued.

Special Reports – Quarter Ended December 31, 2020

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

General Assembly, Legislative Agencies, and Commissions of the Commonwealth of Virginia Financial Report for the year ended June 30, 2020

Report on Compliance – NCAA Subsidy Percentage Requirements for the year ended June 30, 2019

Report to the Joint Legislative Audit and Review Commission for the quarter April 1, 2020 through June 30, 2020

Report to the Joint Legislative Audit and Review Commission for the quarter July 1, 2020 through September 30, 2020

Revenue Reserve Fund Calculations for the year ended June 30, 2020

Revenue Stabilization Fund Calculations for the year ended June 30, 2020

Virginia District Court System for the year ended June 30, 2019

The APA issued the following “Special Reports” that contained management recommendations:

Review of the Frontier Culture Museum of Virginia – November 2020

Other Audit Reports – Quarter Ended December 31, 2020

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

Fort Monroe Authority for the year ended June 30, 2020

Hampton Roads Transportation Accountability Commission for the year ended June 30, 2020

Virginia529 for the year ended June 30, 2020

Virginia Commercial Space Flight Authority for the year ended June 30, 2020

Virginia Polytechnic Institute and State University Report on Statement of Expenditures for the period ending December 31, 2019

Virginia Resources Authority for the year ended June 30, 2020

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

Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology for the year ended June 30, 2019

Office of Executive Secretary of the Supreme Court of Virginia for the year ended June 30, 2019

Virginia State Bar for the year ended June 30, 2019

Internal Control Questionnaire Reviews - Quarter Ended December 31, 2020

The APA issued the following “Internal Control Questionnaire Reviews” that contained management recommendations:

Department of Military Affairs Internal Control Questionnaire Review Results as of August 2020

Virginia Museum of Natural History Internal Control Questionnaire Review Results as of June 2020



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	0	0	2	0
Department of Human Resource Management	0	0	0	2
Agriculture and Forestry				
Virginia Racing Commission	0	0	1	0
Commerce and Trade				
Virginia Employment Commission	0	2	0	0
Education				
Department of Education including Direct Aid to Public Education	0	3	0	0
Christopher Newport University	0	1	3	1
George Mason University	0	1	1	0
Longwood University	6	0	0	0
Norfolk State University	3	2	0	0
Richard Bland College	0	1	0	0
Southern Virginia Higher Education Center	0	1	0	0
University of Mary Washington	0	1	0	0
University of Virginia	0	1	0	1
Virginia Community College System – Central Office	4	1	3	0
Virginia Community College System – Shared Services Center	1	0	0	0
Blue Ridge Community College	0	0	2	0
Dabney S. Lancaster Community College	0	0	4	0
Danville Community College	0	0	3	0
John Tyler Community College	1	1	2	0
Northern Virginia Community College	0	0	4	0
Tidewater Community College	0	0	1	0
Wytheville Community College	0	0	6	0
Virginia Military Institute	0	1	0	0

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Virginia State University	2	0	0	0
Finance				
Board of Accountancy	0	0	1	0
Department of Taxation	0	3	0	0
Department of the Treasury	0	1	0	0
Health and Human Resources				
Department of Aging and Rehabilitative Services	10	2	2	0
Department of Behavioral Health and Developmental Services	1	8	0	1
Department of Health	1	5	0	4
Department of Medical Assistance Services	0	3	0	0
Department of Social Services	0	9	0	0
Department for the Blind and Vision Impaired	7	2	1	0
Department for the Deaf and Hard-of-Hearing	1	0	0	0
Virginia Board for People with Disabilities	1	0	0	0
Independent Agencies				
State Corporation Commission	0	0	0	1
Natural Resources				
Department of Game and Inland Fisheries	2	0	1	0
Public Safety and Homeland Security				
Department of Fire Programs	5	0	0	0
Department of State Police	0	11	0	2
Virginia Alcoholic Beverage Control Authority	0	2	0	1
Transportation				
Department of Motor Vehicles	0	1	0	0
Department of Transportation	0	0	0	1
TOTALS	45	63	37	14



Status of Prior Audit Findings

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

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

Administration

Department of General Services (DGS)

Audit Year: 2020

Finding 20-01: Complete Purchase Card Reconciliations Timely. **This is a Repeat Finding.**

Status: As of March 2020 the DGS Central Procurement Office is fully staffed. Each contract officer has been assigned a list of DGS SPCC cardholders. The contract officers are responsible for reviewing the logs for their assigned SPCC cardholders, at a minimum, once a year. Additionally, the contract officers will ensure that supervisors complete their review of log sheets and sign by the 5th of the month.

Status Summary: Completed (On Schedule)

Finding 20-02: Strengthen Controls over Small Purchase Charge Card Operations

Status: Cardholders and Supervisors will be reminded of the requirements to retain supporting documentation when changes are made to MCC for cardholders. Cardholders and Supervisors will be reminded of the proper process to request exemptions and limit increases. The reminder will be sent to cardholders via email and also reiterated during annual SPCC training. SPCC training is required to be completed by May 1st. The training and reminders have been completed.

Status Summary: Completed (On Schedule)

Department of Human Resource Management (DHRM)

Audit Year: 2019

Finding 19-02/18-03/17-01/16-03/15-03/14-01: Improve Web Application Security Controls. **This is a Partial Repeat Finding.**

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Audit Year: 2017

Finding 17-05: Improve Database and Application Security

Status: DHRM is engaged in a project of IIS Server Migration with the objective of migrating existing applications off of that server. This migration fixes an existing need of disabling TLS 1.0 and 1.1. had to rewrite a few applications and that caused the revision of the initial estimated completion date. VITA completed the changes to turn off all SSL and TLS 1.0 and 1.1, also VITA enabled TLS 1.2. There was a meeting between DHRM and APA to provide evidence of the changes that were made. This is considered complete.

Status Summary: Completed (Delayed)

Agriculture and Forestry

Virginia Racing Commission (VRC)

Audit Year: 2020

Finding 20-01: Comply with Federal Regulations for Documentation of Employment Eligibility

Status: The Virginia Racing Commission (VRC) did not complete the Employment Eligibility Verification Form (I-9) in compliance with applicable laws for two employees hired during fiscal year 2019. Delays in the completion of the I-9 forms were due to errors that required correction, combined with the employees' part-time schedule, which limited interactions with the employees. The VRC's Business Manager was given the Handbook for Employers: Guidance for Completing Form I-9 issued by the U.S. Citizenship and Immigration Services and will follow the guidance provided in Chapter 8 on correcting errors or missing information to prevent non-compliance in the future. She was also reminded of the three-day requirement for creating an E-Verify case for all new employees.

Status Summary: Completed (On Schedule)

Commerce and Trade

Virginia Employment Commission (VEC)

Audit Year: 2019

Finding 19-01: Improve Database Security

Status: Due to the FOIA exempt nature of this finding, the detailed corrective actions have not been included. All but one of the weaknesses have been addressed.

Status Summary: In Progress (Delayed)

Audit Year: 2016

Finding 16-10/15-05: Document Separation of Duties of Individuals for Mission Critical Systems. **This is a Repeat Finding.**

Status: Due to the COVID-19 pandemic and the unprecedented claims volume, management has focused on achieving the agency's mission of providing unemployment benefits. Therefore, there is no change to the status this quarter.

Status Summary: In Progress (Delayed)

Education

Department of Education (DOE/COO and DOE/DAPE)

Audit Year: 2019

Finding 19-03/18-07/17-11/16-06: Continue Improving Database Security. **This is a Repeat Finding.**

Status: The Agency continues to work with ATOS and VITA to provide meaningful and actionable data from its logs. Access to the software was granted by ATOS in July, but configuration and set-up continues.

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: The Agency continues to work with ATOS and VITA to provide meaningful and actionable data from its logs. Access to the software was granted by ATOS in July, but configuration and set-up continues.

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: The Agency continues to work with ATOS and VITA to provide meaningful and actionable data from its logs. Access to the software was granted by ATOS in July, but configuration and set-up continues.

Status Summary: In Progress (Delayed)

Christopher Newport University (CNU)

Audit Year: 2019

Finding 19-01: Improve Firewall Security

Status: Infrastructure team is documenting current baselines for firewalls and developing hardening guidelines for firewalls which include documenting configuration changes through CM's or other tracking sheet. Infrastructure team is developing a process to track system patching and firmware updates with relevant dates, information and update action/inaction. Change Management Requests for infrastructure changes includes testing documentation where relevant, or note that no testing was required and ensure assignee is completed in firewall CM's.

Status Summary: Completed (On Schedule)

Finding 19-02: Improve Policies and Procedures over System Access Removal for Terminated Employees

Status: ERS is being updated by ITS. Several major improvements will be deployed the week of December 7. The current ERS will work in conjunction with PeopleAdmin (which will be a phase two) as part of the onboarding process. The policy is under review to account for changes in the system and new training will be developed for supervisors and resource providers. HR completed a quarterly audit and monthly audits by the Asst. Director, and is following up on any variances. Major improvements will be made by December 31, 2020; however, additional enhancements will continue to be implemented. Banner account procedures are currently in draft and being reviewed by ITS.

Status Summary: In Progress (Delayed)

Finding 19-03: Improve Virtual Private Network Security

Status: ISO is drafting updated Account Management Standards.

Status Summary: Completed (On Schedule)

Finding 19-04: Implement Formal Policies and Procedures over Conflict of Interest Requirements

Status: The COI standard have been posted on the CNU website. The list of filers was reviewed and updated. Emails have been sent out to all required filers on the training. We are just following up on a few outstanding employees that have not taken the required training. We just received the information from the state council and are preparing the system for the filers to complete the disclosures in January as required. All necessary updates have been made to be in compliance.

Status Summary: Completed (Delayed)

Finding 19-05: Improve Web Application Security

Status: Infrastructure documentation and processes are in development. Change Management Requests have been implemented. Patch release procedure and documentation is in progress.

Status Summary: Completed (On Schedule)

George Mason University (GMU)

Audit Year: 2019

Finding 19-01: Develop and Implement a Process to Maintain Oversight over Service Providers

Status: Third-Party Risk Management Process has been approved and implemented. Contract inventory and sensitivity classification is in place.

Status Summary: Completed (On Schedule)

Finding 19-02: Improve Patch and Vulnerability Management

Status: This finding is FOIA Exempt. The response for this finding has been submitted directly to APA.

Status Summary: In Progress (Delayed)

Longwood University (LU)*

Audit Year: 2020

Finding 20-01: Continue to Improve Financial Reporting Processes. **This is a Material Weakness and a Repeat Finding.**

Status: No updated corrective action workplan received.

Status Summary: In Progress (On Schedule)

Finding 20-02: Continue to Strengthen Internal Controls over Capital Assets. **This is a Material Weakness and a Partial Repeat Finding.**

Status: No updated corrective action workplan received.

Status Summary: In Progress (On Schedule)

Finding 20-03: Continue to Improve Continuity of Operations Planning. **This is a Repeat Finding.**

Status: No updated corrective action workplan received.

Status Summary: In Progress (On Schedule)

Finding 20-04: Maintain Oversight of Third-Party Service Providers

Status: No updated corrective action workplan received.

Status Summary: In Progress (On Schedule)

Finding 20-05: Improve Database Security

Status: No updated corrective action workplan received.

Status Summary: In Progress (On Schedule)

Finding 20-06: Improve Reporting to the National Student Loan Data System. **This is a Repeat Finding.**

Status: No updated corrective action workplan received.

Status Summary: In Progress (On Schedule)

Norfolk State University (NSU)

Audit Year: 2020

Finding 20-01/17-01/16-01: Continue to Improve Information Security, Risk Management and Contingency Programs. **This is a Partial Repeat Finding.**

Status: The Norfolk State University Office of Information Technology (OIT) has made significant improvements in the Information Security Program, including Risk Management and Contingency Planning. The Security Program and Framework are established, as repeatable processes that assess the risk and security controls throughout the life cycle of critical business processes and related IT systems. Through OIT's efforts, NSU has increased its security compliance score with Virginia Information Technology Agency (VITA), completed eight security risk assessments on sensitive IT systems, and has processed four security policies for University promulgation. OIT continues to provide training to staff members who hold key security roles and responsibilities and is still in the process of completing Security Policy updates, which are scheduled to be completed by June 30, 2021.

Status Summary: In Progress (Delayed)

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

Finding 20-02/17-03/16-03/15-02: Continue to Upgrade or Decommission End-of-Life Technology. **This is a Partial Repeat Finding.**

Status: OIT has made substantial progress with upgrading critical infrastructure in efforts to decommission end-of-life technology. Overall, seven systems remain and are scheduled to be upgraded by June 30, 2021.

