REPORT ON STATEWIDE COMPLIANCE

FOR THE QUARTER ENDED
DECEMBER 31, 2021

OFFICE OF THE COMPTROLLER
DEPARTMENT OF ACCOUNTS
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## REPORT ON STATEWIDE COMPLIANCE
*Quarter Ended December 31, 2021*

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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, staff studies and reviews of reports issued by the Auditor of Public Accounts. When taken as a whole, these measures provide an important source of information on the degree of agency compliance with Commonwealth accounting and financial management policies, internal controls, procedures, regulations, and best practices.

The Comptroller’s Report on Statewide Compliance (the Quarterly Report) is a summary of measures used by DOA to monitor transactions involving public funds and report findings to the Governor, his Cabinet, and other senior State officials. The Quarterly Report uses exception reporting to highlight key findings.

This Quarterly Report includes information for the quarter ended December 31, 2021, and comparative FY 2021 data.

Lewis R. McCabe, CPA, CGFM, CGMA
Comptroller
**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](http://www.apa.virginia.gov).

### Audit Reports – Quarter Ended December 31, 2021

The APA issued 9 reports covering 10 State Agencies for the Executive Branch and one report for 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.

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<th>Repeat Findings</th>
<th>Total Findings</th>
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**Agriculture and Forestry**

None

**Commerce and Trade**

None
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<th>Repeat Findings</th>
<th>Total Findings</th>
<th>CAW Received</th>
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<tr>
<td>University of Virginia Medical Center&lt;sup&gt;(1)&lt;/sup&gt;</td>
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<sup>(1)</sup> The APA issued one report titled, “University of Virginia Report on Audit for the year ended June 30, 2021,” which included University of Virginia, University of Virginia’s College at Wise, and University of Virginia Medical Center.

<sup>(2)</sup> The APA issued one report titled, “University of Virginia’s College at Wise Report on Audit for the year ended June 30, 2020.”

<sup>(3)</sup> The Virginia Port Authority audit was performed by PBMares, LLP and the audit report provided to the APA.
Audit Findings - Quarter Ended December 31, 2021

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

Administration

Department of General Services

2020-01: Improve Database Security
2020-02: Develop and Implement Surplus Tracking System
2020-03: Update Policies and Procedures Surrounding Surplus Property
2020-04: Ensure Disposals Are Properly Approved and Support is Maintained
   This is a Partial Repeat Finding.
2020-06: Ensure Section 1 of Form I-9 is Properly Signed and Dated

Education

University of Virginia

2021-01: Improve Controls over User Access to the Payroll and Human Resources System. This is a Partial Repeat Finding.
2021-02: Improve Processes over Employment Eligibility Verification. This is a Partial Repeat Finding.
2021-03: Complete Annual Review Over User Access to University Information Systems
2021-04: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
2021-05: Promptly Return Unclaimed Aid to Department of Education
2021-06: Properly Complete Exit Counseling for Direct Loan Borrowers

University of Virginia’s College at Wise

2020-01: Improve Reporting to the Common Origination and Disbursement System
2020-02: Improve Federal Direct Loan Borrower Notification Process
2020-03: Report Student Changes Accurately and Timely to the National Student Loan Data System
2020-04: Perform Accurate Title IV Calculations
2020-05: Promptly Return Unearned Title IV Aid to Department of Education
2020-06: Ensure and Accurate FISAP is Submitted to Department of Education
2020-07: Perform Federal Direct Loan Reconciliations Timely
2020-08: Enhance Notification for Federal Direct Loan Borrowers that have not Completed Exit Counseling
2020-09: Improve Direct Loan Quality Assurance Program
2020-10: Strengthen Compliance with the Gramm-Leach-Bliley Act
2021-01: Improve Controls over User Access to the Payroll and Human Resources System. This is a Partial Repeat Finding.
2021-02: Improve Processes over Employment Eligibility Verification. This is a Partial Repeat Finding.
2021-07: Continue to Improve Controls and Compliance with Student Financial Aid Requirements

University of Virginia Medical Center

2021-01: Improve Controls over User Access to the Payroll and Human Resources System. This is a Partial Repeat Finding.
2021-02: Improve Processes over Employment Eligibility Verification. This is a Partial Repeat Finding.
2021-08: Allocate Additional Resources for financial Statement Preparation
2021-09: Improve Accuracy of Provider Relief Fund Reporting
2021-10: Improve Firewall Patch Management
2021-11: Improve Security Awareness Training

Virginia Commission for the Arts

2021-01: Properly Communicate Federal Award Information to Subrecipients. This is a Partial Repeat Finding.
2021-02: Ensure Compliance with the Agency Risk Management and Internal Control Standards. This is a Partial Repeat Finding.
2021-03: Complete Financial System Reconciliations Correctly. This is a Repeat Finding.
2021-04: Properly Perform Reconciliations over Retirement Benefits System Information. This is a Partial Repeat Finding.

Natural and Historic Resources

Department of Conservation and Recreation

2020-01: Ensure Fixed Asset Additions are Recorded Timely. This is a Repeat Finding.
2020-02: Ensure Sales and Use Tax Returns are Filed and Payments are Remitted Timely

Public Safety and Homeland Security

Department of State Police

2020-01: Continue to Upgrade and Replace End-of-Life Technology. This is a Repeat Finding.
2020-02: Improve Backup and Recovery Policies and Procedures
2020-03: Ensure Timely Removal of Terminated Employee Access. This is a Repeat Finding.
2020-04: Ensure Reconciliation Policies and Procedures Meet CAPP Manual Requirements. This is a Repeat finding.
2020-05: Align Capital Asset Accounting Policies with Code of Virginia and CAPP Manual. This is a Partial Repeat Finding.
2020-06: Complete Capital Asset Physical Inventories in Accordance with CAPP Manual Guidelines. **This is a Partial Repeat Finding.**

2020-07: Update the Commonwealth’s Capital Asset System to Reflect Asset Disposals. **This is a Repeat Finding.**

2020-08: Maintain and Reconcile a Construction in Progress Schedule in Accordance with CAPP Manual Requirements

2020-09: Align Internal Policies and Procedures with the Virginia Debt Collection Act and Commonwealth Accounting Policies and Procedures. **This is a Repeat Finding.**

2020-10: Improve Accounts Receivable Collection Process. **This is a Repeat Finding.**

2020-11: Comply with Employment Eligibility Requirements

2020-12: Improve User Access Controls to the Retirement Benefits System
Risk Alerts – Quarter Ended December 31, 2021

The APA issued the following “Risk Alert”:

Department of General Services: Improve Audit Log Monitoring

Special Reports – Quarter Ended December 31, 2021

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

General Assembly, Legislative Agencies, and Commissions of the Commonwealth of Virginia Financial Report for the year ended June 30, 2021

Revenue Reserve Fund Calculations for the year ended June 30, 2021

Revenue Stabilization Fund Calculations for the year ended June 30, 2021

Other Audit Reports – Quarter Ended December 31, 2021

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

Central Virginia Transportation Authority for the year ended June 30, 2021

Virginia Biotechnology Research Partnership Authority for the year ended June 30, 2021

