REPORT ON STATEWIDE COMPLIANCE

FOR THE QUARTER ENDED
SEPTEMBER 30, 2020

OFFICE OF THE COMPTROLLER
DEPARTMENT OF ACCOUNTS
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**REPORT ON STATEWIDE COMPLIANCE**  
*Quarter Ended September 30, 2020*  

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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 September 30, 2020, and comparative FY 2020 data.

David A. Von Moll, CPA, CGFM
Comptroller
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 September 30, 2020

The APA issued 9 reports covering 20 State Agencies for the Executive Branch and no reports for the Independent Agencies. The last column indicates whether the CAW has been received as of the date of this publication for each agency with audit findings. Note that in some cases, the CAW may not have been received because it is not yet due.

<table>
<thead>
<tr>
<th>Agency</th>
<th>New Findings</th>
<th>Repeat Findings</th>
<th>Total Findings</th>
<th>CAW Received</th>
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<tr>
<td>Administration</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of General Services</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>YES</td>
</tr>
<tr>
<td>Agriculture and Forestry</td>
<td></td>
<td></td>
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<tr>
<td>Virginia Racing Commission</td>
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<td>0</td>
<td>1</td>
<td>YES</td>
</tr>
<tr>
<td>Commerce and Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longwood University</td>
<td>2</td>
<td>4</td>
<td>6</td>
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</tr>
<tr>
<td>Norfolk State University</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>Virginia Community College System(1)</td>
<td>5</td>
<td>3</td>
<td>8</td>
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Virginia Community College System – Shared Services Center\(^{(1)}\)

<table>
<thead>
<tr>
<th>Institution</th>
<th>New Findings</th>
<th>Repeat Findings</th>
<th>Total Findings</th>
<th>CAW Received</th>
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</thead>
<tbody>
<tr>
<td>Blue Ridge Community College(^{(1)})</td>
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<td>2</td>
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</tr>
<tr>
<td>Dabney S. Lancaster Community College(^{(1)})</td>
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</tr>
<tr>
<td>Danville Community College(^{(1)})</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>YES</td>
</tr>
<tr>
<td>John Tyler Community College(^{(1)})</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>YES</td>
</tr>
<tr>
<td>Northern Virginia Community College(^{(1)})</td>
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<td>2</td>
<td>4</td>
<td>YES</td>
</tr>
<tr>
<td>Tidewater Community College(^{(1)})</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>YES</td>
</tr>
<tr>
<td>Wytheville Community College(^{(1)})</td>
<td>4</td>
<td>2</td>
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</table>

Virginia Military Institute

1 0 1 YES

Executive Offices
None

Finance
Board of Accountancy

<table>
<thead>
<tr>
<th>Institution</th>
<th>New Findings</th>
<th>Repeat Findings</th>
<th>Total Findings</th>
<th>CAW Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Game and Inland Fisheries</td>
<td>1</td>
<td>2</td>
<td>3</td>
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</table>

Health and Human Resources

Disability Services Agencies\(^{(2)}\)

<table>
<thead>
<tr>
<th>Institution</th>
<th>New Findings</th>
<th>Repeat Findings</th>
<th>Total Findings</th>
<th>CAW Received</th>
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</thead>
<tbody>
<tr>
<td>Department for Aging and Rehabilitative Services</td>
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<td>7</td>
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<td>Department for the Blind and Vision Impaired</td>
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<td>7</td>
<td>7</td>
<td>YES</td>
</tr>
<tr>
<td>Department for the Deaf and Hard-of-Hearing</td>
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<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Virginia Board for People with Disabilities</td>
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<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Independent Agencies
None

Natural Resources

Department of Game and Inland Fisheries

Public Safety and Homeland Security
None

Technology
None

Transportation
None

Veterans and Defense Affairs
None

\(^{(1)}\) The APA issued one report titled “Virginia Community College System for the year ended June 30, 2019.”

\(^{(2)}\) Disability Services Agencies – “Report on Audit for the year ended June 30, 2019”. 

*******************************************************************************
Audit Findings - Quarter Ended September 30, 2020

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

**Administration**

**Department of General Services**

1. Complete Purchase Card Reconciliations Timely. **This is a Repeat Finding.**
2. Strengthen Controls over Small Purchase Charge Card Operations

**Agriculture and Forestry**

**Virginia Racing Commission**

1. Comply with Federal Regulations for Documentation of Employment Eligibility

**Education**

**Longwood University**

1. Continue to Improve Financial Reporting Processes. **This is a Material Weakness and a Repeat Finding.**
2. Continue to Strengthen Internal Controls over Capital Assets. **This is a Material Weakness and a Partial Repeat Finding.**
3. Continue to Improve Continuity of Operations Planning. **This is a Repeat Finding.**
4. Maintain Oversight of Third-Party Service Providers
5. Improve Database Security
6. Improve Reporting to the National Student Loan Data System. **This is a Repeat Finding.**

**Norfolk State University**

1. Continue to Improve Information Security, Risk Management and Contingency Programs. **This is a Partial Repeat Finding.**
2. Continue to Upgrade or Decommission End-of-Life Technology. **This is a Partial Repeat Finding.**
4. Improve Employee Termination Procedures
5. Complete Purchase Card Reconciliations Timely

**Virginia Community College System**

1. Ensure Consistency in the Handling and Financial Reporting of Dual Enrollment Tuition
2. Update Guidance and Encourage Communication Between Shared Services and Colleges Regarding Financial Reporting
3. Accurately Report Intra-Commonwealth Transfers of Capital Assets
4. Develop Reference Tools for the Student System. **This is a Partial Repeat Finding.**
5. Develop Procedures for Reviewing and Reacting to System and Organization Controls Reports
6. Improve Operating System Security
7. Continue to Improve Web Application Security. **This is a Repeat Finding.**
8. Continue to Complete a Risk Assessment for Each Sensitive System. **This is a Repeat Finding.**

**Virginia Community College System-Shared Services Center**

1. Continue to Address System Access Issues and Implement Additional Controls. **This is a Repeat Finding.**

**Blue Ridge Community College**

1. Improve Controls Over Terminated Employees. **This is a Partial Repeat Finding.**
2. Improve Enrollment Reporting Process

**Dabney S. Lancaster Community College**

1. Ensure System Access is Removed Timely and College Property is Returned for Terminated Employees
2. Complete Employment Eligibility Forms Properly
3. Confirm Retirement Contributions within the Required Timeframe
4. Properly Monitor Commission Contracts

**Danville Community College**

1. Ensure Financial Functions Are Maintained During Turnover
2. Enforce Policy on Separation Checklists for Terminated Employees. **This is a Repeat Finding.**
3. Retain Documentation as Required for Employment Eligibility Verification

**John Tyler Community College**

1. Perform Capital Asset Inventory, Record Capital Assets Timely, and Reconcile Inventory Counts
2. Perform Adequate Bank Reconciliations and Report Bank Balances Accurately
3. Properly Document Discrepancies and Adhere to Policies Regarding Federal Aid Reconciliations
4. Deactivate Access to the Commonwealth’s Purchasing System Timely. **This is a Repeat Finding.**