Status Summary: In Progress (Delayed)

Finding 20-03: Comply with Prompt Payment Provisions

Status: Training on the timing of receiving goods and services was provided during the Finance and Administration Year-end meeting in December. Additional training for budget managers will be provided during the first quarter of the New Year.

Status Summary: In Progress (On Schedule)

Finding 20-04: Improve Employee Termination Procedures

Status: Human Resources continues to monitor the process. Human Resources continue to submit reports to OIT monthly on separations.

Status Summary: In Progress (On Schedule)

Finding 20-05: Complete Purchase Card Reconciliations Timely

Status: Internal SPCC policy has been revised. The monthly review process has been revamped to include maintaining all documentation electronically in the Bank of America Works system. Additionally, the review process provides that cardholders be reviewed every three months cycle. Internal submission process has been revised and electronic reconciliation through Bank of America that provides real time access has been implemented.

Status Summary: In Progress (On Schedule)

Richard Bland College (RBC)

Audit Year: 2019

Finding 19-01: Continue Improving Oversight of IT Third-Party Service Providers. **This is a Partial Repeat Finding.**

Status: RBC has been working with the Enterprise Cloud Oversight Service (ECOS) department of the Virginia Information Technologies Agency (VITA) on Provider compliance and transitioning oversight of third-party service providers (Providers) to ECOS. The transition to ECOS continues. Until the transition is complete, RBC will ensure it has a process in place for maintaining oversight and assuring the Providers have adequate security controls to protect RBC's sensitive data.

Status Summary: In Progress (Delayed)

Southern Virginia Higher Education Center (SVHEC)

Audit Year: 2016

Finding 16-01: Strengthen Fixed Asset Inventory and Related Documentation

Status: Building renovations are almost complete. Assets are being moved back to their original locations. SVHEC is continuing to update inventory listings. This will be an ongoing process.

Status Summary: In Progress (Delayed)

University of Mary Washington (UMW)

Audit Year: 2018

Finding 18-01: Conduct Information Technology Security Audits on Sensitive Systems. **This is a Repeat Finding.**

Status: UMW engaged an outside IT audit firm to audit IT infrastructure and related controls. Audit work began in fiscal year 2020 and is still in progress.

Status Summary: In Progress (Delayed)

University of Virginia (UVA/AD)

Audit Year: 2019

Finding 19-02: Improve Segregation of Duties Controls over the Payroll and Human Resources System

Status: A cross-functional team has been created to support this effort as well as a risk rated approach around Segregation of Duties and Access Provisioning and De-Provisioning. Significant progress has been made toward report comments associated with User Access and Provisioning Rights, Review of User Rights, as well as Password Management. Monthly meetings have been scheduled between Finance, HR, and IT to work on all aspects of the report.

Status Summary: In Progress (Delayed)

Finding 19-03: Ensure Completion of the Commonwealth's Retirement Benefits System Reconciliation Process

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Virginia Community College System – Central Office (VCCS-CO)

Audit Year: 2020

Finding 20-01: Ensure Consistency in the Handling and Financial Reporting of Dual Enrolment Tuition

Status: On target for completion on or before June 30, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-02: Update Guidance and Encourage Communication Between Shared Services and Colleges Regarding Financial Reporting

Status: The System Office will continue to review and update the year-end financial statement preparation procedures as needed to specifically address and incorporate the evolution of the VCCS' Shared Service Center. The year-end financial statement packet that is sent to the colleges will include increased information regarding activities occurring at the Shared Services Center and require both the System Office and the Colleges to better communicate. Year-end procedures and requirements for the preparation of the financial statements as well as additional communication between the Shared Services Center, Colleges and the System Office will be incorporated into the Service Level Agreement (SLA) with the Shared Services Center.

Specifically addressing the prepaid expenses, this issue has already been discussed with the Accounts Payable Process Council and will be addressed for the current fiscal year end (FY20). There will also be language added in the SLA to address payments made on behalf of colleges that would be deemed prepayments in the VCCS' financial statements.

Status Summary: Completed (On Schedule)

Finding 20-03: Accurately Report Intra-Commonwealth Transfers of Capital Assets

Status: System Office Fiscal Services will develop and implement procedures to monitor State and Non-State capital asset transfers to ensure the accurate and timely recording of transfers, gifts, and any future acquisitions throughout the fiscal year. The Colleges will be instructed to notify the Plant Funds Accounting Manager of any/all capital asset transfers as part of the year-end financial statement checklist. The Plant Funds Accounting Manager will request all documentation supporting the capital asset transfers listed on the financial statement checklist and will work with the colleges to ensure the proper reporting for financial statement purposes. Dabney S. Lancaster Community College will notify System Office Fiscal Services of any State and Non-State capital asset transfers when completing the year-end financial statement checklist.

Status Summary: Completed (On Schedule)

Finding 20-04: Develop Reference Tools for the Student System. **This is a Partial Repeat Finding.**

Status: The System Office has completed the development of reference tools to provide guidance to management for the colleges on identified student system access roles and potential conflicts regarding least privilege access and separation of duties. Training on the use of these reference tools will commence later this summer with all college Security Administrators expected to receive training and access to these reference tools by the end of the year.

Status Summary: Completed (On Schedule)

Finding 20-05: Develop Procedures for Reviewing and Reacting to System and Organization Controls Reports

Status: The target date for completion has been extended until March 31, 2021.

Status Summary: In Progress (Delayed)

Finding 20-06: Improve Operating System Security

Status: On target for completion on or before July 31, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-07/18-03: Continue to Improve Web Application Security. **This is a Repeat Finding.**

Status: On target for completion on or before April 30, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-08/18-04/17-04: Continue to Complete a Risk Assessment for Each Sensitive System. **This is a Repeat Finding.**

Status: On target for completion on or before December 31, 2021.

Status Summary: In Progress (On Schedule)

Virginia Community College System – Shared Services Center (VCCS-SSC)

Audit Year: 2020

Finding 20-01: Continue to Address System Access Issues and Implement Additional Controls. **This is a Repeat Finding.**

Status: Shared Services management acknowledges the importance of reviewing documentation regarding internal controls and user accesses as it relates to segregation of duties. Furthermore, they acknowledge and understand the importance of an annual review to ensure individual access is based on the principle of least privilege. Shared Services management will document and perform an annual review of systems access, and update documentation and procedures as needed. Additionally, Shared Services' management will assign individual access based on the principle of least privilege, and document any cases where any potential separation of duties' issues exists, and ensure compensating controls are implemented as needed to ensure adequate oversight and review of transactions performed by staff. Finally, Shared Services has implemented updated controls to ensure timely access removal from all sensitive systems for terminated employees. On target for completion on or before March 31, 2021.

Status Summary: In Progress (On Schedule)

Blue Ridge Community College (BRCC)

Audit Year: 2020

Finding 20-01: Improve Controls Over Terminated Employees. **This is a Partial Repeat Finding.**

Status: Information/updates to processes have been communicated to most frequent onboard/off board hiring managers, as well as President's Staff; additional Virtual Training/Information Session with all first-line managers has been completed.

Status Summary: Completed (On Schedule)

Finding 20-02: Improve Enrollment Reporting Process

Status: Blue Ridge Community College (BRCC) staff reviewed the student data that did not have the correct withdrawal date as identified in the APA testing. As part of the review, the College learned that the Student Services department should have been submitting an enrollment file for

each term after grades were posted. The Student Services department was unaware of this requirement. Because BRCC did not submit the post-term file, students who stopped attending and received grades of "F" after 60% of the semester had passed were reported as having withdrawn at the end of the term rather than on their actual last date of attendance. Beginning with the current term (Spring 2020), BRCC will submit the required enrollment file referenced above to the National Student Clearinghouse (NSC) to ensure that the last date of attendance for these students is correctly reported for the withdrawal date. NSC will report the data to NSLDS in a batch file transmission.

Status Summary: Completed (On Schedule)

Dabney S. Lancaster Community College (DSLCC)

Audit Year: 2020

Finding 20-01: Ensure System Access is Removed Timely and College Property is Returned for Terminated Employees

Status: DSLCC HR Director will develop and implement more effective exit procedures and monitoring controls to ensure timely removal of system for employees. Specifically, the following actions will be taken. HR Director will create a Standardize Exit Employee Checklist for Supervisors, Employee and HR Department. HR Director will communicate to supervisors required exit procedures. HR Director will send quarterly reminders requiring supervisors of adjunct faculty and wage employees to notify HR/Payroll of adjunct faculty and wage employee terminations as soon as decided. Payroll Specialist will run quarterly reports to identify inactive adjuncts/wage employees. Information will be sent to IT so building and system access are deactivated and property and keys are retrieved.

Status Summary: Completed (On Schedule)

Finding 20-02: Complete Employment Eligibility Forms Properly

Status: Human Resources Director will develop Employment Eligibility Verification (Form I-9) Policy and Procedures. Starting immediately, all letters confirming employment will contain language notifying newly hired employees: (1) that they are subject to the I-9 employment verification process; and (2) of their obligation with respect to completing that process. This will help to ensure employment verification process is completed within the 3 business day after the employee begins employment. Human Resources Director will also have the Payroll Specialist monitor the completion of I-9's to ensure compliance. The Payroll Specialist will notify the Vice President for Financial & Administrative Services if an I-9 is not completed by the employee's second day of employment.

Status Summary: Completed (On Schedule)

Finding 20-03: Confirm Retirement Contributions within the Required Timeframe

Status: Dabney S. Lancaster Community College will develop a new HR policy and procedure for the retirement system reconciliation and timely submission of the monthly snapshot confirmation. The Payroll Specialist will work closely with the HR Director at the beginning of each month and/or sooner to reconcile the retirement system benefits data prior to confirming the snapshot. The Payroll Specialist will use the Outlook Calendar to set a recurring (monthly) reminder to complete the reconciliation and confirm the snapshot by the 10th day of each month. The Payroll Specialist will submit the reconciliation and snapshot to the Business Manager for review and signature prior to the 10th day of each month.

Status Summary: Completed (On Schedule)

Finding 20-04: Properly Monitor Commission Contracts

Status: Dabney S. Lancaster Community College will designate in writing the Business Manager as the contract administrator for the vending contract. Dabney also works with the Contract Officers at the Shared Services Center for contract execution and issues. The Business Manager will routinely monitor the contracts to ensure that the vendors are in compliance with the terms of the contracts. The Business Manager will request and review the sales commission calculations and supporting documentation for each month and will monitor payments for timeliness. The Vice President of Finance will be notified of late payments or issues with supporting documentation/calculation. In January 2020, Dabney entered into a new vending contract. The

vendor has provided the monthly sales commission calculations and payments timely per the contract. The Business Manager will annually complete a Contract Performance Evaluation Report for both vendors.

Status Summary: Completed (On Schedule)

Danville Community College (DCC)

Audit Year: 2020

Finding 20-01: Ensure Financial Functions Are Maintained During Turnover

Status: College management has developed a training manual for the cashier's position and has instituted additional safeguards to ensure that all funds are deposited in accordance with State policy and VCCS policy.

Status Summary: Completed (On Schedule)

Finding 20-02: Enforce Policy on Separation Checklists for Terminated Employees. **This is a Repeat Finding.**

Status: College management will take steps to enforce existing policies on employee separation procedures by increasing training for managers and implementing controls so that no one person is solely responsible for employee separations and completion of the checklist.

Status Summary: Completed (On Schedule)

Finding 20-03: Retain Documentation as Required for Employment Eligibility Verification

Status: Danville Community College acknowledges that the college is lacking specific policies and procedures related to proper records retention of the I-9 Form. The HR Department will establish clear and concise guidelines concerning records retention for HR documents.

Status Summary: Completed (On Schedule)

John Tyler Community College (JTCC)

Audit Year: 2020

Finding 20-01: Perform Capital Asset Inventory, Record Capital Assets Timely, and Reconcile Inventory Counts

Status: John Tyler Community College has recruited twice for a full-time Fixed Asset Manager, since 2018. The last recruitment ended on March 23, 2020. But due to the hiring freeze on classified recruitment, we were unable to complete hiring for this position, so the position remains vacant. As soon as the hiring freeze is over, we will re-open the position. JTCC will also update internal policies and procedures to ensure the accurate classification and tracking of items within the asset management system. JTCC began a complete physical inventory in March 2020. Hopefully, the inventory will be concluded by March 31, 2021, due to the current access to campus locations because of the State COVID-19 Phases, this process will take longer than usual, to ensure all items are properly recorded in the system of record. JTCC is also working to update the Access Management system for 2018 and 2019 by the end of the FY20. JTCC will update and manage the policies and procedures over the inventory process, capital asset recordation, and the reconciliation of inventory to the System's administrative system, in accordance with the hiring of a Fixed Asset Manager and inventory system. On target for completion on or before March 31, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-02: Perform Adequate Bank Reconciliations and Report Bank Balances Accurately

Status: John Tyler Community College amended the current bank reconciliation policies and procedures to incorporate the demand accounts for the main bank accounts in accordance with best practices. John Tyler will also ensure that all bank accounts on the financial statement schedule accurately support the documentation. The bank accounts are reconciled by the General Accountant and reviewed and signature approved by the AVP of Financial Services. The process to incorporate demand accounts was initiated in FY20. The target date for completion has been extended until March 31, 2021.