Virginia College Savings Plan Annual Report for the year ended June 30, 2021

Virginia Commercial Space Flight Authority for the year ended June 30, 2021

Virginia Economic Development Partnership for the year ended June 30, 2021

Virginia Land Conservation Foundation for the year ended June 30, 2020

Virginia Passenger Rail Authority for the year ended June 30, 2021

Virginia Tobacco Settlement Financing Corporation for the year ended June 30, 2021

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

Fort Monroe Authority for the year ended June 30, 2021
The APA issued the following “Internal Control Questionnaire Reviews” that contained management recommendations:

- Assistive Technology Loan Fund Authority Internal Control Questionnaire Review Results as of May 2021
- Department of Elections Internal Control Questionnaire Review Results as of July 2021
- Department of Mines, Minerals, and Energy Internal Control Questionnaire Review Results as of May 2021
- Department of Rail and Public Transportation Internal Control Questionnaire Review Results as of July 2021
- Office of Children’s Services Internal Control Questionnaire Review Results as of June 2021
- Science Museum of Virginia Internal Control Questionnaire Review Results as of August 2021
- Virginia Board of Bar Examiners Internal Control Questionnaire Review Results as of June 2021
- Virginia Department of Agriculture and Consumer Services Internal Control Questionnaire Review Results as of July 2021
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.

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**Status of Prior Audit Findings**

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

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

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

*Status updates marked with an asterisk (*) identify corrective action plans that were not received by the agency before publication of this report.*

**Administration**

**Virginia Information Technologies Agency (VITA)**  
Audit Year: 2020

**Finding 20-01:** Ensure ITISP Suppliers Meet all Contractual Requirements  
**Status:** VITA is approaching completion of the work to resolve this finding. With respect to patching, VITA data shows that patches are current and being applied properly. The new logging and reporting tool implementation is not yet complete but is substantially in place -- out of approximately 72,000 server and client devices, less than 700 are not yet reporting to it, and those are to be completed by month's end. The dashboards for agencies are expected to be ready this week and available to pilot agencies by month's end, with the rest of the agencies to follow as quickly as possible this quarter.  
**Status Summary:** In Progress (Delayed)

**Commerce and Trade**

**Virginia Employment Commission (VEC)**  
Audit Year: 2020

**Finding 20-03:** Improve Information Technology Governance  
**Status:** The agency formulated an IT Strategy and Governance Committee consisting of the Commissioner, three Deputy Commissioners, Director of Finance, Director of Human Resources, Director of Information Technology, VEC Information Security Officer, and Cyber Compliance Lead. The group first met on June 2, 2021. Met with VITA to review VITA’s governance program. The next meetings are scheduled for November 9, 2021, January 17, 2022, and April 21, 2022. The revised estimated completion date is December 31, 2021.  
**Status Summary:** In Progress (Delayed)

**Finding 20-04:** Promptly Complete the Employment Eligibility Form  
**Status:** No change. Plan is to review critical positions as part of the 2022 workforce planning report. The revised estimated completion date September 30, 2022.  
**Status Summary:** In Progress (Delayed)
Finding 20-05: Comply with Statutory Deduction Requirements
Status: The Commission has not been able to allocate resources to adjust the Pandemic Unemployment Assistance (PUA) program to enable the required deductions due to getting ready to implement a new modernization system. The proper deductions will be deducted in the modernization system. The revised estimated completion date is December 31, 2021.
Status Summary: In Progress (On Schedule)

Audit Year: 2016

Finding 16-10/15-05: Document Separation of Duties of Individuals for Mission Critical Systems. This is a Repeat Finding.
Status: Due to the COVID-19 pandemic and the unprecedented claims volume, management is focused on achieving the agency’s mission of providing unemployment benefits. The revised estimated completion date is December 31, 2023.
Status Summary: In Progress (Delayed)

Education

Christopher Newport University (CNU)
Audit Year: 2020

Finding 2020-01: Continue to Improve Processes over System Access Removal for Terminated Employees. This is a Partial Repeat Finding.
Status: An Employee Resource work group has been established consisting of campus partners from Human Resources, Information Technology Services, Business Office and Procurement Services. The work group meets once a month to identify and review system or process issues. There is a planned replacement of the current resource system for January 2022. This system will add enhanced system reporting and functionality for supervisors, resource providers, and system Administrators. The policy will be reviewed again this year for necessary updates to include additional clarification on processes. Division Vice Presidents will continue to be notified of delinquent resource collection from supervisors or resource providers.
Status Summary: In Progress (On Schedule)

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

Finding 19-03/18-07/17-11/16-06: Continue Improving Database Security. This is a Repeat Finding.
Status: Chief Information Security Officer is still waiting on access to the SIEM tool for evaluation of logs and set up.
Status Summary: In Progress (Delayed)

George Mason University (GMU)
Audit Year: 2020

Finding 20-01: Report Accurate and Timely Enrollment Data to the National Student Loan Data System. This is a Repeat Finding.
Status: Sent the final summer 2019 "Degree Verify" and "Grad Only" files in October. Identified technical glitch in "Grad Only" file that necessitated review of NSC Graduated enrollment files. Will continue to review files as needed. Proposal was approved and the new policy, which does not allow for mid-semester program changes, is now in use. This should alleviate conflicting data being reported to the NSLDS, since effective date is now clearly defined and limited. New policy is now in use. Validation of summer and fall 2021 semesters is in progress and on track for completion by February 2022.
Status Summary: In Progress (Delayed)
Finding 20-02: Implement Third-Party Service Provider Oversight Process
Status: Twenty-two attestation reports have been collected and classified as high-risk. Twenty-two vendors with SOC reports have been reviewed, two of which their annual review reports have not been finalized because they require further clarification from University departments. One vendor with system certification has been reviewed. 83 Complementary User Entity Controls (CUECs) applicable to the University have been identified. Five of the 83 CUECs reviewed were found to be compliance gaps, four of which have been remediated, one is still outstanding and being worked on.
Status Summary: In Progress (On Schedule)

Finding 20-03: Implement Cybersecurity Requirements of the Gramm-Leach-Bliley Act
Status: All assets have been inventoried and classified for the presence of GLB data. Sensitive systems that store or operate on GLB data have been identified. System Security Plans (SSP) have been developed.
Status Summary: Completed (On Schedule)

Finding 20-04: Improve Security Awareness Training
Status: The corrective action has been completed.
Status Summary: Completed (On Schedule)

Longwood University (LU)
Audit Year: 2020

Finding 20-01/19-03: Continue to Improve Continuity of Operations Planning. This is a Repeat Finding.
Status: ITS and Emergency Management have continued to work closely with COOP and Disaster Recovery. EM has collected plans from departments across campus and is reviewing. Awaiting response from last two departments. A joint table top exercise was performed utilizing CISA a division of Homeland Security.
Status Summary: In Progress (On Schedule)