**Northern Virginia Community College**

1. Ensure Contracts for Adjunct Employees Are Retained
2. Continue to Improve and Implement Effective Exit Procedures for Employees. **This is a Repeat Finding.**
3. Continue Implementing Commonwealth and Internal Requirements for the Stewardship of Capital Assets. **This is a Repeat Finding.**
4. Develop Procedures for Reviewing and Reacting to System and Organization Controls Reports
Tidewater Community College

1. Continue to Strengthen Interdepartmental Communications Related to Terminated Employees. **This is a Partial Repeat Finding.**

Wytheville Community College

1. Improve Capital Asset Inventory and Tracking
2. Perform Federal Aid Reconciliations Timely
3. Ensure Revenue Journal Entries are Approved and Recorded Timely
4. Properly Monitor Commission Contracts
5. Improve Controls over System Access. **This is a Repeat Finding.**
6. Improve Controls over Terminated Employees. **This is a Repeat Finding.**

Virginia Military Institute

1. Improve Controls over Employment Eligibility Verification

Finance

Board of Accountancy

1. Develop and Implement a Process to Maintain Oversight over Third Party Service Providers

Health and Human Resources

Disability Services Agencies

Department for Aging and Rehabilitative Services

1. Update Disability Services Agencies Memorandum of Understanding. **This is a Repeat Finding.**
2. Improve Received Check Depositing and Reconciliation Processes. **This is a Partial Repeat Finding.**
3. Improve Information Technology Governance. **This is a Repeat Finding.**
4. Develop and Implement Information Security Policies and Procedures. **This is a Repeat Finding.**
5. Upgrade Manufacturing System. **This is a Repeat Finding.**
6. Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**
7. Improve Oversight over Third Party Providers. **This is a Repeat Finding.**
8. Improve Controls Over Capital Assets
9. Improve Controls Over Wilson Workforce Capital Assets
10. Implement Software and Other Intangible Assets Policy
Department for the Blind and Vision Impaired

1. Update Disability Services Agencies Memorandum of Understanding. **This is a Repeat Finding.**
2. Improve Received Check Depositing and Reconciliation Processes. **This is a Partial Repeat Finding.**
3. Improve Information Technology Governance. **This is a Repeat Finding.**
4. Develop and Implement Information Security Policies and Procedures. **This is a Repeat Finding.**
5. Upgrade Manufacturing System. **This is a Repeat Finding.**
6. Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**
7. Improve Oversight over Third Party Providers. **This is a Repeat Finding.**

Natural Resources

**Department of Game and Inland Fisheries**

1. Deactivate Inactive Small Purchase Charge Cards Timely
2. Improve Procedures Over Monthly Commonwealth Retirement Benefits System Reconciliations and Documentation Maintenance. **This is a Repeat Finding.**
3. Improve Employment Eligibility Process. **This is a Repeat Finding.**
Risk Alerts – Quarter Ended September 30, 2020

No “Risk Alerts” were issued.

Special Reports – Quarter Ended September 30, 2020

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


Commonwealth of Virginia State Health Plans Program for Pre-Medicare Retirees for the fiscal year ended June 30, 2019

Report to the Joint Legislative Audit and Review Commission for the quarter January 1, 2020 through March 31, 2020

Virginia Retirement System GASB 68 and 75 Schedules:

Pension Plans:
- Political Subdivision Retirement Plans for the plan year ended June 30, 2019
- State Employee Retirement Plan for the plan year ended June 30, 2019
- Teacher Retirement Plan for the plan year ended June 30, 2019

OPEB Plans:
- Disability Insurance Program for the plan year ended June 30, 2019
- Group Life Insurance Plan for the plan year ended June 30, 2019
- Line of Duty Act Program for the plan year ended June 30, 2019
- Political Subdivision Health Insurance Credit Plan for the plan year ended June 30, 2019
- State Health Insurance Credit Plan for the plan year ended June 30, 2019
- Teacher Health Insurance Credit Plan for the plan year ended June 30, 2019

Virginia Retirement System Management’s Assertions Related to Census Data for OPEB Plans for the plan year ended June 20, 2018

Virginia Retirement System Management’s Assertions Related to Census Data for Pension Plans for the plan year ended June 30, 2018
Other Audit Reports – Quarter Ended September 30, 2020

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

Longwood University Intercollegiate Athletics Programs for the year ended June 30, 2019
Office of the Lieutenant Governor for the period July 1, 2017 through June 30, 2019
Veterans Services Foundation for the year ended June 30, 2019
Virginia Lottery – Reports on Applying Agreed-Upon Procedures for the period April 2019 through March 2020
  • Cash4Life
  • Mega Millions
  • Megaplier
  • Power Play
  • Powerball
Virginia State University Intercollegiate Athletic Programs for the year ended June 30, 2019

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

Office of the Governor and the Governor’s Cabinet Secretaries for the period July 1, 2017 through June 30, 2019
Potomac River Fisheries Commission for the year ended June 30, 2020

Internal Control Questionnaire Reviews - Quarter Ended September 30, 2020

The APA issued the following “Internal Control Questionnaire Reviews” that did not contain management recommendations:

Office of the State Inspector General Internal Control Questionnaire Review Results as of May 2020
State Council of Higher Education in Virginia Internal Control Questionnaire Review Results as of May 2020

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

Department of Criminal Justice Services Internal Control Questionnaire Review Results as of June 2020
Department of Environmental Quality Internal Control Questionnaire Review Results as of July 2020

Department of Forestry Internal Control Questionnaire Review Results as of May 2020

Gunston Hall Internal Control Questionnaire Review Results as of June 2020

Jamestown-Yorktown Foundation Internal Control Questionnaire Review Results as of April 2020

Motor Vehicle Dealer Board Internal Control Questionnaire Review Results as of June 2020

Virginia Correctional Enterprises Internal Control Questionnaire Review Results as of June 2020

Virginia Department of Health Professionals Internal Control Questionnaire Review Results as of May 2020

Virginia Indigent Defense Commission Internal Control Questionnaire Review Results as of May 2020

Virginia Workers’ Compensation Commission Internal Control Questionnaire Review Results as of May 2020

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Auditor of Public Accounts Reports - Executive Branch Agencies

Summary of Prior Audit Findings

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

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

<table>
<thead>
<tr>
<th>Administration</th>
<th>IN PROGRESS</th>
<th>COMPLETED</th>
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<tr>
<td>Department of Human Resource Management</td>
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<tr>
<td>Virginia Employment Commission</td>
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<table>
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<th>COMPLETED</th>
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<td>Norfolk State University</td>
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<td>Richard Bland College</td>
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<td>Southern Virginia Higher Education Center</td>
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<tr>
<td>The College of William and Mary</td>
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<td>University of Mary Washington</td>
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<td>Virginia State University</td>
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<table>
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<th>Finance</th>
<th>IN PROGRESS</th>
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<tbody>
<tr>
<td>Department of Taxation</td>
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<tr>
<td>Department of the Treasury</td>
<td>0 1</td>
<td>1 1</td>
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<table>
<thead>
<tr>
<th>Health and Human Resources</th>
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<tbody>
<tr>
<td>Department of Aging and Rehabilitative Services</td>
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<td>2 0</td>
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<tr>
<td>Department of Behavioral Health and Developmental Services</td>
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<td>Department of Health</td>
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<td>Department of Medical Assistance Services</td>
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<td>Department of Social Services</td>
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<td>4 0</td>
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<td>Department for the Blind and Vision Impaired</td>
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<td>1 0</td>
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<tr>
<td>Department</td>
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<tr>
<td>---------------------------------------------------</td>
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<td></td>
<td>On Schedule</td>
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<td>Virginia Board for People with Disabilities</td>
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<tr>
<td><strong>Independent Agencies</strong></td>
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<td>State Corporation Commission</td>
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<tr>
<td><strong>Public Safety and Homeland Security</strong></td>
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<td>Department of Fire Programs</td>
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<td>Department of State Police</td>
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<td>Virginia Alcoholic Beverage Control Authority</td>
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<td><strong>Transportation</strong></td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>29</td>
<td>71</td>
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</tbody>
</table>
Status of Prior Audit Findings