Status Summary: In Progress (Delayed)

Finding 20-03: Properly Document Discrepancies and Adhere to Policies Regarding Federal Aid Reconciliations

Status: John Tyler Community College reconciles the Federal Financial Aid monthly. Any discrepancies are the differences between transactions posted in the Financial Aid system and Financial System, which are posted in the Local general ledger. The discrepancies are noted and are the results of financial aid awards or cancellations, by student. Documents for both systems are saved to each reconciliation electronically. JTCC will update the current Financial Aid Reconciliation process and ensure that responsible staff are properly following current policies and procedures. All reconciliations will be printed, signed and approved manually, prior to saving electronically. Any discrepancies found will be resolved according to JTCC policies and procedures, and in compliance with the Student Financial Aid Handbook.

Status Summary: Completed (On Schedule)

Finding 20-04: Deactivate Access to the Commonwealth's Purchasing System Timely. **This is a Repeat Finding.**

Status: Human Resources application. A comparison of the two reports will identify any employee who has been terminated by the College but is still active in eVA. The ASA will submit a ticket for the identified employees requesting immediate deactivation in eVA. All reports and closed tickets will be archived on JTCC's secure IT drive and posted to the Audit folder for JTCC's Information Security Shared Services team on VCCS internal website. The monthly audit will minimize the effect of any miscommunications between human resources and employee supervisors as well as increase the effectiveness of the termination process conducted by human resources.

Status Summary: Completed (On Schedule)

Northern Virginia Community College (NVCC)

Audit Year: 2020

Finding 20-01: Ensure Contracts for Adjunct Employees Are Retained

Status: Beginning Fall 2019, Northern Virginia Community College HR implemented an automated adjunct contract process to ensure timely completion and retention of all adjunct contracts. As part of the implementation of the automated contract process, the following controls have been put in place. The HR Credentialing Specialist regularly monitors pending electronic adjunct contracts and contacts academic divisions to remind them to reach out to adjuncts with pending contracts to ensure contracts are accepted on time. Any changes in the student system to the adjunct workload automatically generates a revised contract that is sent to the adjunct within 24 hours. The pending revised contract is monitored by the academic division to ensure acceptance in a timely manner. All adjunct contracts are automatically forwarded to the adjunct personnel file in the personnel records storage system on December 1 (fall semester), May 1 (spring semester), and August 1 (summer sessions). An email reminder to all adjunct supervisors will be sent reminding supervisors of their responsibility to ensure adjunct contracts are sent and accepted in a timely manner. HR staff will conduct training for supervisors in the summer of 2020. The training will include overview of personnel records management policy governing Commonwealth related documents.

Status Summary: Completed (On Schedule)

Finding 20-02: Continue to Improve and Implement Effective Exit Procedures for Employees. **This is a Repeat Finding.**

Status: Effective immediately, Northern Virginia Community College HR will develop and implement more effective exit procedures and monitor controls to ensure timely removal of system access and collection of NOVA property. The following actions will be taken: NOVA HR will continue to encourage all supervisors to make sure Form 105-021 - Employee Separation Notification is completed on time by the departing employees or the supervisor to ensure timely access removal. Reminders to all employees regarding the HR exit procedures will be communicated in the HR Newsletter. The electronic Form 105-022 – Employment Separation Checkout Form is currently in the development phase. The expectation is that the electronic form will be in operation by fall 2020. The new e-form will list college property a departing employee may have had. Supervisors will be responsible to initial next to each piece of college property that was collected. This will ensure that all college property is returned by the departing employee. In Summer 2020, HR will conduct supervisor training which will include information about employee exit procedures. HR Employee

Relations Team will review all 105-022 – Employment Separation Checkout Forms submitted to ensure all of the boxes are checked by the supervisor. Until the electronic form is developed, the HR Employee Relations Team has developed a tracking sheet to ensure proper completion of the 105-022 - Employment Separation Checkout Form. The HR Data Ops Team will run quarterly reports to identify inactive employees. Information will be sent to IT so building and system access are deactivated. Supervisors will also be contacted so that the college property and ID's are retrieved.

Status Summary: Completed (on Schedule)

Finding 20-03: Continue Implementing Commonwealth and Internal Requirements for the Stewardship of Capital Assets. **This is a Repeat Finding.**

Status: A new Fixed Asset & Property Control policy was developed with an effective date of January 1, 2020. The policy was distributed to all faculty and staff and is available on the policy section of the NVCC website. Storekeepers, warehouse staff and Controller's office staff attended training. During the training, the new policy was introduced along with the workflows, forms, and responsibilities for each area.

Status Summary: Completed (On Schedule)

Finding 20-04: Develop Procedures for Reviewing and Reacting to System and Organization Controls Reports

Status: NVCC agrees that implementing a process, performing a risk assessment and requesting a SOC or similar report from third parties will enhance our current internal controls. The College will request a SOC or similar report from vendors deemed significant to accounting operations. Reports received will be reviewed to ensure the College has the necessary complimentary controls. Evidence of the review will be maintained. NVCC did request and review the SOC-1 and SOC-2 reports from the vendor providing Perkins loan servicing for our loan portfolio, although it was subsequent to the audit. NVCC has a long and strong partnership with University Accounting Services, LLC (UAS). We obtained SOC reports from them since fiscal year 2015 and found their controls adequate. We also received SOC reports from our parking service provider, T-2 Systems, Inc. It is expected that the management team overseeing the servicing of Perkins loans and parking revenues would review the SOC reports. There have been no negative incidents in our working relationships with these vendors. In addition, the Accounting Operations and Financial Reporting procedures manual will be updated to include a section covering Service Organization Control (SOC) reports from third- party service providers.

Status Summary: Completed (On Schedule)

Tidewater Community College (TCC)

Audit Year: 2020

Finding 20-01: Continue to Strengthen Interdepartmental Communications Related to Terminated Employees. **This is a Partial Repeat Finding.**

Status: In an effort to strengthen interdepartmental communications related to terminated employees, Tidewater Community College will implement the following procedure changes. The language will be updated from reporting within three days of the last day of work to "5 business days of receiving notification that an adjunct instructor and instructional wage staff will not be returning to teach". The Office of Human Resources will provide a list of adjunct faculty in an active status toward the end of each semester and the deans will mark the list to indicate if they expect the adjunct faculty (and instructional wage staff) to return. If so, nothing further is required. If the answer is no, the dean will complete the online Notice of Separation and submit a Supervisor Checklist for each adjunct/wage staff not returning to teach. At the beginning of each semester, the Office of Human Resources will send a list of adjunct faculty who have not taught in the last three to four semesters and the Deans will submit termination paperwork to HR. The Office of Human Resources will create a training module and provide training to supervisors regarding the employee termination process.

Status Summary: Completed (On Schedule)

Wytheville Community College (WCC)

Audit Year: 2020

Finding 20-01: Improve Capital Asset Inventory and Tracking

Status: WCC identified this as an issue in the beginning of FY2020. In the fall of 2020 the Business Manager created a schedule for employees to perform a physical inventory of all buildings at the Wytheville campus, Crossroads, and the Summit. The Business Manager provided additional training to the Accountant to ensure that she had all the resources needed to perform any updates needed in the financial system. Crossroads, the Summit, and five out of the seven buildings on the Wytheville campus had been inventoried and the the financial system records had been updated by March 2020. All fixed asset sheets of those locations have been properly signed off on by a person who performed the inventory and a person who made the changes in the financial system. With COVID- 19 impacting the access to buildings on campus by employees, the remaining two buildings on the Wytheville campus have been put on hold.

Status Summary: Completed (On Schedule)

Finding 20-02: Perform Federal Aid Reconciliations Timely

Status: WCC identified this was an issue in the beginning on FY2020. In order to provide a reminder to complete the reconciliations between G5 and the financial system the responsible person has added a re-occurring Outlook calendar notification at the beginning of each month to perform and review the reconciliation. This solution has helped to ensure the responsible person makes time to complete this reconciliation monthly. These steps have taken place, and all reconciliations between G5 and AIS from August 2019 to present have been completed and reviewed on time.

Status Summary: Completed (On Schedule)

Finding 20-03: Ensure Revenue Journal Entries are Approved and Recorded Timely

Status: The business office was using a procedure whereby a user would enter the revenue entries and the person posting the entries would have to remember to go into the general ledger system every afternoon to post the entries. This process was changed in February 2020 to have the user who enters the revenue entry send an e-mail to the person posting when the entry is ready for review and posting. This change has been communicated with all business office staff. With a smaller staff that has security to post transactions, these e-mails have ensured that the people able to post entries are given a trigger/reminder to go into the general ledger system and complete the posting process. Additionally, a system upgrade was implemented in April 2020 that provides workflow functionality. This provides another resource to show that an approval and posting action needs to take place.

Status Summary: Completed (On Schedule)

Finding 20-04: Properly Monitor Commission Contracts

Status: WCC's Business Manager has executed a designation letter officially assigning the vending contract administrator duties to the Business Office Administrative Office Specialist I. The contract administrator will be assigned to monitor the timing of vendor payments, request additional supporting documentation of the monthly sales reports, and complete Contract Performance Evaluation Reports annually. WCC's Business Manager has requested that additional documentation with details of the monthly sales report be provided by the bookstore vendor monthly. WCC's Administrative Office Specialist I in the Business Office will be assigned to report timing of vendor payments of both the bookstore and vending contracts to the Business Manager monthly so that late payments can be addressed and documented with the vendor. The Business Manager will work with the VCCS Shared Service Center to complete annual performance evaluations for the bookstore contract.

Status Summary: Completed (On Schedule)

Finding 20-05: Improve Controls over System Access. This is a Repeat Finding.

Status: WCC is adopting standard operating procedure (SOP) 9.2.5 – Access Control in June 2020 to address annual user access reviews. The process will use a partnership of both WCC IT resources, the Information Security Shared Service (ISSS) team, and VCCS System Office resources. WCC IT will run and/or request various reports detailing roles, including those for the

HR system, student system and accounting system. WCC IT will compile the reports and provide the information to ISSS. ISSS will proceed to reach out to all WCC supervisors with information regarding employee accesses. Supervisors will review and return the information to ISSS and then ISSS will reach out to the WCC IT team with a list of necessary updates.

Status Summary: Completed (On Schedule)

Finding 20-06: Improve Controls over Terminated Employees. **This is a Repeat Finding.**

Status: In order to address eVA deactivation, WCC has added an additional step in the separation checklist that is completed by an employee separating from the college and their supervisor. The step requires that an IT ticket be submitted to deactivate system access. This will provide a trigger for the IT department to complete the deactivation task. Additionally, the employee separation checklist is referenced in the supervisor manual that has been recently created by the Human Resources department. This manual provides guidance to supervisors of their responsibilities related to off boarding an employee. The manual will be resent to all supervisors by June 30, 2020. Additionally, the manual will be sent out annually to supervisors as a reminder of their responsibilities to keep the appropriate personnel informed of employees leaving the college. WCC has implemented a new process of not paying out any leave to terminated employees until the next pay period after the pay period of termination. This process is currently being used on terminating employees.

Status Summary: Completed (On Schedule)

Virginia Military Institute (VMI)

Audit Year: 2020

Finding 20-01: Improve Controls over Employment Eligibility Verification

Status: In order to effectively remediate the above audit finding, implementation of the following corrective actions has either already taken place as indicated or is expected by the listed estimated completion date. VMI's ARMICS personnel have (and will continue to be) involved from a quality control review perspective: Retrain all Human Resources Office staff on I-9 and E-Verify procedures and requirements. (Status - Complete). Reinforce via communication (and/or education) with Hiring Managers that notification of executed employment contracts, accurate start dates, timely employment letters, and electronic Personnel Action Form (PAF) submissions are necessary prior to I-9 completion.