Finding 20-02/19-04: Continue to Maintain Oversight of Third-Party Service Providers. This is a Repeat Finding.
Status: Staffing is currently low based on Hiring “Freeze”. All systems that contain critical data have completed a Risk Assessment.
Status Summary: Completed (On Schedule)

Finding 20-03: Improve Operating System Security
Status: ITS has been testing a product since August. Testing was completed November 3. Product has been procured. Implementation has started.
Status Summary: In Progress (On Schedule)

Finding 20-04: Improve Internal Controls Over Capitalizing Software Purchases
Status: Fixed Asset Accountant has updated procedures and works closely with IT to ensure all software purchases and license agreements are properly reviewed and capitalized as required.
Status Summary: Completed (On Schedule)

Audit Year: 2019

Finding 19-01: Continue to Improve Financial Reporting Processes. This is a Material Weakness and a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)
Finding 19-05: Improve Database Security
Status: ITS has been testing a product since August. Testing was completed November 3. Procurement is in process.
Status Summary: In Progress (On Schedule)

Finding 19-06: Improve Reporting to the National Student Loan Data System. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: In Progress (On Schedule)

Norfolk State University (NSU)
Audit Year: 2020

Finding 20-01/17-01/16-01: Continue to Improve Information Security, Risk Management and Contingency Programs. This is a Partial Repeat Finding.
Status: NSU has completed the Risk Assessments (RAs) and System Security Plans (SSPs). However, NSU’s VITA representative has not returned. VITA has assigned resources to assist us, but there has been no movement on VITA’s Risk Report and Risk Treatment Plans. NSU continues to develop the Continuity of Operations and Disaster Recovery Plans. NSU is on track to have a completed draft for final review by December 31, 2021.
Status Summary: In Progress (Delayed)

Finding 20-02/17-03/16-03/15-02: Continue to Upgrade or Decommission End-of-Life Technology. This is a Partial Repeat Finding.
Status: Norfolk State University continues to make significant progress in upgrading and decommissioning end-of-life technology campus-wide. NSU has completed the update to the virtual infrastructure which will allow for more systems to be upgraded. NSU will continue to upgrade and decommission end-of-life technology. End of life migration is about 65% complete at this time. The process is scheduled to be completed by July 2022.
Status Summary: In Progress (Delayed)

Finding 20-03: Comply with Prompt Payment Provisions. This is a Repeat Finding.
Status: Training remains ongoing for budget managers on the timeliness of receiving goods and services within the University’s Colleague financial systems and providing Accounts Payable the appropriate authorization to pay.
Status Summary: Completed (On Schedule)

Finding 20-04: Improve Controls over Purchasing System Access. This is a Partial Repeat Finding.
Status: As of September 30, 2021, the system Access Policy has been created to implement a solution to protect the infrastructure as well as the security of transactions inputted into the system. The intent of the policy is to provide guidance to system users on how to gain access to the system but most importantly the process for deactivation of an end users account when they are no longer employees of the University. The policy has been approved and in progress of being posted for posted on the University’s policy library for a 30 day comment period. A campus announcement will be distributed to allow all employees to review and provide comment. Upon completion of the comment period, to include any applicable changes, the Policy will be posted as an administrative policy in the University’s Policy website. The estimated completion date is being revised to January 31, 2022 for the policy to be fully approved, communicated to all employees, and posted to the University’s Policy Library.
Status Summary: In Progress (Delayed)

Finding 20-05: Complete Purchase Card Reconciliations Timely. This is a Repeat Finding.
Status: The NSU Procurement Office has completed steps to improve and strengthen the Program Management. The SPCC Administrator will continue to monitor and enforce SPCC policies and procedures compliance of the Small Purchase Charge Card (SPCC). Procurement Services
transitioned to an online reconciliation process in October 2020 and revised the University’s SPCC policy which was approved in February 2021. Transition of Procurement Services to the online banking reconciliation process in conjunction with employing a newly systematic charge card activity review schedule allows for effective oversight of timely completion of charge card reconciliations and transactions.

Status Summary: Completed (On Schedule)

Finding 20-06: Properly Process Title IV Refund Calculations. This is a Repeat Finding.
Status: The Financial Aid Office has developed a Certification Form of Countable Days in the Semester to determine the number of days for the return to Title IV calculations. The form will ascertain the following: semester, first day of classes, breaks (start and end dates), last day of classes, number of break days, number of countable days in the semester and the midpoint date for unofficial withdrawals. The form must be accompanied with a copy of the academic year calendar and the Colleague Financial Aid award period set-up screens (AWPD). The Certification Form must be completed for each semester and must be certified by the Return of Title IV Coordinator, Associate Director of Financial Aid, University Registrar, and the Director of Financial Aid. All required signatures must be obtained certifying the accuracy of the dates prior to processing Return of Funds. Additionally, the Director of Financial Aid, Dean of Students, and University Registrar revisited the University’s existing Retroactive Withdrawal Policy and have updated to ensure compliance with Code of Federal Regulation, 34 C.F.R § 668.22.
Status Summary: Completed (On Schedule)

Finding 20-07: Implement Cybersecurity Requirements of the Gramm-Leach-Bliley Act
Status: As NSU continues to improve the Information Security, Risk Management and Contingency Programs detailed in the report, the University will incorporate activities to ensure compliance with the Gramm-Leach-Bliley Act.
Status Summary: In Progress (On Schedule)

Finding 20-08: Improve Virtual Private Network Security
Status: NSU has implemented a posture assessment and has begun recertifying VPN users. NSU has updated the VPN standard based on feedback received. The Remote Access policy is in the policy approval process awaiting executive leadership review.
Status Summary: In Progress (On Schedule)

Radford University (RU)
Audit Year: 2020
Finding 20-01: Improve Operating System Security
Status: Issue was complete by Information Technology Service and validated by the Office of Audit and Advisory Services.
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: SVHEC are continuing to update SVHEC inventory listings. This will be an ongoing process. Physical inventory is in progress. This occurs on a cyclical basis. SVHEC is evaluating a new software system to help track assets valued under $5,000.
Status Summary: In Progress (Delayed)

The College of William and Mary in Virginia (CWM)
Audit Year: 2020
Finding 20-01: Improve Internal Controls over Conflict of Interest Act Requirements
status: 1. Positions have been identified in accordance with the parameters and a list of individual filers has been compiled for entry into the Ethics Council database. 2. The Hiring Process has been updated to provide the Office of Compliance & Equity with the names of new hires who are required to file prior to their offer of employment. 3. Bi-annually in odd number years (2021, 2023, etc.) all required filers will be notified of their responsibility to complete training in accordance with Code of Virginia. New employees in even number years will be required to complete training annually for two years, and then subsequently on a biannual basis.