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

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

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

### Administration

#### Department of 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**: DHRM is engaged in a project of Server Migration with the objective of migrating existing applications off of that server. DHRM had to rewrite a few applications and that caused the revision of the initial estimated completion date.
**Status Summary**: In Progress (Delayed)

**Audit Year: 2017**

**Finding 17-05**: Improve Database and Application Security
**Status**: DHRM is engaged in a project of Server Migration with the objective of migrating existing applications off of that server. DHRM had to rewrite a few applications and that cause the revision to the initial estimated completion date.
**Status Summary**: In Progress (Delayed)

### 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 planned corrective actions have not been included. All but one of the weaknesses have been addressed. Work is continuing to remediate the last item. New estimated completion date is December 31, 2020.
**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 FOIA exempt nature of this finding, the detailed planned corrective actions have not been included. All but one of the weaknesses have been addressed. Work is continuing to remediate the last item. New estimated completion date is December 31, 2020.
**Status Summary**: In Progress (Delayed)
Education

Department of Education (DOE/COO and DOE/DAPE)
Audit Year: 2019

Finding 19-01: Improve Vulnerability Remediation Efforts
Status: The Agency is able to identify workstation and server vulnerabilities including unsupported software. Quarterly reports of software concerns or unpatched machines is being delivered to the Agency Information Technology group for resolution. Each quarter DOE expects to see continued progress to remove unsupported software and keep devices up to date.
Status Summary: Completed (Delayed)

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 setup 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 setup 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 setup 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: In Progress (On Schedule)

Finding 19-02: Improve Policies and Procedures over System Access Removal for Terminated Employees
Status: The University purchased an additional module to an existing system to create a better system for tracking and managing resources to ensure timely removal. The system is built and CNU is preparing to launch end user testing. The Employee Resource and Separation policy is being updated to reflect changes and enhancements to the system and process. Banner account procedures are currently in draft and being reviewed by ITS.
Status Summary: In Progress (On Schedule)
Finding 19-03: Improve Virtual Private Network Security  
**Status:** ISO is drafting updated Account Management Standards.  
**Status Summary:** In Progress (On Schedule)

Finding 19-04: Implement Formal Policies and Procedures over Conflict of Interest Requirements  
**Status:** Preparations underway for 2020 COI filing period. Draft of email for 2020 training prepared to send out to filers by November 1st. Developing processes and procedures for filers. New board member completed the Financial Disclosure and Training, as required. COI information added to Board Docs software to educate board members on code requirements.  
**Status Summary:** In Progress (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:** In Progress (On Schedule)

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**George Mason University (GMU)**  
Audit Year: 2019

Finding 19-01: Develop and Implement a Process to Maintain Oversight over Service Providers  
**Status:** Review and refinement of the Third-Party Risk Management Process is continuing, and on track for approval by target date. Contract inventory and sensitivity classification is in place.  
**Status Summary:** In Progress (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)

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**Norfolk State University (NSU)**  
Audit Year: 2017

Finding 17-01/16-01: Improve Information Security, Risk Management and Contingency Programs. **This is a Repeat Finding.**  
**Status:** The Norfolk State University Office of Information Technology (OIT) made significant improvements in the Information Security Program, including Risk Management and Contingency Planning. Building upon this robust security foundation, the Security Program and Framework provides continuous security assessments for all new and existing business processes and supporting Information Technology (IT) systems; and addresses roles, responsibilities, management commitment, coordination among organizational entities, and compliance with Commonwealth of Virginia Information Technology Resource Management (ITRM) Security Standard SEC501 for identified sensitive IT systems. With the support of VITA ISO Services, the Security Program and Framework completed the University-wide Business Impact Analysis (BIA), identification of essential business processes and IT systems, and classification of data types. Presently, OIT is completing scheduled IT system Risk Assessments and Security Audits for identified sensitive systems. Furthermore, the Security Program and Framework are repeatable processes that assess the risk and security controls throughout the life cycle of critical business processes and related IT systems. Overall outcomes of the Security Program will continuously improve inputs to Norfolk State University IT Continuity of Operations (COOP) and IT Disaster Recovery Plans (DRP) that provide ongoing planning and forecasting activity. In parallel efforts, Norfolk State University is consolidating and updating Security Policies and providing continuous training to staff members who hold key security roles and responsibilities. Additionally, policy updates are scheduled to be completed by December 31, 2020.  
**Status Summary:** In Progress (On Schedule)
Finding 17-03/16-03/15-02: Continue to Upgrade or Decommission End-of-Life Technology. This is a Repeat Finding.
Status: Norfolk State University continues to upgrade and decommission end-of-life technology projects and employ additional IT professionals to facilitate these projects. These projects are scheduled to be completed by December 31, 2020.
Status Summary: In Progress (Delayed)

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)

Finding 19-02: Continue to Strengthen Internal Controls over Federal Cash Management. This is a Partial Repeat Finding.
Status: The RBC Financial Aid Office and Finance Office have collaborated to improve the controls over Federal cash management. This includes streamlining the process of retrieving the data to expedite the request for funds, including detailed support for the drawdowns, implementing a reconciliation, and improving related policies and procedures. RBC will document the Federal cash management procedures. After the FY19 audit, a joint reconciliation between Finance and Financial Aid was added to be the concluding piece in this revised process, which addresses the various requirements for this program as well as internal controls.
Status Summary: Completed (On Schedule)

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

Finding 16-01: Strengthen Fixed Asset Inventory and Related Documentation
Status: Building renovations are almost complete. Renovations are scheduled to be completed by November 1, 2020. Final renovations were delayed due to COVID-19. 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)