(Status - Complete: Implemented as ongoing standard practice due to number of existing and new hiring managers. Hiring Managers currently reminded at time of candidate hire of all processes necessary to ensure accurate start date recordation; executed employment contracts, employment letters, Personnel Action Form submissions, and completed contracts prior to I-9 initiation). Strengthen New Hire I-9 process by requiring scheduled, one on one appointment only basis for more focused, individualistic approach (and error risk reduction) [Status - Complete]. Electronic Personnel Action Form start dates to be verified by the HR Director prior to full execution. (Status - Complete) Implemented as ongoing standard practice. For Hourly/Wage hires, the Personnel Action Form is currently reviewed/verified twice for accurate hire dates by the Director of Human Resources prior to final approval. Added Prior Quarter - Investigate transitioning electronic Personnel Action Form to newly implemented electronic form environment, inclusive of and/or add to either format additional Hiring Manager sign-off confirming/attesting to accurate/appropriate hire date. [Status - Ongoing: Continuing efforts with assigned VMI IT Specialist on design/build/test/deploy]

Status Summary: In Progress (Delayed)

Virginia State University (VSU)

Audit Year: 2018

Finding 18-07: Strengthen Internal Controls over Capital Assets

Status: The University will have all surplus items completed by June 30, 2020 and currently still undergoing a campus-wide inventory by department which was delayed by COVID-19. A campus-wide e-mail was also sent regarding items received directly by various departments.

Status Summary: In Progress (On Schedule)

Finding 18-11: Establish a Process for Periodically Reviewing Stagnate Grants and Contributions
Status: The Grants & Contracts Office is still pulling supporting documentation for stagnant grants and working towards clearing out or re-purposing the grant proceeds with grantor approval. However, the Grants & Contracts position is now vacant which has prolonged the estimated completion date.

Status Summary: In Progress (On Schedule)

Finance

Board of Accountancy (BOA)

Audit Year: 2020

Finding 20-01: Develop and Implement a Process to Maintain Oversight over Third Party Service Providers

Status: The Board established policies and procedures related to the review of Service Organization control reports and completed a review of the current Service Organization SOC2 report prior to the completion of the APA audit.

Status Summary: Completed (On Schedule)

Department of Taxation (TAX)

Audit Year: 2019

Finding 19-02/18-06: Continue to Improve Disaster Recovery Planning Documentation. **This is a Repeat Finding.**

Status: Tax has completed the BIA and DRP reconciliation. There will be some updates needed to the DRP for 2021. We have them documented in the 2021 DRP but due to the VITA data center move initiative for Virginia Tax, the request for Changes to the DRP will not be requested prior to January 2021.

Status Summary: In Progress (Delayed)

Finding 19-03: Complete a Risk Assessment for Each Sensitive System

Status: A high level risk assessment plan has been prepared which reflects a completion date of November 30, 2020 the original sensitive system list has 19 systems, any new sensitive systems not included on the original sensitive system list will be included in next year's assessment plan.

Status Summary: In Progress (Delayed)

Finding 19-04: Mitigate Server Vulnerabilities. **This is a Repeat Finding.**

Status: TAX relies on the Commonwealth's IT Infrastructure Partnership with Science Applications International Corporation (Partnership) to provide installation, maintenance, operation, and support of IT infrastructure components, such as servers, routers, firewalls, and virtual private networks. As a part of this, TAX relies on the Partnership to install security patches for core operation system software to mitigate vulnerabilities in systems that support TAX operations as well as the Partnership's security monitoring tools. However, TAX is also responsible for applying patches to agency-specific software that falls outside of the Partnership's responsibility. TAX recently became aware of the number of security patches it is responsible for through a detailed analysis.

Status Summary: In Progress (Delayed)

Department of the Treasury (TD)

Audit Year: 2019

Finding 19-02: Improve Web Application Security

Status: Treasury has submitted and received approval for an Exception Request for the continued use of a legacy transfer protocol. Treasury has researched several options for upgrading to a more current version of this transfer protocol. Successful implementation of any of these options will depend upon the availability of funds to procure a test server.

Status Summary: In Progress (Delayed)

Health and Human Resources

Department of Aging and Rehabilitative Services (DARS)

Audit Year: 2020

Finding 20-01/18-01: Update Disability Services Agencies Memorandum of Understanding. **This is a Repeat Finding.**

Status: The management teams have continued to discuss the deliverables and will be starting the documentation of the MOU in the next quarter. These discussions are in full swing and we anticipate completing the MOU by end of SFY 2021.

Status Summary: In Progress (On schedule)

Finding 20-02: Improve Received Check Depositing and Reconciliation Processes. **This is a Partial Repeat Finding.**

Status: The DARS Fiscal team has completed the implementation of Remote Deposit Capture at the Richmond office and is currently working to implement Remote Deposit Capture at the Charlottesville location (estimated implementation date: January 2020), in an effort to have consistent procedures between locations, expedite deposit processing time and enhance available reporting related to deposits. The VIB Fiscal team has implemented revised procedures to deposit all check regardless of amount daily. The DARS Fiscal team has updated procedures to reflect Remote Deposit Capture implementation and as of December 2020, adopted a formal 'Safeguarding Checks & Deposits Policy', which includes updating internal controls surrounding live checks. The DARS Fiscal team has enhanced procedures to include check logs and obtains the various locations check logs to include in the monthly reconciliation process, to identify and ensure all checks identified and received per the check logs are accounted for within Cardinal. The DARS Fiscal team continues to create a reconciliation between Financial Systems. The team has made headway in this reconciliation, but the credit card transactions have proven more difficult than originally thought to be traced between the two systems. This investigation and reconciliation is ongoing and is expected to be completed by the spring of 2021.

Status Summary: In Progress (On Schedule)

Finding 20-03: Improve Information Technology Governance. **This is a Repeat Finding.**

Status: Over the past several months the DARS has hired an Information Security Officer to drive the policy development for Information Security Program. Additionally, the policies and procedures for Information Security program will be incorporated in the development of new MOU to include DBVI as a component of DARS Security program responsibilities. DBVI has established a Technology Innovation Planning and Review Team that meets monthly to discuss these outstanding information technology and security issues as well as other items. The first team meeting was October 28, 2020.

Status Summary: In Progress (On Schedule)

Finding 20-04: Develop and Implement Information Security Policies and Procedures. **This is a Repeat Finding.**

Status: The policies and procedures for Information Security program will be incorporated in the development of new MOU to include DBVI as a component of DARS Security program responsibilities.

Status Summary: In Progress (On Schedule)

Finding 20-05: Upgrade Manufacturing System. **This is a Repeat Finding.**

Status: The RFP has been released and bids are due in January 2021. The management teams are engaged with VITA supply chain on finding a software solution. Additionally, we have received VITA ECOS exception for manufacturing system until September 1, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-06: Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**
Status: The RFP has been released and bids are due in January 2021. The management teams are engaged with VITA supply chain on finding a software solution. Additionally, we have received VITA ECOS exception for manufacturing system until September 1, 2021.
Status Summary: In Progress (On Schedule)

Finding 20-07: Improve Oversight over Third Party Providers. **This is a Repeat Finding.**
Status: Revised estimated completion dates. Included the new DARS ISO to review contracts and coordinate with VITA to receive appropriate reporting. The management teams are evaluating impacts of moving to the state contract for credit card services. Based on preliminary analysis we will have to solicit SOC with the implementation of new system. DBVI awaits a review by VITA of in scope and out of scope computer equipment and clarification on what standards are required for OOS systems that do not touch the COV network and must meet federal host requirements.
Status Summary: In Progress (On Schedule)

Finding 20-08: Improve Controls Over Capital Assets
Status: The DARS General Accounting and Financial Reporting team continues to meet with various DSA's management and stakeholders to develop and solidify policies, procedures and internal controls over capital assets, in an effort to increase communication surrounding fixed asset transactions and provide training related to current procedures. A formal Fixed & Intangible Asset Policy is expected to be adopted as of January 31, 2021, with related to the enhanced policy and procedures expected to be conducted during February 2021 or March 2021. The DARS Fiscal team is currently utilizing expense reporting and coding to identify potential fixed assets and collaborates with the expense approvers and the Accounts Payable Department to investigate purchases to determine if assets are capitalizable, compliant with the CAAP Manual. The DARS Fiscal team collaborates with various departments to understand possible fixed asset transactions, such as communicating upcoming surplusings with the Department of General Services and the IT Department, and reviewing purchase orders from Procurement and eVA to determine the potential of capitalizable fixed assets. Additionally, the DARS Fiscal team has developed a plan and coordinated with various departments that have centralized roles related to potential fixed asset transactions, such as the Procurement Department, the General Services Department, and the IT Department to increase communication surrounding the purchase, development, disposal or surplusings of capital and intangible assets. The DARS Fiscal team has developed draft fixed asset forms and is working to set up a central receiving inbox/process where users can submit forms and documents related to fixed-asset processing.
Status Summary: In Progress (On Schedule)

Finding 20-09: Improve Controls Over Wilson Workforce Capital Assets
Status: The DARS General Accounting and Financial Reporting Manager has met with applicable staff and teams within the DSA. The culmination of the meetings has resulted in the initiation of procedures and policies. The DARS Fiscal team has been utilizing expense reporting and communicating directly with the Business Office, Capital Project Manager and Department of General Services to understand current and ongoing projects and has worked to update FAACS with up-to-date information.
Status Summary: In Progress (On Schedule)

Finding 20-10: Implement Software and Other Intangible Assets Policy
Status: The DARS General Accounting and Financial Reporting team has meet with IT staff and coordinated strategy, including a draft policy that is expected to be adopted as of January 31, 2021. Both the General Accounting and IT Departments are developing formal procedures and will be utilizing an internally developed system to track IT development hours by project. The DARS IT Department is in the final testing stages of the system, which is expected to go live in 2021. IT and General Accounting are working to develop the necessary reporting requirements to be automatically generated from the new system and provided to General Accounting to updated FAACS, in compliance with GASB 51 standards and CAAP Manual requirements surrounding intangible assets. Additionally, General Accounting and IT have discussed historical internally developed software, to determine if any historical projects should have been previously capitalized, per GASB 51. This is an ongoing effort and any necessary changes will be coordinated with DOA

to ensure any necessary current year FAACS entries are correctly reflected and the impacts to prior year financial statements is known and understood.

Status Summary: In Progress (On Schedule)

Audit Year: 2019

Finding 19-01: Improve the Case Management System Access Review Process

Status: The procedures for congruent tracking and updating the reviews and ensure they are recorded in standard location accessible by applicable staff and all reviews have been conducted by DARS and DBVI.

Status Summary: Completed (On Schedule)

Finding 19-02: Improve Oversight of Third-Party Service Providers

Status: The ISO and CIO have begun evaluating the contracts and services that require SOC to ensure compliance within the agreements. Both employees began after the issuance of the findings.

Status Summary: In Progress (Delayed)

Finding 19-04: Improve Processes to Comply with the Conflict of Interest Act

Status: DARS has fully updated its list of positions required to complete the SOEI and developed a process to ensure compliance with the required training. DBVI is maintaining a list and monitoring every two year training schedule

Status Summary: Completed (On Schedule)

Audit Year: 2018

Finding 18-02: Improve Internal Controls over Financial System Reconciliations

Status: Revised estimated completion to June 30, 2021. The DARS Fiscal Division and DBVI, VIB Shared Operations has met to discuss current policies and procedures related to reconciling the point of sale system and manufacturing system revenue on a cash basis to Cardinal system monthly. The General Accounting Department has begun to utilize check logs and reporting from the System to build this monthly reconciliation. The General Accounting Department has utilized daily processing reports from Cardinal and daily payment reports from the System to investigate the daily variances and understand processing times and inconsistencies. The General Accounting Department is working to reconcile credit card transactions between Financial Systems, as these transactions are not processed consistently between the two systems. This reconciliation is expected to be finalized in early 2021. As of November 2020, any variances between Financial Systems, outside of credit card transactions, are noted and communicated to DBVI for discussion to determine correction within the appropriate system. DARS Fiscal is working to formalize the reconciliation procedures, as soon as the reconciliation is finalized and credit card transactions are better understood between the two systems. The DBVI and DARS fiscal management team are working through an outstanding concern of reconciling items related credit card transactions recordation in the manufacturing systems for reconciliation. The anticipated project completion is before calendar year end.

Status Summary: In Progress (Delayed)

Department of Behavioral Health and Developmental Services (DBHDS)

Audit Year: 2019

Finding 19-01: Dedicate Resources to Support Information Security Program

Status: Strategic plan has been submitted to VITA, and the new CISO will evaluation staffing and support needs.

Status Summary: In Progress (On Schedule)

Finding 19-02/18-02/17-02: Improve IT Contingency Management Program. **This is a Repeat Finding.**

Status: The new CISO is part of the agency recovery plan so additional time will be needed to update COOP plans. Agency will need a new target date for completion. Internal APA audit finding has identified the need for BIA developments/updates which are anticipated to be completed by September 30, 2020. BIAs will be needed before we provide a new date for the overall COOP plan.

Status Summary: In Progress (Delayed)

Finding 19-04/18-04: Develop Baseline Configuration for Information Systems. **This is a Repeat Finding.**

Status: DBHDS is will be resubmitting to SAIC a request to receive all the base configurations from the infrastructure side.