status summary: In Progress (On Schedule)

finding 20-01: Improve Notification Process for Federal Direct Loan Awards to Students
status: Programming has been enhanced and required notifications sent.
status summary: Completed (On Schedule)

finding 20-03: Properly Complete Verification Prior to Disbursing Federal Financial Aid
status: Pell Grants impacted have already been returned to Common Origination and Disbursement System and verification training and a QA system has been established.
status summary: Completed (On Schedule)

finding 20-04: Properly Complete Exit Counseling for Direct Loan Borrowers
status: Completed program set up for Exit Counseling communication. Communication has been sent to all required populations.
status summary: Completed (On Schedule)

finding 20-05: Reconcile Federal Aid Programs
status: Documentation of the reconciliation between Financial System, Federal Rundown System, COD and Bank has been completed.
status summary: Completed (On Schedule)

University of Virginia (UVA/AD)
Audit Year: 2020

finding 20-01/19-02: Improve Controls over User Access to the Payroll and Human Resource System. This is a Partial Repeat Finding.
status: A cross-functional team has been created to support this effort as well as a risk rated approach around Segregation of Duties and Access Provisioning and De-Provisioning. Significant progress has been made toward significant deficiencies associated with User Access and Provisioning Rights, Review of User Rights, as well as Password Management outlined in a report issued by UVA's Internal Audit Department in May 2020.
status summary: In Progress (Delayed)

Virginia Community College System – Central Office (VCCS-CO)
Audit Year: 2020

finding 20-01: Monitor Statewide WIOA Grant Program According to Policy
status: Corrective action has been completed.
status summary: Completed (On Schedule)

finding 20-02/19-01: Ensure Consistency in the Handling and Financial Reporting of Dual Enrolment Tuition
status: Procedures are being developed and will be finalized for implementation with the colleges on July 1, 2022.
status summary: In Progress (On Schedule)

finding 20-03: Address Inconsistencies in Employee Personnel Records
status: On target for completion on or before March 31, 2022.
status summary: In Progress (On Schedule)
Finding 20-04/19-04: Continue to Develop Reference Tools for the Student System. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-05/19-05: Develop Procedures for Reviewing and Reacting to System and Organization Controls Reports. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-06/19-03: Ensure Inter-Agency Capital Asset Transfers are Accurately Reported. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-07/19-06: Continue Improving Operating System Security. This is a Partial Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-08: Perform Certifications for Commonwealth’s Retirement Benefits System. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-09: Improve Controls Over Access to Human Resource System
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-10: Continue to Improve Procedures for Employee Separation. This is a Partial Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-11: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act
Status: On target for completion on or before February 28, 2022.
Status Summary: In Progress (On Schedule)

Virginia Community College System – Shared Services Center (VCCS-SSC)
Audit Year: 2020

Finding 20-12: Ensure System Access is Granted in Accordance with the Principle of Least Privilege
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Finding 20-13: Improve the Effectiveness of the Annual Systems Access Certification
Status: On target for completion on or before March 31, 2022.
Status Summary: In Progress (On Schedule)

Finding 20-14: Continue to Improve Information Available to Community College Related to Prepayments. This is a Partial Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)
Danville Community College (DCC)
Audit Year: 2020

Finding 20-41: Reconcile Federal Aid Programs Timely
Status: DCC will perform and retain sufficient documentation of the monthly reconciliations to sufficiently document and resolve reconciling items between financial systems, Federal Drawdown System, and COD records in a timely manner to ensure compliance with federal regulations. In addition, the College has implemented a review process to ensure complete documentation of reconciliation efforts and appropriate resolution of reconciling items.
Status Summary: Completed (On Schedule)

Finding 20-42: Promptly Disburse Credit Balances to Students
Status: DCC has implemented procedures to mitigate the occurrences of this deficiency. Additional staff have been hired and trained to assist in these tasks and student records are being reviewed on a weekly basis to ensure that any refunds are made available to the students within the specified guidelines.
Status Summary: Completed (On Schedule)

Finding 20-43: Properly Manage Return of Title IV Funds
Status: The Financial Aid Office has cross-trained the staff and updated this process to submit the origination and disbursement file at a minimum of every two weeks, or following each disbursement processed to the Business Office. The Financial Aid Office will also be trained to run the queries to identify errors in a more timely fashion so that corrections can be made and resubmitted. With this change, the records will be updated within the required time-line.
Status Summary: Completed (On Schedule)

Finding 20-44: Promptly Return Unclaimed Aid to Department of Education
Status: DCC has implemented procedures to mitigate the occurrences of this deficiency. Additional staff have been hired and trained to assist in these tasks and student records are being reviewed on a weekly basis to ensure unclaimed funds are returned no later than 240 days after the date the check was issued or no later than 45 days after an EFT is rejected.
Status Summary: Completed (On Schedule)

Finding 20-45: Report Student Status Enrollment Changes Accurately and Timely to National Student Loan Data System
Status: Three of the five identified students whose withdraw effective dates were found to be inaccurate were reported to the National Student Clearinghouse (NSC) with an accurate last date of attendance. These students were reported as completers of the last term in which they were enrolled. According to the National Student Loan Data System (NSLDS) Enrollment Reporting Guide, students who complete a term but do not re-enroll in the next term should be reported as withdrawn with an effective date set to the final day of the term the student was last enrolled. The NSC uses the first of term enrollment file for the following term to update the student’s enrollment status and withdraw effective date before reporting it to the NSLDS. To ensure that enrollment data is reported to the NSLDS accurately and on time, the Center for Organizational Excellence and Data Analytics (COEDA) will implement a Quality Control Review (QCR) process as recommended. COEDA will continue to upload enrollment files every 30-45 days each term and verify that enrollment data is reported to NSLDS accurately and in a timely manner. COEDA will also work closely together with the Financial Aid Office and Admissions and Records Office to ensure that any necessary updates to college enrollment records are made before final enrollment files are transmitted to the NSC.
Status Summary: Completed (On Schedule)

Finding 20-46: Properly Complete Verification Prior to Disbursing Federal Financial Aid
Status: The Financial Aid Office has updated the verification checklist to include all tax items requiring verification, and added the line items that are referenced on the taxes. Additional training has been done to insure that all items will be received, verified, and corrected as needed.
Status Summary: Completed (On Schedule)

Finding 20-47: Improve Direct Loan Quality Assurance Program
Status: The Financial Aid Office has taken the information provided in DCC policy and process manual and compiled it to include the required information necessary to satisfy this Direct Loan Quality Assurance Program regulation. The Financial Aid Office will implement a Quality Control Review (QCR) process that will include reviewing a sample of students each semester to ensure dates and timelines are being met, starting with the end of the summer semester.
Status Summary: Completed (On Schedule)

Finding 20-48: Improve Notification Process for Federal Direct Loan Awards to Students
Status: The Financial Aid Office has cross-trained the staff to be aware of the notices required and the time-line that must be met. The Loan Processor will be the primary staff member trained to run this query on a weekly basis to identify any student that is due to receive this notice. The Loan Processor will also be aware of the importance of sending this notice within the required time-frame.
Status Summary: Completed (On Schedule)