The College of William and Mary (CWM)
Audit Year: 2019

Finding 19-01: Improve Operating System Logging and Monitoring Controls
Status: The College of William & Mary IT staff will move OS logs to a secure location, establish monitoring procedures to include regular monitoring of anomalous or suspicious activity occurring on the operating system. Additionally, CWM will update its logging and monitoring policy and procedures to reflect these changes.
Status Summary: Completed (On Schedule)
**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:** As of June 30, 2020, the vast majority of the reported risks have been remediated. It is important to note that this finding contains risks that are no longer applicable, due to either the elimination of the role, or security modification, as well as findings that present no risk, such as Security Groups, with roles in Workday Financials, which is not even an active tenant, and will not be live until 2022. Further, many risks cited in the report are duplicative due to the role or level of system access. Actions Taken to Improve Segregation of Duties to HR and Payroll System Tenant Deloitte re-ran the report based on latest data extract in March. As a result, the vast majority of the reported risks were remediated. In January of 2020, UVA worked to remove overlap in security groups that allow partners in compensation and other functional areas, for example, to perform some basic business set up activities. In addition, in March 2020 a review of low risk items was conducted, with many explainable due to identified business needs, such as open enrollment or learning specialists, while others were removed. Finally, the need for reporting and compensating controls was addressed for the remaining risks, and identification of the appropriate business owner was documented. No further updates at this time. All initial documents and responses have been provided to APA who is evaluating progress towards successful completion.
**Status Summary:** In Progress (On Delayed)

**Finding 19-03:** Ensure Completion of the Commonwealth’s Retirement Benefits System Reconciliation Process
**Status:** Work is underway to catch up past due reconciliations. Recons for 246 have been completed; 207 recons have been completed through November 2019; 209 is starting in April 2020. June: As of June 30, records with differences down over 65%. VRS maintenance file system updates sent to integrations team with August 14 due date. Expect additional reductions after implementation.
Sept: No further updates at this time. All initial documents and responses have been provided to APA who is evaluating progress towards successful completion.
**Status Summary:** In Progress (Delayed)

**Virginia Community College System – Central Office (VCCS-CO)**
Audit Year: 2018

**Finding 18-03:** Improve Web Application Security
**Status:** On target for completion on or before April 30, 2021. The System Office is making progress in its plan to upgrade an application to allow for stricter security controls.
**Status Summary:** In Progress (Delayed)

**Finding 18-04/17-04:** Continue to Complete a Risk Assessment for Each Sensitive System. **This is a Partial Repeat Finding.**
**Status:** On target for completion on or before December 31, 2021.
**Status Summary:** In Progress (Delayed)
Virginia School for the Deaf and Blind (VSDB)
Audit Year: 2017

Finding 17-01/15-01: Continue to Develop an Information Security Program. This is a Repeat Finding.
Status: Managed Security Awareness Training implementation has been completed.
Status Summary: Completed (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

Department of Taxation (TAX)
Audit Year: 2019

Finding 19-01: Continue to Improve Controls over Role Access. This is a Repeat Finding.
Status: The corrective action has been completed.
Status Summary: Completed (Delayed)

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. TAX has them documented in the 2021 DRP but due to the VITA data center move initiative for 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 19-01: Continue to Improve Information System Access Controls. This is a Repeat Finding.
Status: Treasury has implemented a timely review process for its detective controls and conducted timely reviews. Treasury has improved its utilization of least privilege and separation of duties in assigning access to its systems.
Status Summary: Completed (On Schedule)

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)

Finding 19-04: Improve Process for Payment of Risk Management Invoices
Status: DRM has created a dedicated mailbox for all outside counsel invoices. DRM will have one position dedicated to managing the mailbox. DRM has trained the individual on the process and procedures.
Status Summary: Completed (Delayed)

Health and Human Resources

Department of Aging and Rehabilitative Services (DARS)
Audit Year: 2019

Finding 19-01: Improve the Case Management System Access Review Process
Status: Progress has been made to implement the procedures for congruent tracking and updating the reviews and ensure they are recorded in standard location accessible by applicable staff. Additionally, the reviews have been conducted by DARS.
Status Summary: In Progress (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 (On Schedule)

Finding 19-03: Improve the Eligibility Determination Process for Vocational Rehabilitation
Status: As a component of the procedures and training the operational guidance has been implemented and completed to require approval to extend beyond the 60 day requirement. The procedures have been included in training with District Directors and counselors.
Status Summary: Completed (On Schedule)

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: In Progress (On Schedule)

Finding 19-05: Improve Documentation to Show Compliance
Status: The DDS and CFO have updated procedures and conducted training with applicable staff. The DDS fee schedules have been updated and confirmed by SSA. VR reporting and documentation has been updated and prioritized.
Status Summary: Completed (On Schedule)
Finding 18-01: Update Disability Services Agencies Memorandum of Understanding
Status: The management teams shared the deliverables provided by DARS to DBVI and DBVI has provided feedback to those deliverables. Parties involved in the execution of those deliverables from each agency will meet to discuss through the services. These meetings are delayed due to the COVID 19 and DARS/DBVI anticipates delays in completing the MOU, subsequently DARS/DBVI plans to complete MOU by end of SFY 2021.
Status Summary: In Progress (Delayed)

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 Cardinal and manufacturing systems deposit file 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. BIA’s will be needed before DBHDS provides a new date for the overall COOP plan.
Status Summary: In Progress (Delayed)

Finding 19-03: Improve Disaster Recovery for Sensitive Systems
Status: DBHDS submitted the needed information to VITA and has subscribed our servers to the respective Disaster Recovery services.
Status Summary: Completed (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: 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)

**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 19-16: Comply with Employment Eligibility Requirements. This is a Repeat Finding.  
**Status:** Training has been completed and updated process put in place to ensure all HR staff that handle I9 functions are trained and stay up to date.  HR staff attend I9 training offered by Feds as needed throughout year.  This training is pushed out by DHRM when available.  DBHDS will continue to offer training and complete follow up audits when out at facilities.  DBHDS CO HR met with the APA to discuss our findings.  DBHDS will review all findings at the DBHDS HR Forum in April.  Discussed on the June 18, 2020 HR Manager Call.  A tracking document was created and sent to facilities to use to ensure that the I9 is completed correctly.  
**Status Summary:** Completed (Delayed)

Finding 19-19: Develop Access Profile Descriptions and Improve Monitoring Controls over the Internal Attendance and Leave System  
**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 19-22: Ensure Terminated Employees Are Properly Classified in the Payroll System  
**Status:** HR Forum planning and alternative solutions underway due to COVID-19.  HR is working with the Audit department on including this as a part of the HR field audit.  Discussed topic on June 18, 2020 HR Managers call.  
**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)

Finding 19-24: Properly Approve and Monitor Administrative Employee Overtime  
**Status:** HR Forum planning and alternative solutions underway due to COVID-19.  Discussed at June 18, 2020 HR Manager Call.  FLSA training was conducted system-wide on August 11, 2020.  Was delayed due to COVID.  
**Status Summary:** Completed (Delayed)
Audit Year: 2018

Finding 18-05: Improve Application Security
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)

Department of Health (VDH)
Audit Year: 2019

Finding 19-01/18-10: Improve Web Application Security. This is a Partial Repeat Finding.
Status: Application continues with testing. It is on schedule to release the new software updates and vulnerability fixes in production in mid-October 2020. VIIS contract with DXC has been finalized and executed. DXC has developed a project timeline and on scheduled to deliver to VDH a cloud hosted solution in December 2020.
Status Summary: In Progress (On Schedule)

Finding 19-02: Improve Contingency Management Program. This is a Repeat Finding.
Status: OIM ISOs met with the CNA Consultants to discuss remote telework regarding expanding security to individuals’ homes and its security impacts to VPN, faxing, secure storage of PHI/PII data, and high volume traffic on VDH website including applications, Telehealth, and video conferencing.
Status Summary: In Progress (Delayed)