Status Summary: In Progress (Delayed)

Finding 19-05/18-05: Improve Web Application Security. **This is a Partial Repeat Finding.**

Status: The DBHDS system administrator will be cross training other IT staff to support the system as secondary and tertiary resources for backup administrator support. The application is in the process of moving to a cloud based platform. DBHDS is currently updating the risk assessment to ensure sufficient mitigating controls are in place. Documents are being finalized with cross training to start early July 2020. The system administrator has been moved. Daily, Weekly, Monthly and Yearly tasks documentation has been requested and will be used to create a reference document for cross training additional DBHDS staff.

Status Summary: In Progress (Delayed)

Finding 19-09: Improve Access Controls over the Internal Accounting and Patient Revenue System. **This is a Repeat Finding.**

Status: Due to COVID-19, no work on the creation of the workflow through the SAIC-KSE tool has started. IT will create initial application to assist with the identification of staff members who no longer need access. OKTA integration is desired but will need further review.

Status Summary: In Progress (Delayed)

Finding 19-10: Develop and Implement Compliant Application Access Management Procedures. **This is a Repeat Finding.**

Status: DBHDS will establish workflows for access controls during on/off boarding and will review available tools in the environment.

Status Summary: In Progress (Delayed)

Finding 19-11: Promptly Remove Commonwealth's Accounting and Financial Reporting System User Access

Status: DBHDS continues to work with HR to ensure that all parties are notified of a departure so that access to all systems can be removed. The original plan of correction response is still largely intact as DBHDS has not had adequate time to perform a review of potential systems bottlenecks. The COVID crisis has demanded DBHDS attention at this time.

Status Summary: In Progress (Delayed)

Finding 19-19: Develop Access Profile Descriptions and Improve Monitoring Controls over the Internal Attendance and Leave System

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Finding 19-23: Improve Access Controls over the Commonwealth's Payroll System

Status: DBHDS is working with the security function to possibly establish a more reasonable time frame than the 24 hours currently in place. DBHDS facilities experience extremely high turnover and a 24 hour turnaround time is not necessarily reasonable. Again, the COVID crisis has put this effort on the back burner temporarily.

Status Summary: In Progress (Delayed)

Department of Health (VDH)

Audit Year: 2019

Finding 19-01/18-10: Improve Web Application Security. **This is a Partial Repeat Finding.**
Status: Corrective Action Plan is now with the OIM. ISO and CIO are working with different departments to ensure the proper mechanisms are in place to ensure timely reviews are done.

Status Summary: In Progress (On Schedule)

Finding 19-02: Improve Contingency Management Program. **This is a Repeat Finding.**

Status: OIM has been inundated with the COVID-19 activities and operations, nonetheless, the VDH Information Security Officer will ensure that conduct agency-wide annual COOP tests are performed and documented.

Status Summary: In Progress (Delayed)

Finding 19-04: Improve Timely Removal of Critical System Access. **This is a Repeat Finding.**

Status: Corrective Action Plan is now with the OIM as it pertains not only to OHR systems. ISO and CIO are working with different departments to ensure the proper mechanisms are in place to ensure timely removal.

Status Summary: In Progress (Delayed)

Finding 19-05: Perform System Access Reviews. **This is a Partial Repeat Finding.**

Status: Corrective Action Plan is now with the OIM as it pertains not only to family health systems but also to financial and patient management systems. ISO and CIO are working with different departments to ensure the proper mechanisms are in place to ensure timely reviews are done.

Status Summary: In Progress (Delayed)

Finding 19-07: Strengthen the Employee Off-Boarding Process

Status: SBS is now responsible for the task of ensuring that termination checklists are performed in a timely manner which will allow OFM to process final payouts in a timely manner.

Status Summary: In Progress (Delayed)

Finding 19-08: Enhance the Overtime Reporting Process

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Finding 19-09: Improve Expense Allocation Process

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Finding 19-11: Comply with the Conflicts of Interest Act

Status: Follow-up test work not performed as corrective action is currently ongoing.

Status Summary: In Progress (Delayed)

Audit Year: 2018

Finding 18-06: Ensure Adequate Separation of Duties when Certifying WIC Participants

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Finding 18-08: Develop Procedures to Ensure Price Limits Are Accurately Recorded

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Department of Medical Assistance Services (DMAS)

Audit Year: 2019

Finding 19-03: Complete and Approve the System Security Plan

Status: OCS has recently added an additional resource and has a plan to add additional resources to the team to complete the SSP. OCS is engaged in weekly calls with Conduent and receives updates regarding their SOC reporting and external 525 assessment. OCS is designing and implementing automation of the SSP in Archer with a due date of June 30, 2021.

Status Summary: In Progress (Delayed)

Finding 19-04: Remove Separated Employee Access in a Timely Manner. **This is a Repeat Finding.**

Status: The K2 process flow improvements are ongoing. OCS will work with HCD to develop remediation steps and a feedback loop regarding managers who provide late notification. OCS will evaluate role-based training for the managers regarding the expectations and their responsibility for managing the access of their direct reports.

OCS will work to improve the access report metrics and to detect and report on late submissions.

Status Summary: In Progress (Delayed)

Audit Year: 2017

Finding 17-01: Develop Processes to Facilitate the Controlling of Privileges in the Claims Processing System. **This is a Material Weakness.**

Status: DMAS continues to perform the user access review and recertification process. OCS will develop a method to generate easier to read user reports, and share them with the claims business owners and the managers in the Claims Department to help identify the critical or privileged roles. OCS will take a risk-based approach where the high-risk profiles are identified and reviewed by the business. Restructuring access in the current system to a more based access will be non-trivial, and is expected to extend into 2022 when the new Medicaid claims system is deployed.

Status Summary: In Progress (Delayed)

Department of Social Services (DSS)

Audit Year: 2019

Finding 19-02/18-01: Improve Controls over Income Verification for the TANF Program. **This is a Repeat Finding.**

Status: This functionality is expected to be delivered in the August Release slated at the end of August and should be functional at or before September 1, 2020.

Status Summary: In Progress (Delayed)

Finding 19-03: Improve Controls over SNAP Federal Reporting. **This is a Repeat Finding.**

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Finding 19-04: Improve Controls over TANF Federal Performance Reporting. **This is a Repeat Finding.**

Status: The findings were adapted in December 2019 and now are operational. Future enhancements are expected to be identified by September 30, 2020.

Status Summary: In Progress (Delayed)

Finding 19-08/18-11: Continue Improving IT Risk Management Program. **This is a Repeat Finding.**

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Finding 19-09/18-09: Continue Improving Database Security. **This is a Partial Repeat Finding.**

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Finding 19-10/18-10: Develop Records Retention Requirements and Processes for Case Management System. **This is a Repeat Finding.**

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Finding 19-11: Develop a Process to Maintain Oversight for Third-Party Providers

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Finding 19-12: Improve Web Application Security

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Finding 19-13: Improve IT Change and Configuration Management Process

Status: In progress with completion expected by stated due date.

Status Summary: In Progress (Delayed)

Department for the Blind and Vision Impaired (DBVI)

Audit Year: 2020

Finding 20-01/18-01: Update Disability Services Agencies Memorandum of Understanding. **This is a Repeat Finding.**

Status: The management teams have continued to discuss the deliverables and will be starting the documentation of the MOU in the next quarter. These discussions are in full swing and we anticipate completing the MOU by end of SFY 2021.

Status Summary: In Progress (On Schedule)

Finding 20-02: Improve Received Check Depositing and Reconciliation Process. **This is a Partial Repeat Finding.**

Status: The DARS Fiscal team has completed the implementation of Remote Deposit Capture at the Richmond office and is currently working to implement Remote Deposit Capture at the Charlottesville location (estimated implementation date: January 2020), in an effort to have consistent procedures between locations, expedite deposit processing time and enhance available reporting related to deposits. The VIB Fiscal team has implemented revised procedures to deposit all check regardless of amount daily. The DARS Fiscal team has updated procedures to reflect Remote Deposit Capture implementation and as of December 2020, adopted a formal 'Safeguarding Checks & Deposits Policy', which includes updating internal controls surrounding live checks. The DARS Fiscal team has enhanced procedures to include check logs and obtains the various locations check logs to include in the monthly reconciliation process, to identify and ensure all checks identified and received per the check logs are accounted for within Cardinal. The DARS Fiscal team continues to create a reconciliation between Financial Systems. The team has made headway in this reconciliation, but the credit card transactions have proven more difficult than originally thought to be traced between the two systems. This investigation and reconciliation is ongoing and is expected to be completed by the spring of 2021.

Status Summary: In Progress (On Schedule)

Finding 20-03/18-09: Improve Information Technology Governance. **This is a Repeat Finding.**

Status: Over the past several months the DARS has hired an Information Security Officer to drive the policy development for Information Security Program. Additionally, the policies and procedures for Information Security program will be incorporated in the development of new MOU to include DBVI as a component of DARS Security program responsibilities. DBVI has established a Technology Innovation Planning and Review Team that meets monthly to discuss these outstanding information technology and security issues as well as other items. The first team meeting was October 28, 2020.

Status Summary: In Progress (On Schedule)

Finding 20-04/18-05: Develop and Implement Information Security Policies and Procedures. **This is a Repeat Finding.**

Status: The policies and procedures for Information Security program will be incorporated in the development of new MOU to include DBVI as a component of DARS Security program responsibilities.

Status Summary: In Progress (On Schedule)

Finding 20-05/18-06: Upgrade Manufacturing System. **This is a Repeat Finding.**

Status: The RFP has been released and bids are due in January 2021. The management teams are engaged with VITA supply chain on finding a software solution. Additionally, we have received VITA ECOS exception for manufacturing system until September 1, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-06/18-07: Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**

Status: The RFP has been released and bids are due in January 2021. The management teams are engaged with VITA supply chain on finding a software solution. Additionally, we have received VITA ECOS exception for manufacturing system until September 1, 2021.

Status Summary: In Progress (On Schedule)

Finding 20-07/18-08: Improve Oversight over Third Party Providers. **This is a Repeat Finding.**

Status: Revised estimated completion dates. Included the new DARS ISO to review contracts and coordinate with VITA to receive appropriate reporting. The management teams are evaluating impacts of moving to the state contract for credit card services. Based on preliminary analysis we will have to solicit SOC with the implementation of new system. DBVI awaits a review by VITA of in scope and out of scope computer equipment and clarification on what standards are required for OOS systems that do not touch the COV network and must meet federal host requirements.

Status Summary: In Progress (On Schedule)

Audit Year: 2019

Finding 19-01: Improve Processes to Comply with the Conflicts of Interest Act

Status: DARS has fully updated its list of positions required to complete the SOEI and developed a process to ensure compliance with the required training. DBVI is maintaining a list and monitoring every two year training schedule.

Status Summary: Completed (On Schedule)

Audit Year: 2018

Finding 18-02: Improve Internal Controls over Financial System Reconciliations

Status: Revised estimated completion dates. The DBVI and DARS fiscal management team has discussed the overall strategy and has begun to develop procedures and starting to test the financial and manufacturing systems deposit file for reconciliation. The anticipated project completion is before calendar year end.

Status Summary: In Progress (Delayed)

Finding 18-04: Improve Controls over System Access

Status: Revised the estimated completion date. DBVI has developed draft procedures for review by management and systems staff. The users have been setup with proper roles in the ISAA system and assigned to employees. DBVI is currently developing the policies and procedures to maintain access and annual review steps. DBVI has been delayed in developing the policies due to COVID however DBVI projects completion prior to the end of the calendar year.

Status Summary: In Progress (Delayed)

Department for the Deaf and Hard-of-Hearing (VDDHH)

Audit Year: 2018

Finding 18-01: Update Disability Services Agencies Memorandum of Understanding

Status: The management teams have continued to discuss the deliverables and will be starting the documentation of the MOU in the next quarter. These discussions are in full swing and we anticipate completing the MOU by end of SFY 2021.

Status Summary: In Progress (On Schedule)

Virginia Board for People with Disabilities (VBPD)

Audit Year: 2018

Finding 18-01: Update Disability Services Agencies Memorandum of Understanding

Status: The management teams have continued to discuss the deliverables and will be starting the documentation of the MOU in the next quarter. These discussions are in full swing and we anticipate completing the MOU by end of SFY 2021.

Status Summary: In Progress (On Schedule)

Independent Agencies

State Corporation Commission (SCC)

Audit Year: 2018

Finding 18-01: Continue Improving the Information Security Program. **This is a Repeat Finding.**

Status: The policies have been implemented. The corrective action for this finding is complete.