Finding 20-49: Improve Reporting to the Common Origination and Disbursement System
Status: The staff was unaware of processes on the back-end that picks up that date and submits records to the COD site. In order to prevent this in the future, DCC has cross trained all staff of the transactions that result in specific dates, and the federal regulations that are impacted. The Financial Aid Office has cross-trained the staff and updated this process to submit the origination and disbursement file at a minimum of every two weeks, or following each disbursement processed to the Business Office. With this change, the records should be updated within the required time-line.
Status Summary: Completed (On Schedule)

Finding 20-50: Ensure Student System Roles are Assigned Properly
Status: The SIS Security Officer has a SIS query that will provide all users and the access they have been granted. The query was executed and the results filtered in order to identify any SIS users that retain unnecessary access roles within SIS that do not pertain to their current job responsibilities. The Security Officer is using this information to work with the departmental “owners” of the data and anyone with access unrelated to performing their job duties will have that access revoked.
Status Summary: Completed (On Schedule)

Finding 20-51: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act
Status: DCC will perform and document a college specific risk assessment that evaluates all elements of risks as required by the Gramm-Leach-Bliley Act that may impact the college by February 2, 2022. DCC will also develop a plan for implementing controls that mitigate the risks identified by the assessment by October 30, 2022.
Status Summary: Completed (On Schedule)

John Tyler Community College (JTCC)
Audit Year: 2020

Finding 20-01: Perform Capital Asset Inventory, Record Capital Assets Timely, and Reconcile Inventory Counts
Status: The target date for completion remains March 31, 2022.
Status Summary: In Progress (Delayed)
Mountain Empire Community College (MECC)  
Audit Year: 2020

Finding 20-61: Improve Knowledge of Accounting System Roles and Update Policies as Needed. This is a Partial Repeat Finding.
Status: Mountain Empire Community College will review annually the AIS Roles for each employee that is given access to AIS. Those roles will be reviewed to ensure the least privileges for employees to complete their assigned tasks. This review will also allow supervision of employee's internal control risk and verify that employees are not given duplicate access. This review will be assisted by the Virginia Community College System Internal Control department.
Status Summary: Completed (On Schedule)

Finding 20-62: Reconcile the Human Resource and Retirement Systems Before Confirming
Status: Mountain Empire Community College will adjust and revise MECC reconciliation processes, with assistance from VCCS Finance and Internal Audit, for any pre-certification actions. Reconciliations and records will be kept confirming data is consistent between multiple systems. This monthly reconciliation will confirm that there are no misstatements in the Commonwealth's Financial Statements and the Commonwealth's Retirement System.
Status Summary: Completed (On Schedule)

Finding 20-63: Communicate the Importance of Termination Procedures
Status: Mountain Empire Community College will correct procedures for retaining records of terminated employee returned asset listing. The college will verify that all keys, charge cards, travel cards and any other college asset will be returned by all terminated employees by having each responsible department verify that all college property has been returned. Procedures for removing access to systems will be updated to verify that any terminated employees are removed within five business days. This removal will ensure unapproved access to the payroll and human resource data.
Status Summary: Completed (On Schedule)

Northern Virginia Community College (NVCC)  
Audit Year: 2020

Finding 20-15: Develop Procedures for Reviewing and Reacting to System and Organization Controls Reports. This is a Repeat Finding.
Status: NVCC agrees that requesting an SOC or similar report from third parties will enhance NVCC current internal controls. To date, NVCC efforts have been inconsistent. NVCC will request an SOC or similar report from vendors deemed significant to accounting operations. Reports received will be reviewed to ensure NVCC has necessary complimentary controls. In addition, the Accounting Operations and Financial Reporting procedures manual will be updated to include a section covering Service Organization Control (SOC) reports from third-party service providers.
Status Summary: Completed (On Schedule)

Finding 20-16: Strengthen Interdepartmental Communications Related to Terminated Part-Time Employees. This is a Partial Repeat Finding.
Status: Human Resources is not always notified of a part-time employee’s last day worked. NVCC has a procedure in place which works when the employee or supervisor completes the form: Employee Separation Notification. For NVCC adjunct staff, NVCC is working on a process to terminate them if they are not scheduled to teach the following semester with the ability to bring them back at a future date if needed. NVCC will continue to communicate with supervisors the need for timely notification after the last day of employment.
Status Summary: In Progress (On Schedule)

Finding 20-17: Continue Implementing Commonwealth and Internal Requirements for the Stewardship of Capital Assets. This is a Repeat Finding.
Status: NVCC’s description of the corrective actions identified in last year’s audit still apply. NVCC’s new Fixed Asset & Property Control policy was implemented. NVCC is in the process of wrapping up its annual inventory for fiscal year 2021. An inventory was conducted, and NVCC is performing independent spot checks before signing off.

Status Summary: In Progress (On Schedule)

Southside Virginia Community College (SVCC)
Audit Year: 2020

Finding 20-38: Seek Clarification and Apply Policies Consistent with Expectations
Status: Southside Virginia Community College will seek clarification of policies as needed.
Status Summary: Completed (On Schedule)

Finding 20-39: Continue to Improve Controls over Terminated Employees. This is a Partial Repeat Finding.
Status: Southside Virginia Community College personnel did not properly complete the termination process for employees that have terminated employment with the College during the period tested. Of the eight that were identified, seven were temporary employees that were not removed until the following semester because of the uncertainties of COVID and return to campus. The College will continue to utilize an automated off boarding process. The College will also continue to remind supervisors to initiate the off boarding process to comply with the Security Standard.
Status Summary: Completed (On Schedule)

Finding 20-40: Continue to Improve Asset Inventory and Tracking. This is a Partial Repeat Finding.
Status: Southside Virginia Community College’s Fixed Asset Coordinator will adhere to VCCS Capital Asset Policies and CAPP Manual Topic 30805- Asset Disposal. He/she will require written documentation from the inventory management team whenever there is a disposal of a capital asset with the details and method of disposal. He/she will approve and sign all asset disposal documentation. This written documentation will be submitted to the Business Office Technician for keying into the VCCS Asset Management System. The Fixed Asset Coordinator will maintain all documentation to ensure a complete and accurate audit trail. The Financial Services Manager I will review and ensure all procedures are being completed as written.
Status Summary: Completed (On Schedule)

Southwest Virginia Community College (SWVCC)
Audit Year: 2020

Finding 20-52: Reconcile Federal Funds Timely
Status: The Director of Finance will review the current procedures, staffing level, vacant positions and the possibility of restructuring the Business Office to meet fiscal standards for all programs. During this process staff will be crossed trained to ensure adequate resources are available to review data and complete required reconciliations in a timely manner. Management will develop a tracking tool to maintain record of completed reconciliations. In addition, to provide a reminder to complete the reconciliations between the federal bank statements and the accounting system a recurring Outlook calendar notification will be added to the responsible person’s calendar to complete the reconciliation. A notification will also be added to the reviewer’s calendar to provide a reminder to check-in and review the reconciliation.
Status Summary: Completed (On Schedule)

Finding 20-53: Properly Manage Return of Title IV Funds
Status: Southwest will review academic policy to ensure that it supports the timing and language of the federal regulations guiding the Return of Title IV Funds processes. The faculty will be trained to indicate the last day of attendance on the final grade roster for each course if they have a student who is receiving an ‘F’ due to the fact that they ceased participating. Internal procedures will also be developed within the Admissions & Records and Financial Aid departments that will align with
the VCCS documentation on the Return of Title IV Funds processes. The Financial Aid staff member primarily responsible for this responsibility, along with a staff member that will serve as a backup, will complete available training through the National Association of Student Financial Aid Administrators (NASFAA) along with any training made available by the Department of Education.