Finding 19-04: Improve Timely Removal of Critical System Access. This is a Repeat Finding.
Status: HRIS Analyst is providing feedback regarding time from effective date of separation to date of submission on a quarterly basis: January, April, July, and October.
Status Summary: In Progress (Delayed)

Finding 19-05: Perform System Access Reviews. This is a Partial Repeat Finding.
Status: During the review period, three data systems have been in use to support Ryan White (RW) related activities: E2Virginia recorded client level data for services other than the AIDS Drug Assistance Program (ADAP). User reviews for this system were conducted by email on a quarterly basis. The Division of Disease Prevention (DDP) Redcap RW module replaced E2Virginia. DDP Redcap users are reviewed monthly on a rolling basis, which is determined by the date the respective user was given access. The ADAP Database records client level data for individuals receiving medication, premium and co-payment assistance. The ADAP data manager did not complete all reviews. She was assigned to immediately perform and document a user access review. This was completed. Job descriptions for data manager, her supervisor, and the unit manager responsible for the Ryan White Program were revised to clearly document that user reviews must be completed at least quarterly. These revised job descriptions were signed by these positions by November 26, 2019.
The next quarterly user review (January 2020) required prompting by the Division Director in order for positions to complete. The next quarterly review (April 2020) was completed on time without prompting. However, due to COVID-19, the supervisor attestations were obtained via email. While the user list indicated an email attestation was received from the supervisor for each user, supporting documentation did not include an email from one out of 17 supervisors. The July 2020 quarterly user review was completed on time with one correction needed to both the request to the supervisor and attestation from the supervisor documenting the users’ continued need for access. At the Director’s request, Population Health Shared Business Services is now providing quality assurance review of the process and supporting documentation prior to submission to the Division Director. Options for automating the process via Redcap are under development. There has been significant progress on the long-term solution to this issue. The procurement for the data system that will serve as the long-term replacement to both the Redcap RW module and current ADAP database is complete, with the contract currently routed for the Health Commissioner’s signature.
The new system includes automated user reviews. The Division Director will continue to monitor quarterly user reviews until staff have completed 3 successive quarterly reviews without prompting and with adequate supporting documentation of supervisory approval with an estimated completion date of April 24, 2021 or until the new system, which automates the user review process, has been implemented (whichever comes first).

**Status Summary:** In Progress (Delayed)

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

**Status:** OFM will implement a termination check list and a separation review process to be performed by a secondary staff member. The termination check list will ensure all employees are removed from CIPPS in a timely manner. A secondary reviewer is to confirm the hours and rate calculated by the payroll and benefits accountant. Delay in implementation due to COVID-19; must develop a new plan to handle review of calculations in telework environment.

**Status Summary:** In Progress (Delayed)

**Finding 19-08:** Enhance the Overtime Reporting Process

**Status:** OFM will work with the business units on the proper way to complete the overtime form. Delay in implementation due to COVID-19. Ninety-nine percent of all overtime being completed since April 2020 is being recorded on a spreadsheet that allows the user to identify their overtime eligibility as well as calculates overtime based on all hours worked in a workweek.

**Status Summary:** In Progress (Delayed)

**Finding 19-09:** Improve the Expense Allocation Process

**Status:** The auto split procedures in general accounting will be updated to include the analysis and final entry required to "true-up" the revenue allocations. This process will also be documented in the budget office. Procedures have been written for this purpose and are under final review.

**Status Summary:** In Progress (Delayed)

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

**Status:** The Office of Human Resources has taken ownership of this process. Upon review, the agency has implemented yearly (Due by December 31) training to ensure compliance. OHR has developed SOPs and reviewed transfer of data to ensure compliance

**Status Summary:** In Progress (Delayed)

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**Audit Year: 2018**

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

**Status:** No updated corrective action workplan received.

**Status Summary:** In Progress (Delayed)

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

**Status:** No updated corrective action workplan received.

**Status Summary:** In Progress (Delayed)

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**Department of Medical Assistance Services (DMAS)**

**Audit Year: 2019**

**Finding 19-01:** Strengthen Controls over Year-End Accrual Reporting. **This is a Repeat Finding.**

**Status:** The Budget, Fiscal, and Provider Reimbursement Divisions met during August and early September to discuss and document the approach to be taken for estimating accruals. This meeting allowed the divisions to set a schedule and approach to accrual estimation; even though key accruals were not available until September 11th. This lead time helped staff accumulate, compile, and review the accruals data as it came in. The Budget Division updated the accrual spreadsheets to provide greater detail on the source(s) and calculations of the data in accordance with the Chief Financial Officer's Excel governance plan to mitigate potential variance in the methodology for calculating an estimate of a Private Hospital Enhanced Rate Payment liability, the Provider Reimbursement Division reported all supplemental payment information to the Budget division for

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*DOA did not receive an updated Corrective Action Workplan status by the time period required.*
the previous fiscal year. This allowed the Budget Division to more accurately estimate the Private Hospital Enhanced Rate Payment liability. The Fiscal Division documented the CFO's review and approval of the year-end accrual reporting prior to submission to DOA. As new programs and/or revenue are implemented in DMAS, the Fiscal and Budget Divisions will contact the Department of Accounts to ensure proper treatment of revenues and expenditures as well as the Department of Planning and Budget for any appropriation concerns. Fiscal added the following controls: Multiple inter-divisional planning meetings are being scheduled to communicate financial reporting requirements and accrual submission due dates. Follow up meetings with DOA are planned to confirm reporting decisions regarding special assessment funds and their unique reporting treatment. Accrual worksheets are being updated to provide more detail to aid in multi-level technical reviews prior to accruals being submitted. Private Hospital Enhanced Rate Payment liability estimates will be based on full year activity from the prior fiscal year. Accruals were completed and submitted on time, September 17, 2020.

**Status Summary:** Completed (On Schedule)

**Finding 19-02:** Improve Financial Reporting for Accounts Receivable

**Status:** DMAS implemented a new methodology for reporting aging receivables with the SFY2020 Attachment 21 - Receivables submission. It was recommended by DMAS Internal Audit and conveyed to APA and DOA Compliance Division to begin reporting specific invoice types as true aging as opposed to reporting current. This methodology change includes TPL casualty settlement invoices which technically do not have a due date and Medicaid Fraud Federal Court Ordered Restitution invoices which also do not have a due date, nor does the state have collection authority. This is a material change and adding these two invoice types provide a truer depiction of the agency's aged receivables

**Status Summary:** Completed (On Schedule)

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

**Status:** The Conduent SSP continues to be pushed back due to limited bandwidth and shortage of personnel. OCS continues to develop a formal approval process in Archer to record the state of the SSP, as well as capturing approvals from DMAS personnel. OCS received approval to hire a contractor to function as a Risk Manager and the interview process has just begun.

**Status Summary:** In Progress (Delayed)

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

**Status:** Progress continues on the project of the integration of the system. Regularly scheduled meetings are held between Conduent and the SSO vendor. OCS continues to work with HCD to fine tune the K2 process, especially regarding contractors, as OCS is sometimes not notified when a contractor leaves. The June 30, 2021 target date remains.