Status Summary: Completed (Delayed)

Natural Resources

Department of Game and Inland Fisheries (DGIF)

Audit Year: 2020

Finding 20-01: Deactivate Inactive Small Purchase Charge Cards Timely

Status: Action Item 1: Update policies and procedures and SPCC responsibilities to provide greater oversight for SPC card transactions, usage reviews, and required steps in accordance with the Commonwealth Accounting Policies and Procedures (CAPP) Topic 20355.

Status Summary: Completed (On Schedule)

Finding 20-02: Improve Procedures Over Monthly Commonwealth Retirement Benefits System Reconciliations and Documentation Maintenance. **This is a Repeat Finding.**

Status: More efficient uniform processes are being implemented to ensure that myVRS Navigator Reconciliations have back-up procedures in place for snapshot approval to account for both primary and back up responsibilities. These uniform processes will better position DGIF when circumstances arise that prevent the primarily-assigned reviewer from approving and to ensure that all reconciliation documentation is kept in a organized, secure location within the Human Resources Division. The Assistant Human Resource Director is working with the Payroll Manager, in the Planning and Finance Division, to develop “self –audit” procedures that meet both divisions’ compliance requirements. Since the last CAW, Human Resources staff are in the final stages of finalizing these new processes and procedures.

Status Summary: In Progress (On Schedule)

Finding 20-03: Improve Employment Eligibility Process. This is a Repeat Finding.

Status: Previously, our Human Resources Division has developed and implemented a 2020 E-verify Self-audit Process. Prior to the most recent APA audit, the Human Resources Division had already started working on the 2020 E-verify Self-audit Process due to I-9 concerns pointed out in the 2019 APA Audit. In the previous audit, I-9's for FY2018 (07.01.2017-06.30.2018) were reviewed in March 2019.

Status Summary: In Progress (On Schedule)

Public Safety and Homeland Security

Department of Fire Programs (DFP)

Audit Year: 2019

Finding 19-19: Improve IT Governance

Status: 16 IT policies and procedures have been approved; an additional 17 policies and procedures are pending management approval. DFP is still in process of finalizing the BIA and COOP plan. Currently, IT is coordinating with business owners to identify IT resource requirements.

Status Summary: In Progress (On Schedule)

Finding 19-20: Develop and Implement Information Security Policies and Procedures

Status: 16 IT policies and procedures have been approved; an additional 17 policies and procedures are pending management approval. The agency submitted another request in FY 20 to hire an ISO (not yet fulfilled). In the interim, DFP plans to rely on internal audit to help fill the roles and responsibilities for this area.

Status Summary: In Progress (On Schedule)

Finding 19-21: Improve Database Security

Status: The implementation of Image Trend is ongoing and expected to replace the Agency's other legacy system.

Status Summary: In Progress (On Schedule)

Finding 19-22: Improve IT Risk Management and Contingency Planning Processes

Status: DFP is in process of developing a risk assessment process. DFP is still in process of finalizing the BIA and COOP plan. Currently, IT is coordinating with business owners to identify IT resource requirements.

Status Summary: In Progress (On Schedule)

Finding 19-25: Improve Logging and Monitoring

Status: DFP is developing processes to request and review logs on a periodic and ongoing basis. For example, requesting system access logs and validating system access lists on a monthly basis is a process that IT is currently developing. This area is pending approval of IT policies and procedures by DFP management.

Status Summary: In Progress (On Schedule)

Department of State Police (VSP)

Audit Year: 2019

Finding 19-01: Document Internal Policies and Procedures

Status: P&F has continued to experience lack of resources, as key positions remain vacant. If P&F management can fill these vacancies in a reasonable amount of time, we expect the policies and procedures to be updated to by the end of the fiscal year.

Status Summary: In Progress (Delayed)

Finding 19-02: Evaluate and Document Revenue Processes

Status: The second batch of detailed desk procedures drafted were completed and ready for testing. Will schedule testing in quarter ending March 2021.

Status Summary: In Progress (Delayed)

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: First phase rollout for 133rd Academy is complete. Agency training on new software is being scheduled. Progress continues with Win 7 to Win 10 and the new CAD software is being rolled out to Windows 10 machines as they are completed. All devices will have the new CAD software by June 2021.

Status Summary: In Progress (Delayed)

Finding 17-02: Align Information Technology Security Audits with Current Sensitive Systems

Status: Sensitive systems as communicated by the ISO were communicated to VITA Centralized Audit Services and the IT audit plan was updated.

Status Summary: Completed (Delayed)

Finding 17-03: Perform Information Technology Security Audits

Status: VITA has contracted with an independent firm which is expected to audit the majority of VSP's sensitive systems by June 2021.

Status Summary: In Progress (Delayed)

Finding 17-05: Improve Business Impact Analysis

Status: The corrective action has been completed

Status Summary: Completed (Delayed)

Finding 17-06: Improve Risk Assessments

Status: Risk assessments are fully on track for June 2021 completion.

Status Summary: In Progress (Delayed)

Finding 17-08: Obtain, Review, and Document Service Organization Control Reports of Third-Party Service Providers

Status: P&F and ISO continue to develop guidelines and procedures for identifying and reviewing SOC I and SOC II reports from service vendors.

Status Summary: In Progress (Delayed)

Finding 17-09: Strengthen User Access Policies and Procedures. **This is a Repeat Finding.**

Status: P&F continues to have key vacancies that prevent the resources needed to address the issue of updating all policies and procedures. These positions are in recruitment. P&F management is working to allocate resources to this effort.

Status Summary: In Progress (Delayed)

Finding 17-15: Improve Disaster Recovery Plan

Status: As VSP continues to work through the VITA Transformation, IT will begin working on an interim DR plan for the systems that are recoverable at the Salem DR site. IT will balance resources for the creation of an interim DR plan with Transformation activities, addressing ongoing audits, current project workload, legislative mandates and work within fiscal constraints.

Status Summary: In Progress (Delayed)

Finding 17-34: Improve Accounts Receivable Tracking Process

Status: UAT training occurred in December 2020 and actual testing of the eBilling application will begin in January 2021.

Status Summary: In Progress (Delayed)

Finding 17-35/14-08: Improve Processes over Work Zone Project Billings. **This is a Repeat Finding.**

Status: Waiting notification from the Project Manager regarding the definite schedule of the project implementation.

Status Summary: In Progress (Delayed)

Finding 17-38: Document Retirement Benefits System Reconciliations

Status: Still in process. Payroll Services Bureau submitted the VRS reconciliation to the agency. P&F and HR are collaborating to ensure all policies and procedures are current and the reconciliations are completed.

Status Summary: In Progress (Delayed)

Virginia Alcoholic Beverage Control Authority (ABC)

Audit Year: 2019

Finding 19-01/18-01: Improve Logical Access Controls for Users with Privileged Access. **This is a Repeat Finding.**

Status: The corrective action has been completed.

Status Summary: Completed (Delayed)

Finding 19-02: Improve Database Security

Status: Virginia ABC's primary focus has been on migrating our servers out of the Commonwealth's Enterprise Solution Center (CESC). Now that the migration is successfully complete, Virginia ABC can prioritize ensuring database configurations, settings, and controls align with industry standards and best practices.

Status Summary: In Progress (Delayed)

Finding 19-03: Improve Security Awareness Training Program

Status: Virginia ABC did implement some role-based training, but not specific to designated security roles. In FY21, Virginia ABC will implement system owner training and will update internal policies to designate the specific roles that require additional training.

Status Summary: In Progress (Delayed)

Transportation

Department of Motor Vehicles (DMV)

Audit Year: 2019

Finding 19-05/18-01: Continue Improving Controls for Processing Access Terminations and Changes. **This is a Repeat Finding.**

Status: Made significant improvements on the technical controls but those are still not where they need to be and are being addressed through our current Corrective Action Plan with the Department of Accounts. Our security staff is still working with VITA/SAIC on implementing the new Identity & Access Management platform but it has been delayed several times now. Once implemented this new platform will make it even easier to initiate the termination process. As another means to address the control has us evaluating a new process where the employee will be required to submit their own intent to leave the agency via another mechanism so that a projected expiration date can be placed on their account. This process will also include a feedback loop to the manager to ensure the SAR13 is completed. Our internal (DMV) AD Domain has been on boarded to the VITA platform. This will allow us to manage those accounts from the same tool. DMV discovered that finance was managing access to an external system and not the Account Administration Office in SSG and is not meeting the requirements. This area needs to be addressed. DMV expanded the scope of the original systems to include newly identified external systems and IoT systems.

Status Summary: In Progress (Delayed)

Department of Transportation (VDOT)

Audit Year: 2019

Finding 19-04: Improve Controls for Ensuring Quality Improvement Recommendations are Implemented

Status: All CQIP Reports that have pending follow-up activities that exceed 30 days have been elevated (and will continue to be elevated in the future) to the applicable District Construction Engineer and Assistant State Construction Engineer - this is currently happening monthly. These items will also be discussed at scheduled District Construction Engineer Community Practice Meetings to ensure follow-up activities are addressed. The department will also look into the feasibility of employing an automated solution to ensure quality improvement recommendations are implemented in the future.

Status Summary: Completed (Delayed)



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 December 31, 2020, the following agencies were not in compliance with the ARMICS process based on the following:

The following agencies did not comply with ARMICS in FY 2020 and submitted an Exhibit 4 or Non-Compliant Certification Statement:

Agency Name	Reason for Non-Compliance	Initial Corrective Action Plan Received	Status of Corrective Action
Department of Military Affairs	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by September 30, 2021. Quarterly status update received.
Department of Emergency Management	Exhibit 4 Filed	Yes	Agency states internal control assessments will be completed by June 30, 2021. Quarterly status update received.
Virginia Commission for the Arts	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by January 31, 2021. Quarterly status update received.
Virginia State University	Exhibit 4 Filed	Yes	Agency states internal control assessments will be completed by April 30, 2021. Quarterly status update received.
Department of Forensic Science	Exhibit 4 Filed	Yes	Agency states internal control assessments will be completed by September 30, 2020. Quarterly status update received.
Department of Fire Programs	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by June 1, 2021. Quarterly status report received.
Virginia Alcoholic Beverage Control Authority	Exhibit 4 Filed	Yes	Agency states internal control assessments will be completed by June 30, 2021. Quarterly status report received.

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
Compensation Board	Substantial non-compliance with ARMICS process based on a QAR	Yes	Agency states that internal control assessments will be completed by September 30, 2021. Quarterly status update received.
Department of Motor Vehicles	Non-compliance with ARMICS process based on a QAR	Yes	Agency states that internal control assessments will be completed by June 30, 2021. Quarterly status update received.



Compliance Monitoring

Certification of Agency Reconciliation to Cardinal Reports

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

DOA closely monitors Certification status, evaluates exceptions, and posts correcting entries in Cardinal. Certifications for August, September and October were due on 09/30/2020, 10/30/2020 and 12/08/2020, respectively.

Certifications Late or Outstanding

As of February 3, 2021

Agency	Oct
Department of Forensic Science	O/S

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

Response to Inquiries

DOA regularly communicates with agencies regarding petty cash and invoice analyses, financial reporting information, and the FAACS/LAS systems. In many instances, agencies respond in a timely manner.

However, in other instances, agencies do not respond timely or simply fail to respond. For the quarter ended December 31, 2020, all responses have been received within an acceptable timeframe, except as noted below.

Longwood University - failure to submit a 30-day Corrective Action Workplan, as required in CAPP Topic 10205, *Agency Response to APA Audit*.

Norfolk State University - failure to submit Coronavirus Relief Funds (CRF) reporting information in a timely manner. The December 31, 2020 CRF template was due to Department of Accounts (DOA) on January 5, 2021; however, the university submitted the template on January 21, 2021.

Department of Health (VDH) - failure to respond to repeated communications from the Department of Accounts (DOA) staff regarding an accounting entry to a *Federal Cash Pass-Through Account* recorded on August 6, 2020. VDH responded on August 17, 2020, requesting guidance to correct this entry. On August 24, 2020, DOA requested additional information from VDH in order to provide the correct guidance and no response has been received to date. Follow-up communications were sent in September, November, and December. The *Federal Cash Pass-Through Accounts* remain out of balance statewide due to this item.

Trial Balance Review

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

DOA monitors selected general ledger balances and contacts agencies in writing about certain irregular balances. For the quarter ended December 31, 2020, the following agency failed to respond timely, make corrective action and/or provide additional information.

Trial Balance Review

As of December 31, 2020

	Agency	Oct	Nov	Dec
Department of Health		X	X	X

Analysis of Appropriation, Allotments and Expenditures, and Cash Balances

The Appropriation Act prohibits agencies from incurring unauthorized deficits. Therefore, credit cash balances and instances in which expenditures exceed appropriation and allotment require prompt investigation and resolution.