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

**Finding 20-54:** Promptly Return Unclaimed Aid to Department of Education

**Status:** Southwest Virginia Community College (Southwest) Business Office will implement the process of monitoring unclaimed student financial aid funds in accordance with 34 CFR §668.164(l) that states if an institution attempts to disburse the funds by check and the check is not cashed, the institution will return the funds no later than 240 days after the date it issued that check or no later than 45 days after an EFT is rejected. By not returning funds timely, the institution is subject to Federal non-compliance and potential adverse actions that may affect the College’s participation in Title IV aid programs. As part of the monthly reconciliation of federal funds, the Business Office will review unclaimed funds and return funds to the Department of Education within the required timeframe. Once the new expectations have been identified, the Business Office Cashier will send notification to those students, through mail and e-mail, who are setup to receive refunds through check of their outstanding exception, how they can correct the exception, and the time period these actions will need to be completed. If the Business Office Cashier doesn’t receive a correspondence in the identified time period, they will request the refunds be sent back to the college and applied to the student’s account. If the student is setup to receive refunds through Direct Deposit the Business Office Cashier will skip the step of notifying the student of the outstanding action they would need to take as the time period for Director Deposit returns to U.S. Department of Education is greatly shortened. The Business Office Cashier will then let the Financial Aid Coordinator know to remove the aid from the student’s account to allow for the Business Office to then return the aid to the U.S. Department of Education.

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

**Finding 20-55:** Ensure an Accurate FISAP is submitted to Department of Education

**Status:** Prior to submitting the Fiscal Operations Report and Application to Participate (FISAP), the Financial Aid Coordinator will consult with the Dean of Student Success and the Director of Finance to ensure that all entries are correct. A review of the form along with the definitions for each line item will be reviewed by the team and documented accordingly prior to each submission.

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

**Finding 20-56:** Ensure Student Status Changes are Reported Accurately and Timely

**Status:** A collaborative approach will be taken by Southwest to ensure that positions in the areas of Admissions & Records, Financial Aid and IT Services work together regarding reporting student status changes to NSC and NSLDS. Training will be held to review how the enrollment information is initially reported to NSC, and how to reconcile the data at two stages; once after it is reported to NSC, and once more after it is retrieved by the NSLDS. A reconciliation schedule will be established on a monthly basis, along with the Dean of Student Success and the Information Technology Specialist and the Institutional Research and Assessment Officer, to serve as an internal Quality Control Review. Any identified issues will be documented and the team will be accountable for seeking resolution among the external service providers.

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

**Finding 20-57:** Ensure Student System Roles are Assigned Properly

**Status:** The Dean of Student Success, future Financial Aid Coordinator/current Business Office Grants Accountant, IT Specialist and IT Manager met on July 9, 2021 to review SISCOPYID role definitions and assignment parameters along with segregation of duties considerations. A new SISCOPYID has been requested for the Financial Aid Coordinator, along with two other SISCOPYIDs to differentiate access among the staff in the department. In the name of business continuity, the Financial Aid Coordinator will have one trained backup staff member who will have the same SISCOPYID as the Coordinator and perform all of the processes of the Coordinator on a
scheduled basis throughout the academic year. This will ensure that the staff member acting as a backup has a high comfort level with the responsibilities. All institution SIS role accesses will be reviewed annually by the Dean of Student Success and IT Specialist.

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

**Finding 20-58:** Properly Complete Verification Prior to Disbursing Federal Financial Aid

**Status:** The Financial Aid Coordinator will review verification procedures and documentation requirements with the staff member primarily responsible for that duty, in addition to a second staff member who will serve as the backup for this function. The backup staff member will perform verification procedures on a scheduled basis, under the oversight of the Financial Aid Coordinator. Southwest will conduct an annual Quarterly Control Review as a sample audit to determine if procedures are being followed. If errors are found, remediation training will be held to ensure all parties acknowledge the importance of the verification process and how to perform it and document it correctly for all students.

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

**Finding 20-59:** Improve Reporting to the Common Origination and Disbursement System

**Status:** The Financial Aid Coordinator will establish a department calendar for processes, aligned with the VCCS Financial Aid Processing Calendar in the SIS Library site in Canvas. As disbursements are processed, if aid is adjusted down, COD will be updated within 15 calendar days. That deadline will be noted on the department calendar and checked by the Financial Aid Coordinator with each disbursement. As referenced in the 2020-01 finding for Southwest, an additional staff member in Financial Aid will be trained on the COD system and follow a schedule for checking the deadlines and performing the timely notifications to COD accordingly.

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

**Finding 20-60:** Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act

**Status:** SWCC will perform Risk Assessments for all information technology systems the college uses that touch GLBA data and will address all requirements of the VCCS Information Security Standard from network access controls, application access, data storage, and such concerns as both logical and physical access to information systems. SWCC will perform a Perceptive Content Risk Assessment, Network Infrastructure Risk Assessment, a Computing Infrastructure Risk Assessment, and a SIS Risk Assessment tailored SWCC’s college environment for use and access to all Student data including Financial Aid Data. The BIA Executive Summary, Disaster Recovery Plan, Incident Handling Policy will be reviewed and updated. PEN Test will be submitted. Conduct Roles & Responsibilities, FERPA and GLBA KnowBe4 training. Will conduct a review of SIS Student Financial Aid accounts. On target for completion on or before February 28, 2022.

**Status Summary:** In Progress (On Schedule)

**Thomas Nelson Community College (TNCC)**

**Audit Year: 2020**

**Finding 20-24:** Strengthen Internal Controls over Journal Entries

**Status:** In Fiscal 2021, TNCC Accounting dramatically strengthened internal controls over accounting transactions (adjusting journal entries) and supporting documentation. General Accounting and Student Accounting are consistently scanning and uploading supporting documentation to each adjusting AIS Journal Entry prior to online AIS approval and posting. The Business Office Manager and/or Bursar are reviewing uploaded supporting documentation prior to posting the entry. If there are unanswered questions or the support needs to be strengthened, the Business Office Manager and/or Bursar can and do deny the entry for additional explanation and or added justification and support. Hardcopy supporting documents with wet or electronic signatures are also kept on file in the Business Office. The Business Office Manager and Bursar will update their respective Adjusting Journal Entry Procedures with the (already implemented) requirement for uploaded journal entry support on or before September 30, 2021.