**Status Summary:** In Progress (Delayed)

**Finding 19-05:** Continue Improving the Overpayment Collection Process. **This is a Repeat Finding.**

**Status:** The A/R Unit implemented a programming change for the AR letter generation that was completed in March 2020. The only outstanding issue is filling the AR Manager vacancy. There is nothing else to report for September 30, 2020.

**Status Summary:** Completed (Delayed)

**Audit Year: 2018**

**Finding 18-03/17-10/16-06:** Continue Improving the Accounts Receivable Collection Process. **This is a Repeat Finding.**

**Status:** The A/R Unit implemented a programming change for the AR letter generation that was completed in March 2020. The only outstanding issue is filling the AR Manager vacancy. There is nothing else to report for September 30, 2020.

**Status Summary:** Completed (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 work with Conduent on implementing the system into the new contract so that multi-factor authentication will be added to VAMMIS, greatly increasing the security of the VAMMIS system. Along with a recertification process, DMAS is now receiving nightly files.
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 (On Schedule)
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 (On Schedule)
Finding 19-05: Ensure Subrecipient Reviews Adhere to Monitoring Plan. This is a Repeat Finding.
Status: Corrective Action has been completed.
Status Summary: Completed (On Schedule)
Finding 19-06: Continue to Improve Controls over Subrecipient Monitoring. This is a Repeat Finding.
Status: Enhancements continue regarding the content and use of the SharePoint database to further facilitate the Subrecipient Monitoring activities for Family Services. DSS expects to continue to mature the SharePoint functionality through September 2020.
Status Summary: Completed (On Schedule)
Finding 19-07: Ensure Family Services Subrecipient Reviews Adhere to Monitoring Plan
Status: Enhancements and reviews continue regarding the content of training and the future use of a local agency risk assessment tool. DSS expects to continue to mature the training content and risk assessment tool until the beginning of September 2020.
Status Summary: Completed (On Schedule)
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 (On Schedule)
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 (On Schedule)

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

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 (On Schedule)

Finding 19-12: Improve Web Application Security
Status: In progress with completion expected by stated due date.
Status Summary: In Progress (On Schedule)

Finding 19-13: Improve IT Change and Configuration Management Process
Status: In progress with completion expected by stated due date.
Status Summary: In Progress (On Schedule)

Finding 19-14: Improve Access Controls to Critical Systems. This is a Repeat Finding.
Status: The Separation & Transfer Checklist was updated within the last year to include CARDINAL application. No other VDSS application was added to the form. The Benefits/HR Services team will notify ISRM when OD receives the Separation & Transfer Checklist from another division. These changes conclude the response to the findings and the issue should be closed.
Status Summary: Completed (On Schedule)

Department for the Blind and Vision Impaired (DBVI)
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: In Progress (On Schedule)

Finding 19-02: Improve Documentation to Show Compliance
Status: The DDS and CFO have updated procedures and conducted training with applicable staff. The DDS fee schedules have been updated and confirmed by SSA. VR reporting and documentation has been updated and prioritized.
Status Summary: Completed (On Schedule)

Audit Year: 2018

Finding 18-01: Update Disability Services Agencies Memorandum of Understanding
Status: The management teams shared the deliverables provided by DARS to DBVI and DBVI has provided feedback to those deliverables. Parties involved in the execution of those deliverables from each agency will meet to discuss through the services. These meetings are delayed due to the COVID 19 and DARS/DBVI anticipates delays in completing the MOU, subsequently DARS/DBVI plans to complete MOU by end of SFY 2021.
Status Summary: In Progress (Delayed)

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 Cardinal 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)

Finding 18-05: Develop and Implement Information Security Policies and Procedures
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 (Delayed)

Finding 18-06: Upgrade Manufacturing System
Status: The management teams are engaged with VITA supply chain on finding a software solution. VITA has changed the lead during this quarter. The DARS and DBVI teams have completed system requirements for RFP development and the RFP will be solicited by October 31, 2020. Additionally, DBVI has received VITA ECOS exception for manufacturing system until September 1, 2021.
Status Summary: In Progress (On Schedule)

Finding 18-07: Improve Information Security for Point of Sale System
Status: The management teams are engaged with VITA supply chain on finding a software solution. VITA has changed the lead during this quarter. The DARS and DBVI teams have completed system requirements for RFP development and the RFP will be solicited by October 31, 2020.
Status Summary: In Progress (On Schedule)

Finding 18-08: Improve Oversight over Third-Party Providers
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 DBVI 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 (Delayed)

Finding 18-09: Improve Information Technology Governance
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 is October 28, 2020.
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 shared the deliverables provided by DARS to DBVI and DBVI has provided feedback to those deliverables. Parties involved in the execution of those deliverables from each agency will meet to discuss through the services. These meetings are delayed due to the COVID 19 and VDDHH anticipates delays in completing the MOU, subsequently we plan to complete MOU by end of SFY 2021.
Status Summary: In Progress (Delayed)
Finding 18-01: Update Disability Services Agencies Memorandum of Understanding  
**Status:** The management teams shared the deliverables provided by DARS to DBVI and DBVI has provided feedback to those deliverables. Parties involved in the execution of those deliverables from each agency will meet to discuss through the services. These meetings are delayed due to the COVID 19 and DARS/DBVI anticipates delays in completing the MOU, subsequently DARS/DBVI plans to complete MOU by end of SFY 2021.  
**Status Summary:** In Progress (Delayed)

### 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 drafted and are under review by SCC legal counsel. The SCC is in the process of recruiting for an Information Security Officer (ISO) with the departure of the former ISO in early February. Also, the current pandemic crisis has impacted timelines.  
**Status Summary:** In Progress (Delayed)

### Public Safety and Homeland Security

#### Department of Fire Programs (DFP)  
**Audit Year:** 2019

Finding 19-11: Comply with Procedures for Reconciling Retirement Benefits System Information  
**Status:** At the time of the audit, policies and procedures were not finalized. Policies and procedures for the payroll reconciliation process are being finalized and will be implemented immediately.  
**Status Summary:** Completed (On Schedule)

Finding 19-19: Improve IT Governance  
**Status:** The agency has hired a contractor to provide the assistance needed in developing the IT policy and procedure which will aid in the process of developing a comprehensive Business Impact Analysis (BIA) & COOP Plan.  
**Status Summary:** In Progress (On Schedule)

Finding 19-20: Develop and Implement Information Security Policies and Procedures  
**Status:** The agency was not successful in securing an additional MEL to hire an Information Security Officer (ISO). Therefore, the Agency has retained the services of an IT Auditor to provide the assistance needed in the development of the Agency's IT policy and procedures. The IT policy & Procedures are expected to be completed by the end of this fiscal year  
**Status Summary:** In Progress (On Schedule)

Finding 19-21: Improve Database Security  
**Status:** The agency has since implemented a system for its Learning Management System (LMS) which replaces one of the Agency's legacy Access Database System. The implementation of another system is ongoing and expected to replace the Agency's other legacy system.  
**Status Summary:** In Progress (On Schedule)