DOA contacts agencies in writing about credit cash balances and appropriations versus expenditure anomalies. For the quarter ended December 31, 2020, the following agencies failed to respond timely, make corrective action and/or provide additional information.

Credit Cash, Excess Expenditures, and Expenditure Credits

As of December 31, 2020

Agency	October	November	December
Piedmont Virginia Community College	-	-	X

E-Commerce

Travel Check Charges

In accordance with Chapter 56, 2020 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 second quarter of FY 2021.

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 December 31, 2020	Fiscal Year 2021 To-date Charges
Commerce and Trade		
Virginia Employment Commission	\$10.00	\$20.00
Education		
The Science Museum of Virginia	\$5.00	\$5.00
Health and Human Resources		
Department of Health	\$10.00	\$10.00
Judicial		
Magistrate System	\$10.00	\$10.00
General District Courts	\$0.00	\$25.00
Juvenile and Domestic Relations District Courts	\$0.00	\$5.00
Natural Resources		
Department of Conservation and Recreation	\$10.00	\$60.00
Public Safety and Homeland Security		
Department of Criminal Justice Services	\$15.00	\$20.00
Transportation		
Department of Motor Vehicles	\$20.00	\$65.00

Direct Deposit

Effective March 31, 2020, direct deposit was mandated for all employees. Agencies that did

not attain a salaried direct deposit performance rate of at least 98% are included in this report.

Direct Deposit Performance by Secretarial Area

Quarter Ended December 31, 2020

Secretarial Area	Direct Deposit % of Salaried Employees	Direct Deposit % of Wage Employees
Administration	99.4%	100.0%
Agriculture and Forestry	99.7%	99.4%
Commerce and Trade	99.4%	98.7%
Education	99.2%	97.1%
Executive Offices	99.0%	100.0%
Finance	99.4%	100.0%
Health and Human Resources	98.8%	99.8%
Independent Agencies	99.7%	100.0%
Judicial	99.6%	99.6%
Legislative	99.5%	100.0%
Natural Resources	99.3%	100.0%
Public Safety and Homeland Security	98.9%	98.0%
Technology	100.0%	100.0%
Transportation	99.7%	100.0%
Veterans and Defense Affairs	98.0%	100.0%
Statewide	99.1%	97.8%

<i>Comparative</i>		
<i>Quarter Ended December 31, 2019</i>		
Statewide	99.5%	97.9%

Statewide Salaried Direct Deposit Performance

Quarter Ended December 31, 2020

Salaried Direct Deposit Participation	99.1%
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Salaried Direct Deposit Below 98 Percent

<u>Agency</u>	<u>Percent</u>	<u>Number of Employees</u>
Education		
Jamestown-Yorktown Foundation	93.4%	152
Science Museum of Virginia	86.2%	58
Southside Virginia Community College	96.5%	146
Thomas Nelson Community College	92.1%	277
Virginia Museum of Natural History	96.7%	30
Wytheville Community College	95.6%	91
Health and Human Resources		
Catawba Hospital	97.4%	267
Central Virginia Training Center	70.0%	20
Public Safety & Homeland Security		
Western Region Correctional Field Units	95.7%	749

Statewide Wage Direct Deposit Performance

Quarter Ended December 31, 2020

Wage Direct Deposit Participation	97.8%
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Wage Direct Deposit Below 90 Percent

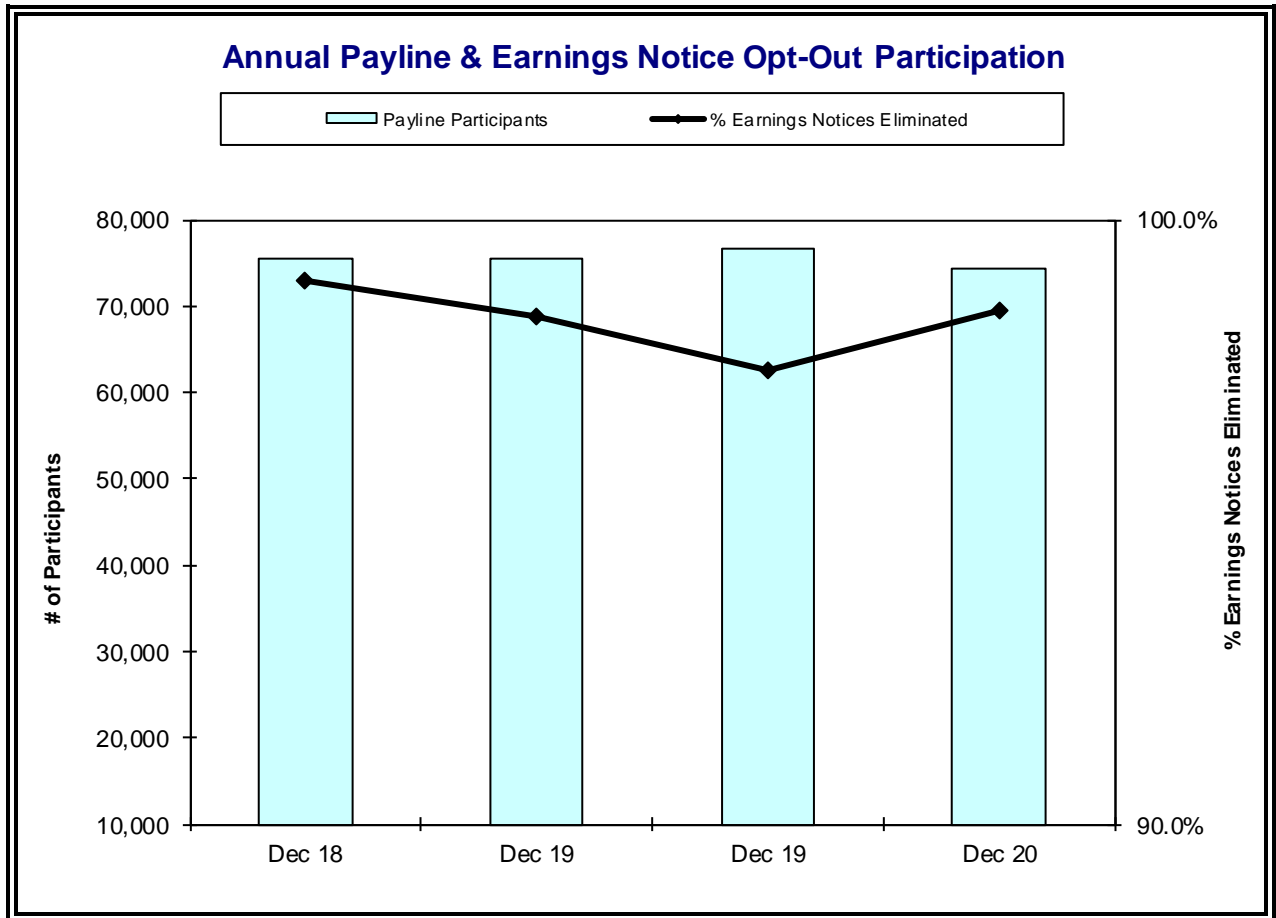
<u>Agency</u>	<u>Percent</u>	<u>Number of Employees</u>
Education		
Longwood University	73.9%	548
Virginia State University	75.3%	178
VSU/Cooperative Extension and Agricultural Research Services	83.0%	47



Payroll Earnings Notices

Elimination of earnings notices associated with direct deposit is an additional method for increasing the benefits of electronic payments. Employees are currently able to obtain enhanced information online using the web-based Payline system.

In addition to increasing direct deposit participation, agencies and institutions are expected to encourage employees to enroll in Payline and discontinue receipt of centrally printed earnings notices.



Payroll Controls

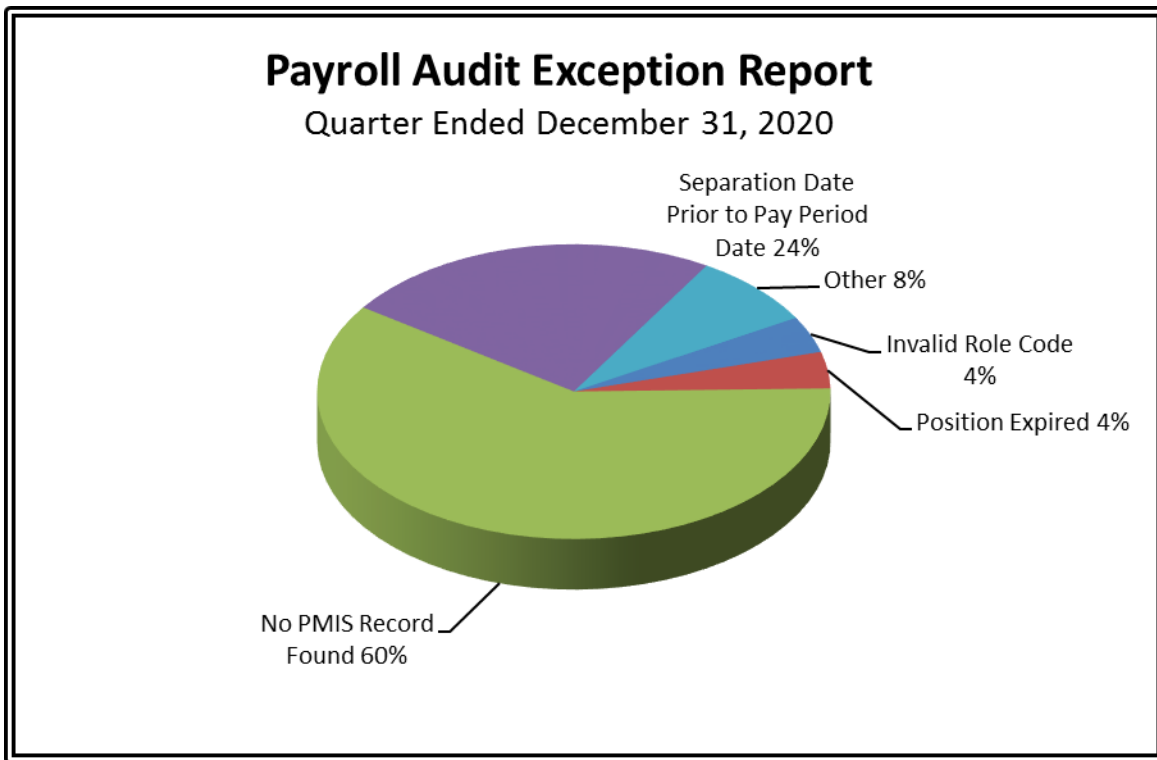
CIPPS/PMIS Payroll Audit

During the quarter, DOA's automated comparison of payroll (CIPPS) and personnel (PMIS) records examined 393,879 salaried pay transactions and 103,738 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 3,037 new exceptions noted statewide during the quarter, with an overall exception rate of 0.01%.

The statewide salaried payroll exception rate was 0.02% and the wage payroll exception rate was 0%. During this quarter, 2 employee

paychecks were reduced to recover \$1,001.73 in overpayments.

While the largest cause of exceptions are to processing payroll for employees with no PMIS record, the second largest cause of exceptions was because the separation date was prior to the pay period end date. 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.



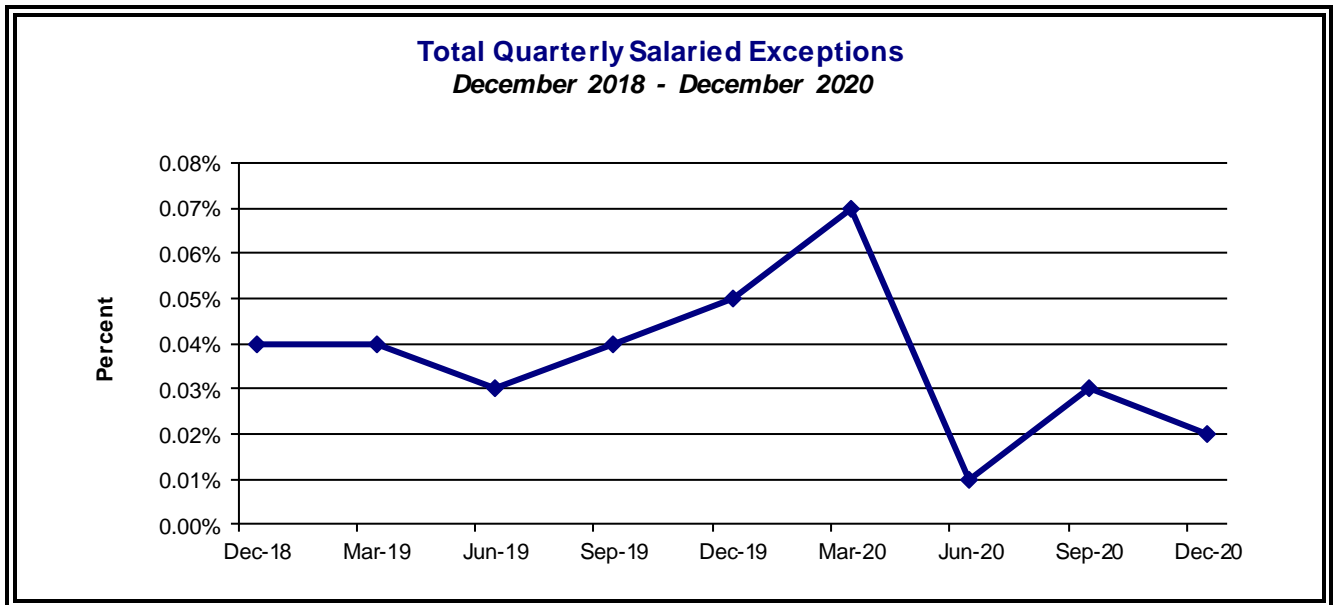
Exception percentages are calculated by dividing the number of exceptions by the number of salaried or wage employees. Agencies are reported below if the percentage of payroll exceptions to salaried or wage

payments exceeds three times the statewide average for the quarter. The following agencies exceeded the allowed threshold for wage or salaried payments during the quarter ending December 31, 2020.