**Status Summary:** Completed (On Schedule)
Finding 20-25: Perform Complete Physical Inventory. **This is a Repeat Finding.**  
**Status:** While the finding is technically accurate (out of compliance with policy for physical inventory frequency), the Campus was officially closed to non-essential employees and students during the 2020 pandemic when the physical inventory was scheduled. Out of an abundance of caution, and in order to keep staff and students safe, the scheduled physical inventory was waived in favor of 10% spot check on inventory. With few exceptions, campus buildings were closed to the public and locked, thus reducing the risk to assets. Walk-throughs of buildings were routinely performed by Plant Services during this time to help ensure the security of assets. Now that staff has officially returned to campus, a 100% physical inventory is underway and expected to be completed by August 31, 2021. In accordance with CAPP Manual Topic 30505 – Physical Inventory, the Fixed Asset Coordinator and assignees will perform a physical inventory of capital assets every two years. Spot checks of high-risk inventory will be done in the off years at the discretion of the Fixed Asset Coordinator. Thomas Nelson’s Administrative Procedures Manual (APM) – 10.7 Asset Control Management, Section F will be reviewed by the VP of Finance & Administration and updated by August 31, 2021 by the Administrative Assistant to the VP.  
**Status Summary:** Completed (On Schedule)

Finding 20-26: Ensure Revenue is Recorded Timely  
**Status:** While TNCC acknowledges the importance of recording revenue in a timely manner in compliance with the CAPP manual, there is currently no revenue interface between systems. Preparing the revenue entry is a manual, labor-intensive, and time-consuming process. As a result, TNCC has traditionally prepared weekly uploads. TNCC agrees those need to be recorded within 3 days of the weekly upload and will commit to that, effective immediately. Changing the process to daily would increase the preparation time, review time, and posting time five-fold. However, TNCC will experiment with semi-weekly and daily preparation beginning in August 2021 to determine if either is a viable alternative option to weekly.  
**Status Summary:** Completed (On Schedule)

Finding 20-27: Deactivate Access to Commonwealth’s Purchasing System Timely. **This is a Repeat Finding.**  
**Status:** Effective immediately, Clearance Forms for sign off and removal of system access will be managed by the Administrative Assistant to the Vice President for Finance and Administration. The Administrative Assistant will ensure the local System Administrator removes access within 5 business days of employee termination. The Vice President of Finance and Administration will also re-evaluate the best position fit to serve as future primary and backup System Administrators, with a target date of September 30, 2021 to have new primary and backup Administrators in place and trained.  
**Status Summary:** Completed (On Schedule)

**Status:** The Human Resource Analyst II will perform and document an annual review of system access. Further, HR will request a current report of system access from DHRM and perform and document an access review by August 31, 2021. Finally, the Director of Human Resource will ensure the current Policy and/or Procedure surrounding system access is updated as appropriate by August 31, 2021.  
**Status Summary:** Completed (On Schedule)

Finding 20-29: Reconcile Federal Aid Programs Timely  
**Status:** TNCC will perform and retain sufficient documentation of the monthly reconciliations to adequately document and resolve reconciling items between financial systems, Federal Drawdown System, and COD records in a timely manner to ensure compliance with federal regulations. In addition, the College has been performing a weekly review process to ensure complete documentation of reconciliation efforts and appropriate resolution of reconciling items but will implement a formal procedure to document the reconciliation efforts and any appropriate resolution of reconciling items.
Finding 20-30: Promptly Return Unclaimed Aid to the Department of Education
Status: The Office of Student Accounting has implemented procedures to mitigate the occurrences of this deficiency. Student records/accounts are being reviewed on a weekly basis to ensure unclaimed funds are returned no later than 240 days after the date the check was issued or no later than 45 days after an EFT is rejected.
Status Summary: Completed (On Schedule)

Finding 20-31: Report Student Status Changes Accurately and Timely to National Student Loan Data System
Status: To ensure that enrollment data is reported to the National Student Clearinghouse (NSC) accurately and on time, the Office of Records & Registration (Registrar = R&R) will implement formal guidelines as recommended. R&R will collaborate/coordinate with the Office of Information Technology (IT) to schedule the upload of enrollment files every 30 days throughout each term and verify that enrollment data is reported to NSC accurately and in a timely manner. R&R will monitor the error report and also work closely together with the Financial Aid Office and Admissions to ensure that any necessary updates to college enrollment records are made before final enrollment files are transmitted to the NSC.
Status Summary: Completed (On Schedule)

Finding 20-32: Improve Notification Process for Federal Direct Loan Awards to Students
Status: The Financial Aid Office has cross-trained the staff to be aware of the notices required and the time-line that must be met. The Loan Processor will be the primary staff member trained to run this query on a weekly basis to identify any student that is due to receive this notice. The Loan Processor is aware of the importance of sending this notice within the required time-frame.
Status Summary: Completed (On Schedule)

Finding 20-33: Ensure Accurate FISAP is Submitted to Department of Education
Status: Prior to submitting the Fiscal Operations Report and Application to Participate (FISAP), the Financial Aid Director will consult with the Director of Institutional Research, the Director of Student Accounting, and Vice President of Finance & Administration to ensure that all entries are correct. A review of the report along with the definitions for each line item will be reviewed by the team and documented accordingly prior to each submission.
Status Summary: Completed (On Schedule)

Finding 20-34: Properly Complete Exit Counseling for Direct Loan Borrowers
Status: During the pandemic, the Financial Aid Office accidently overlooked a handful of notifications to Direct Loan borrowers, requesting that they complete an Exit Counseling session with the U.S. Department of Education. The Loan Processor will be the primary staff member to run the “missing exit counseling” query on a weekly basis to identify any student that is due to receive the notice. The Loan Processor is aware of the importance of sending this notice within the required time-frame.
Status Summary: Completed (On Schedule)

Finding 20-35: Ensure Student System Roles are Assigned Properly
Status: The SIS Security Officer has a system SIS query that will provide all users and the access they have been granted. The query was executed and the results filtered in order to identify any SIS users that retain unnecessary access roles within SIS that do not pertain to their current job responsibilities. The Security Officer is using this information to work with the departmental “owners” of the data and anyone with access unrelated to performing their job duties will have that access revoked.
Status Summary: Completed (On Schedule)
Finding 20-36: Improve Direct Loan Quality Assurance Program

**Status:** The Financial Aid Office has taken the information provided in TNCC policy and process manual and compiled and expanded it to include the required information necessary to satisfy this Direct Loan (DL) Quality Assurance Program regulation. The Financial Aid Office will implement a Quality Control Review (QCR) process that will include reviewing a sample of students each semester to ensure dates and timelines are being met, starting with the end of the fall 2021 semester. The Financial Aid Office currently follows/perform s stringent DL Awarding/Packaging, Disbursing, Reconciliation, and procedures each semester, as well as Year-End Reconciliation/Close-Out. For example, TNCC reviews and reconciles all Title IV programs “weekly” at TNCC (to ensure proper cash management/controls/accuracy and to prevent any errors, risks, and fraud).