**Status:** The agency has hired a contractor to provide the assistance needed in developing the IT policy and procedure which will aid in the process of developing a comprehensive Business Impact Analysis (BIA) & COOP Plan.  
**Status Summary:** In Progress (On Schedule)
Finding 19-25: Improve Logging and Monitoring
Status: The Agency is in the process of developing a mechanism to notify staff of unauthorized access as required.
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, VSP expects the policies and procedures to be updated to by the end of the calendar year.
Status Summary: In Progress (Delayed)

Finding 19-02: Evaluate and Document Revenue Processes
Status: A second batch of detailed procedures are being developed for the deposit transaction process. Due to the impact of the pandemic COVID-19, an exception was approved by the Treasury Department to only make a bank deposit run twice a week, instead of daily. Due diligence is in place to process VSP deposits transactions timely.
Status Summary: In Progress (Delayed)

Finding 19-03: Evaluate Fees and Revenues to Ensure Proper Account Coding
Status: The agency started using Revenue Account codes instead of the Expenditures Account codes to process the deposit certificates in September. By October 1, 2020 all deposit certificates coding will be implemented. A new Fund code and Revenue Account code are in place with approval from DOA. These two codes are related to Law Enforcement Services provided to the public, local & government organizations, and private entities. The use of Revenue codes eliminates the reclassification journal entries to move those prior fiscal year Expenditures. This item is complete.
Status Summary: Completed (On Schedule)
environment will change dramatically. As a result, the continuity plan and disaster recovery plan will need to be re-assessed. Further addressing a detailed disaster recovery plan may be better suited as transformation progresses.

**Status Summary:** In Progress (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:** VSP will engage VITA’s centralized ISO services to update the business impact analysis and risk assessments by 6/30/2021. Once this work is completed, the continuity plan and disaster recovery plan can be reviewed and updated. One caveat to the update, VSP has drafted and submitted a Decision Brief to begin Transformation and VSP is very close to starting its Transformation into the VITA shared services model. As VSP continues Transformation, the environment will change dramatically. As a result, the continuity plan and disaster recovery plan will need to be re-assessed. Further addressing a detailed disaster recovery plan may be better suited as transformation progresses.

**Status Summary:** In Progress (Delayed)

**Finding 17-34:** Improve Accounts Receivable Tracking Process

**Status:** Implementation of Phase I eBilling system moved to January 2021. There is an increase in collection efforts of delinquent accounts, especially with Vehicle Crash that was also noted by the Office of the Attorney General. Collections of past due accounts through the debt set-off program increased as the result of implementation of improved processes. Continuous monitoring of Accounts Receivable is in place to ensure that proper actions are taken to comply with the state and agency policies. Collaboration with the agency divisions are being executed to improve the business processes. At least, three (3) fiscal years’ worth of paid and outstanding invoices are stored in the Accounts Receivable area. In September, a contract employee was added to the team to assist with handling the clean-up of uncollectible AR.

**Status Summary:** In Progress (Delayed)

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

**Status:** The final stage of Work Zone’s Perceptive project is underway. There is no specific completion date provided by the Project Manager.

**Status Summary:** In Progress (Delayed)

**Finding 17-38:** Document Retirement Benefits System Reconciliations

**Status:** Payroll Services Bureau submitted the VRS reconciliation to the agency. P&F are collaborating to ensure all policies and procedures are current.

**Status Summary:** In Progress (Delayed)
Finding 19-01/18-01: Improve Logical Access Controls for Users with Privileged Access. This is a Repeat Finding.
Status: As of June 30, 2020 our info sec policies have been approved by the board, and we are in the process of implementing them. I believe for all Server side systems outside CESC we have applied two factor authentication and use single sign on integrated with our active directory (i.e. all accounts for server level access are treated as privileged). The desktop access privileged elevation and servers still inside CESC are still managed under the current limitations of that environment but we anticipate completing migration off CESC to AISN and Azure for the remaining legacy systems by the end of August 2020. Desktop elevation will happen once we migrate our user environment off the COV network (likely September – November 2020).
Status Summary: In Progress (Delayed)

Finding 19-02: Improve Database Security
Status: As of August 27, 2020, work is underway to implement the recommended changes and Virginia ABC has met with the APA ISS auditor to gain clarity on next steps to ensure future compliance
Status Summary: In Progress (Delayed)

Finding 19-03: Improve Security Awareness Training Program
Status: As of August 27, 2020, Internal Audit and Information Security (InfoSec), along with HR, have deployed 2 of 3 training modules. The team is also monitoring end user completion of the training.
Status Summary: In Progress (On Schedule)

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 DMV current Corrective Action Plan with the Department of Accounts. DMV 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. DMV 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.
Status Summary: In Progress (Delayed)

Department of Transportation (VDOT)
Audit Year: 2019

Finding 19-01: Improve Financial Reporting of Infrastructure Assets
Status Summary: Completed (Delayed)
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. (COMPLETED) These items will also be discussed at scheduled District Construction Engineer Community Practice Meetings to ensure follow-up activities are addressed. (COMPLETED) The department will also look into the feasibility of employing an automated solution to ensure quality improvement recommendations are implemented in the future. (Due to COVID - this will look to be completed by December 31, 2020)

Status Summary: In Progress (Delayed)
Annual Summary of APA Audit Findings

As of September 30, 2020, the Auditor of Public Accounts issued 31 audit reports in the fiscal year ended 2020. These 31 audits covered 63 Executive Branch and Independent agencies. Of these reports, 6 reflected no internal control weaknesses or compliance findings. The APA identified 237 audit findings that cited internal control weaknesses and instances of noncompliance. For the fiscal year ending 2019, 39 of 45 reports contained findings and 305 total findings were reported.

<table>
<thead>
<tr>
<th>Category</th>
<th>New Findings</th>
<th>Repeat Findings</th>
<th>Total Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Information Technology Security</td>
<td>53</td>
<td>16</td>
<td>69</td>
</tr>
<tr>
<td>Federal Programs and Grants Accounting</td>
<td>22</td>
<td>5</td>
<td>27</td>
</tr>
<tr>
<td>Payroll and Leave Accounting</td>
<td>35</td>
<td>3</td>
<td>38</td>
</tr>
<tr>
<td>Financial Accounting Systems and Reporting</td>
<td>13</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>13</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Expenditures and Procurement</td>
<td>15</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>48</td>
<td>5</td>
<td>53</td>
</tr>
<tr>
<td>Cash Receipts and Revenue</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>202</strong></td>
<td><strong>35</strong></td>
<td><strong>237</strong></td>
</tr>
</tbody>
</table>

Statewide Findings by Category

FY 2018 - FY 2020 Comparison

[Graph showing the number of findings by category for FY 2018, FY 2019, and FY 2020]
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 September 30, 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:

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Reason for Non-Compliance</th>
<th>Initial Corrective Action Plan Received</th>
<th>Status of Corrective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Military Affairs</td>
<td>Non-Compliant/Exhibit 4</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by July 15, 2021</td>
</tr>
<tr>
<td>Department of Energy Management</td>
<td>Exhibit 4 Filed</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by December 31, 2020</td>
</tr>
<tr>
<td>Virginia Commission for the Arts</td>
<td>Non-Compliant/Exhibit 4</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2021</td>
</tr>
<tr>
<td>Virginia State University</td>
<td>Exhibit 4 Filed</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by November 30, 2020</td>
</tr>
<tr>
<td>Department of Forensic Science</td>
<td>Non-Compliant/Exhibit 4</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by December 31, 2020</td>
</tr>
<tr>
<td>Department of Fire Programs</td>
<td>Non-Compliant/Exhibit 4</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 1, 2021</td>
</tr>
<tr>
<td>Virginia Alcoholic Beverage Control Authority</td>
<td>Exhibit 4 Filed</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by November 30, 2020</td>
</tr>
</tbody>
</table>
The following agencies were not in compliance with the ARMICS process based on a QAR performed:

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Reason for Non-Compliance</th>
<th>Quarterly Corrective Action Plan Received</th>
<th>Status of Corrective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Board</td>
<td>Substantial non-compliance with ARMICS process based on a QAR</td>
<td>Yes</td>
<td>Agency states that internal control assessments will be complete by June 30, 2021. Quarterly status update received.</td>
</tr>
<tr>
<td>Department of Historic Resources</td>
<td>Substantial non-compliance with ARMICS process based on a QAR</td>
<td>Yes</td>
<td>Agency states that internal control assessments will be complete by June 30, 2021. Quarterly status update received.</td>
</tr>
<tr>
<td>Attorney General &amp; Department of Law</td>
<td>Non-compliance with ARMICS process based on a QAR</td>
<td>No</td>
<td>Agency states that internal control assessments will be completed by September 30, 2020. Initial Corrective Action Plan received September 4, 2020.</td>
</tr>
<tr>
<td>Department of Motor Vehicles</td>
<td>Non-compliance with ARMICS process based on a QAR</td>
<td>No</td>
<td>Initial Corrective Action Plan has not yet been received.</td>
</tr>
</tbody>
</table>
In accordance with Chapter 1289, 2020 Acts of Assembly § 4-5.04 f., the Comptroller charges agencies $5 for travel reimbursement checks issued in lieu of Travel EDI. Agencies are charged for each travel reimbursement check issued to an employee after their second check of the fiscal year. Agencies are expected to take action to enroll applicable employees in the EDI program and thus avoid the fees altogether. The following table lists agencies that have incurred travel check charges during the first quarter of FY 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

<table>
<thead>
<tr>
<th>Agency by Secretarial Area</th>
<th>Quarter Ended September 30, 2020</th>
<th>Fiscal Year 2021 To-date Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce and Trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Employment Commission</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>Judicial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General District Courts</td>
<td>$25.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>Juvenile and Domestic Relations District Courts</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Natural Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Conservation and Recreation</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Public Safety and Homeland Security</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Department of Criminal Justice Services</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Motor Vehicles</td>
<td>$45.00</td>
<td>$45.00</td>
</tr>
</tbody>
</table>
Payroll Controls

CIPPS/PMIS Payroll Audit

During the quarter, DOA’s automated comparison of payroll (CIPPS) and personnel (PMIS) records examined 397,293 salaried pay transactions and 82,334 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 3,524 new exceptions noted statewide during the quarter, with an overall exception rate of 0.03%.

The statewide salaried payroll exception rate was 0.03% and the wage payroll exception rate was 0.06%. During this quarter, no employee paychecks were reduced to recover overpayments.

While the largest cause of exceptions are employees whose separation date is prior to the pay period begin date, the second largest cause of exceptions are due to processing payroll for employees whose positions have expired. These exceptions can be avoided through timely PMIS data entry by agency Human Resource staff. Although segregation of these Human Resource and Payroll functions is an effective internal control, coordination and communication between agency Human Resource and Payroll staffs is essential.

Payroll Audit Exception Report
Quarter Ended September 30, 2020

- Invalid Role Code: 32%
- Position Expired: 35%
- No PMIS Record Found: 11%
- Separation Date Prior to Pay Period Date: 18%
- Other: 4%
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 September 30, 2020.

<table>
<thead>
<tr>
<th>Agency</th>
<th># of Salaried Exceptions</th>
<th>Exceptions as a % of Salaried Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piedmont Geriatric Hospital</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Southern Virginia Mental Health Institute</td>
<td>4</td>
<td>0.35%</td>
</tr>
<tr>
<td>Southwestern Virginia Training Center</td>
<td>6</td>
<td>25.00%</td>
</tr>
<tr>
<td>Virginia Center for Behavioral Rehabilitation</td>
<td>16</td>
<td>0.50%</td>
</tr>
<tr>
<td>Virginia Community College System Agencies</td>
<td>45</td>
<td>0.12%</td>
</tr>
<tr>
<td>Virginia Veterans Care Center</td>
<td>2</td>
<td>0.13%</td>
</tr>
</tbody>
</table>

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.
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.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Unresolved Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Virginia Community College</td>
<td>1</td>
</tr>
<tr>
<td>Dabney S. Lancaster Community College</td>
<td>3</td>
</tr>
<tr>
<td>Danville Community College</td>
<td>1</td>
</tr>
<tr>
<td>Department of Corrections - Division Of Community Corrections</td>
<td>14</td>
</tr>
<tr>
<td>Lord Fairfax Community College</td>
<td>4</td>
</tr>
<tr>
<td>Paul D. Camp Community College</td>
<td>7</td>
</tr>
<tr>
<td>Piedmont Geriatric Hospital</td>
<td>3</td>
</tr>
<tr>
<td>Southern Virginia Mental Health Institute</td>
<td>6</td>
</tr>
<tr>
<td>Southwestern Virginia Training Center</td>
<td>1</td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td>2</td>
</tr>
<tr>
<td>Virginia Center for Behavioral Rehabilitation</td>
<td>14</td>
</tr>
<tr>
<td>Virginia Department of Transportation - Northern Virginia District</td>
<td>2</td>
</tr>
<tr>
<td>Virginia Veterans Care Center</td>
<td>2</td>
</tr>
</tbody>
</table>

※※※※※※※
Payroll Certification

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

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

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

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

The table on the following page lists agencies and institutions that have failed to comply with one or more of the requirements for accurate and timely payroll certification.
### Payroll Certification Compliance

<table>
<thead>
<tr>
<th>Agency</th>
<th>Variance Amount</th>
<th>Performed by DOA</th>
<th>Submitted Late by DOA</th>
<th>Corrected by DOA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mountain Empire Community College</td>
<td>$22,923</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longwood University</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Health and Human Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central State Hospital</td>
<td>90,391</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Virginia Training Center</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hiram Davis Medical Center</td>
<td>23,478</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southeastern Virginia Training Center</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Legislative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Legislative Audit and Review Commission</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Safety and Homeland Defense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indian Creek Correctional Center</td>
<td>244,312</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Department of Transportation - Hampton Roads District</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Department of Transportation - Central Office</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Department of Transportation - Richmond Office</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

### Health Care Reconciliations
#### as of September 30, 2020

<table>
<thead>
<tr>
<th>Agency</th>
<th>Incomplete</th>
<th>Errors</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest Virginia Community College</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Southwestern Virginia Training Center</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Virginia Alcoholic Beverage Control Authority</td>
<td></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>