Payroll Exception Audit
Agency Payroll Exceptions as a Percent of Salaried Payments
Quarter Ending December 31, 2020

Agency	# of Salaried Exceptions	Exceptions as a % of Salaried Payments
Southwestern Virginia Training Center	6	33.33%
Commonwealth Center for Children and Adolescents	5	0.60%
Central Virginia Training Center	1	0.25%
Southern Virginia Mental Health Institute	2	0.19%
Virginia Department of Transportation - Northern Virginia District	7	0.16%
Piedmont Geriatric Hospital	3	0.15%
Western State Hospital	5	0.13%
Virginia Department of Transportation - Bristol Office	4	0.10%
Virginia Department of Transportation - Fredericksburg District	3	0.10%
Department of Veterans Services	1	0.07%
Virginia Department of Transportation - Culpeper District	2	0.07%
Sitter-Barfoot Veterans Care Center	1	0.06%
Virginia Center for Behavioral Rehabilitation	2	0.06%

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



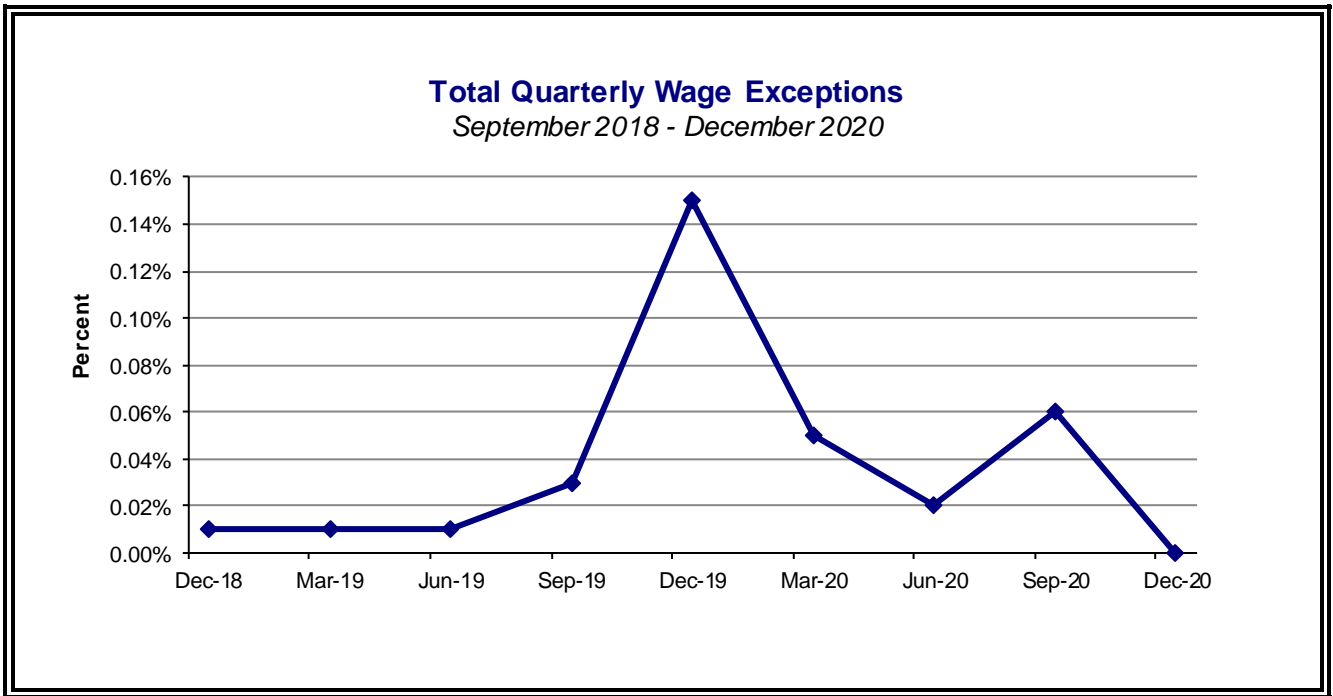
The following chart compares payroll exceptions as a percentage of wage payments by quarter for the past two years.

Agency Payroll Exceptions as a Percent of Wage Payments

Quarter Ended December 31, 2020

<u>Agency</u>	<u># of Wage Exceptions</u>	<u>Exceptions as a % of Wage Payments</u>
None		

Wage Payroll Exceptions for the Quarter	0.00%
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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.

<u>Agency</u>	<u>Unresolved Exceptions</u>
Commonwealth Center for Children and Adolescents	4
Dabney S. Lancaster Community College	1
Norfolk State University	1
Southwestern Virginia Training Center	1
Thomas Nelson Community College	3
Virginia Department of Transportation - Bristol District	2
Virginia Department of Transportation - Fredericksburg District	1
Virginia Department of Transportation - Northern Virginia District	6
Western State Hospital	4



Payroll Certification

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

Differences between the amount calculated by the payroll system based on agency input and the amount certified by the agency to be disbursed based on edit reports are identified in automated reports provided to agencies. Agencies are required to submit explanations and/or reconciliations of the differences identified on each report by the end of the day following receipt of the report. Differences result from agency payroll errors, miscalculations, online-certification data entry errors, and inappropriately high volumes of changes following certification. Although differences do not result in undetected incorrect payments, such errors are avoidable

and are not consistent with sound internal control over payroll.

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

Agencies are required to enter applicable payroll certification requests into the payroll system by **4:45 p.m.** daily to ensure sufficient time is available for central review by DOA staff to validate certification entries, a critical compensating control. This temporary change has been in effect since March 2020 due to the pandemic. 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)
Administration				
Department of Human Resources Management*	\$24,770			
Education				
Cooperative Extension and Agricultural Research Services	203,733			
Lord Fairfax Community College				1
Mountain Empire Community College				2
Southwest Virginia Community College				1
Thomas Nelson Community College	104,878			
Virginia Western Community College				1
Independent				
Virginia Lottery	839,493			
Natural Resources				
Department of Conservation and Recreation*	220,364			
Public Safety and Homeland Security				
Keen Mountain Correctional Center	20,130			
Red Onion State Prison	46,599			
Sussex One State Prison	146,981			
Veterans and Defense Affairs				
Department of Veterans Services		1		
Veterans Services Foundation		1		

Note: CIPPS hours were extended beginning in March 2020 due to the COVID-19 pandemic; therefore, agencies were not held to a 3:30 certification deadline during this quarter.

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.
- (*) Payroll Service Bureau Agency



Health Care Reconciliations

Employee health care fringe benefits costs are covered by a combination of agency-paid and employee-paid premiums. Agencies are required to return a *Certification of Automated Health Care Reconciliations* package to DOA by the close of the month following the month

of coverage. This reconciliation annotates differences between health care eligibility records (BES) and health care premium payments collected through payroll deduction. The following table lists those agencies that did not comply with reporting requirements.

Health Care Reconciliations as of December 31, 2020

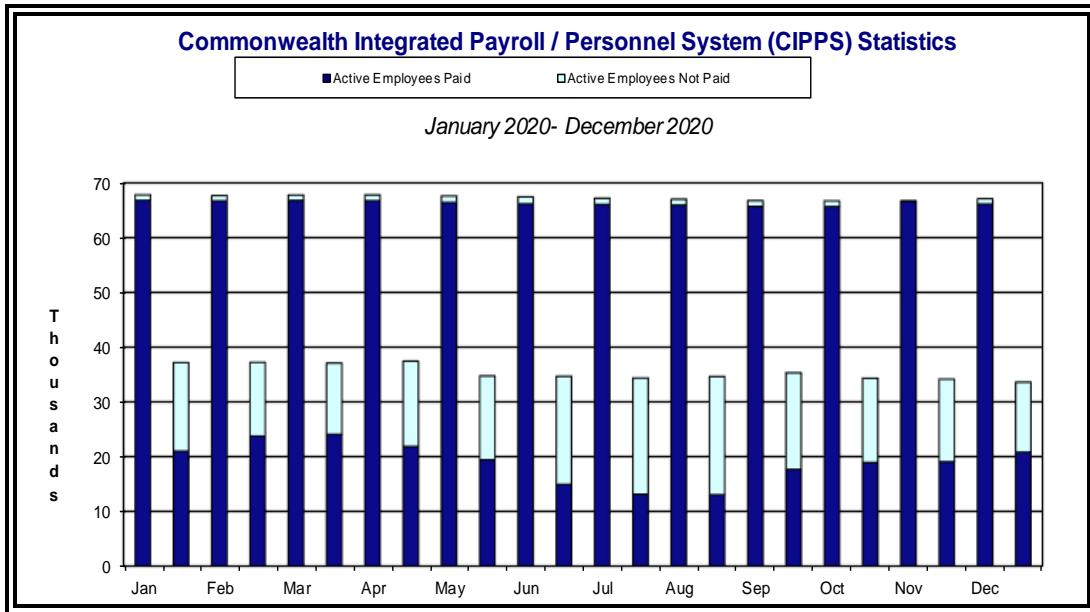
<u>Agency</u>	<u>Incomplete</u>	<u>Errors</u>	<u>Late</u>
Augusta Correctional Center			1
Catawba Hospital			2
Central State Hospital			1
Central Virginia Community College			2
Cooperative Extension and Agricultural Research Services			1
Department of Corrections - Division Of Institutions			1
Department of Health			1
Hiram Davis Medical Center			2
J. Sargeant Reynolds Community College			1
Keen Mountain Correctional Center			1
Peidmont Geriatric Hospital			1
Southwestern Virginia Training Center			1
Veterans Services Foundation			1
Virginia Center for Behavioral Rehabilitation			1
Virginia Lottery			1
Virginia Veterans Care Center			1
Virginia State University			1
Western Region Correctional Field Units			1



Payroll Statistics

The central payroll system for State government is known as *CIPPS*, the Commonwealth Integrated Payroll Personnel System. CIPPS is one of the largest payroll operations in the Commonwealth, serving 100,788 employees. Payroll services are also provided through eight decentralized higher education institutions.

On average, 85,372 employees were paid each month, of which 65,794 were salaried employees.



Note: The first bar for each month represents salaried employees, and the next bar represents wage employees. Not all active employees are paid on a current basis. Examples would include employees on extended leave without pay and adjunct faculty not teaching during the current semester.

Statistics do not include employees of eight institutions of higher education that are decentralized for payroll processing.

Benefit Participation by CIPPS Agencies

The Commonwealth offers a variety of benefits to state employees, including health care, optional retirement plans, deferred

compensation, and flexible reimbursement programs.

**Benefit Participation
Number of Participating Employees**

Benefit	As of 12/31/2020	Comparative	
		As of 12/31/2019	As of 12/31/2018
Health Care**			
COVA Care	50,218	51,861	53,072
COVA Health Aware	5,469	5,094	4,647
Kaiser	1,223	1,213	1,214
Optima Health	964	722	n/a
Tricare	69	71	63
Optional Retirement Plans**			
Fidelity Investments		604	666
Political Appointee - ORP	124	119	118
TIAA/CREF	1,709	1,579	1,578
Deferred Compensation**			
Commonwealth of Virginia 457 D/C Plan	33,406	34,054	35,118
Commonwealth of Virginia 457 Roth Plan	4,238	3,454	2,697
Hybrid Mandatory	20,765	18,629	15,715
Hybrid 457 Voluntary D/C Plan	15,775	8,685	8,046
Flexible Reimbursement**			
Dependent Care	782	1,110	1,021
Medical Care	10,788	11,237	10,812

** Statistics do not include employees of eight institutions of higher education that are decentralized for payroll processing.