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

Finding 20-37: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act

**Status:** TNCC will perform Risk Assessments for all information technology systems the college uses that touch GLBA data and will address all requirements of the VCCS Information Security Standard from network access controls, application access, data storage, and such concerns as both logical and physical access to information systems. TNCC will perform a Perceptive Content Risk Assessment, Network Infrastructure Risk Assessment, a Computing Infrastructure Risk Assessment, and a SIS Risk Assessment tailored TNCC’s college environment for use and access to all Student data including Financial Aid Data. The BIA Executive Summary, Disaster Recovery Plan, Incident Handling Policy will be reviewed and updated. PEN Test will be submitted. Conduct Roles & Responsibilities, FERPA and GLBA KnowBe4 training. Will conduct a review of SIS Student Financial Aid accounts. On target for completion on or before February 28, 2022.

**Status Summary:** In Progress (On Schedule)

**Tidewater Community College (TCC)**

**Audit Year:** 2020


**This is a Repeat Finding.**

**Status:** The College will ensure that all documentation is retained and available for review in the future. The College will continue to send annual notifications and train managers on their responsibilities for timely terminations.

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

Finding 20-19: Locate Equipment and Assign a Responsible Party

**Status:** The College will ensure that all assets are located and tagged as appropriate. The College has obtained the signature of the required party for the inventory at the Machining Department as well as the Regional Automotive Center. The target date for completion has been extended until June 30, 2022.

**Status Summary:** In Progress (On Schedule)

Finding 20-20: Develop a Contingency Plan to Maintain Proper Separation of Duties

**Status:** The College will ensure that an alternate signature is acquired in the future to ensure the proper segregation of duties.

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

Finding 20-21: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act

**Status:** TCC will take the following steps to ensure compliance with GLBA requirements:
- Completion of the 2021 BIA Executive Summary which will note any risks specifically related to Student Financial Aid
- Update of SIS Risk Assessment
- Update of Network Risk Assessment
- Completion of Computing Infrastructure Risk Assessment to include assessment of backup infrastructure
• Completion of Perceptive Content Cloud Service Risk Assessment
• Completion of 2021 Network Penetration Test
• 2021 Update of DRP plan to include recovery capabilities for Student Financial Aid
• Continuation of Annual FERPA and Information Security Roles & Responsibilities training
• Continued Quarterly Review of Privileged Access to all systems that process Student Financial Aid data
• Annual Update of Incident Response Plan

Seven actions completed; three in-progress. The three in-progress will be completed January 2022, March 2022, and July 2022.

Status Summary: In Progress (On Schedule)

Virginia Western Community College (VWCC)
Audit Year: 2020

Finding 20-22: Improve Capital Asset Inventory and Tracking. This is a Repeat Finding.
Status: Virginia Western Community College (VWCC) plans to implement procedures to strengthen VWCC Fixed Asset Inventory Process to ensure assets are entered within thirty (30) days per CAPP Manual Topic 30205. Controls will be implemented to support the proper recording of additions, disposals, surplus, assets and tagging of assets. VWCC plans to investigate available AIS inventory reports to ensure the most efficient reports are being used to support the inventory process.

Status Summary: In Progress (On Schedule)

Finding 20-23: Strengthen Interdepartmental Communications Related to Terminated Part-Time Employees
Status: Virginia Western Community College recognizes the need to strengthen communication between department supervisors and human resources to ensure system access for part-time employees is terminated timely. The College requires supervisors to submit a Part-Time Employee Termination Form to Human Resources that lists the termination/separation date. The college is making revisions to the form to clearly define the employee’s official separation date. The Part-time Termination Form will also require the supervisor to attach a copy of the Delete Security Access Approval Form that was submitted to IET for employee access to be deleted. Human Resources plans to send a communication to supervisors to explain the changes made to the form and also to express the importance of timely notification on the separation of employees from the college.

Status Summary: In Progress (On Schedule)

Wytheville Community College (WCC)
Audit Year: 2020

Finding 20-64: Reconcile Federal Funds Timely
Status: In order to provide a reminder to complete the reconciliations between the federal bank statements and the accounting system a re-occurring Outlook calendar notification has been added to the responsible person’s calendar to complete the reconciliation. A notification has also been added to the reviewer’s calendar to provide a reminder to check-in and review the reconciliation. This same step was taken for the reconciliations of federal drawdown system and the federal bank statements in August of 2019. The action resulted in the federal drawdown system and federal bank statements being performed and reviewed timely from August 2019 to June 2020 as reported in the management point. These steps were implemented for the federal bank and accounting system reconciliation in May of 2021.

Status Summary: Completed (On Schedule)

Finding 20-65: Perform Federal Direct Loan Reconciliations Timely
Status: WCC Financial Aid will implement the Direct Loan Importing Reconciliation Files documentation that has been developed by WCC when the file is imported into the system monthly. WCC Financial Aid will share this file with the Business Manager for Reconciliation purposes.
Finding 20-66: Promptly Return Unclaimed Aid to Department of Education

Status:
The current outstanding items noted in the APA management point are in the process of being returned to the U.S. Department of Education. The funds were located in the third party processor’s refund exception queue. We have requested those funds back from TMS/Nelnet, received the funds, and have applied them back to the students’ accounts. The students currently have a credit balance and their accounts will be corrected when financial aid removes the correct aid from the students’ account. This is currently in process. Once the aid is removed from the students’ account WCC will then be able to return the aid back to the U.S. Department of Education. WCC will implement a process of reviewing the refund exception queue once a week to see if there are new refund exceptions that need to be addressed. Once the new expectations have been identified the Business Office Cashier will send notification to those students, through mail and e-mail, who are setup to receive refunds through check of their outstanding exception, how they can correct the exception, and the time period these actions will need to be completed. If the Business Office Cashier doesn’t receive a correspondence in the identified time period they will request the refunds be sent back to the college and applied to the student’s account. If the student is setup to receive refunds through Direct Deposit the Business Office Cashier will skip the step of notifying the student of the outstanding action they would need to take as the time period for Director Deposit returns to U.S. Department of Education is greatly shortened. The Business Office Cashier will then let the Financial Aid Coordinator know to remove the aid from the student’s account to allow for the Business Office to then return the aid to the U.S. Department of Education.

Status Summary: Completed (On Schedule)

Finding 20-67: Ensure Student Status Changes are Reported Accurately and Timely

Status: To ensure student status changes are reported accurately and timely, WCC will implement the following measures:

• Provide enrollment batch reports to the National Student Clearinghouse on a schedule of every 30 days to ensure a timelier reporting to the NSLDS.

• Review the SIS data tables and investigate the reason for inaccurate reporting of status changes. A recent discovery has indicated that “F” grades appear to be treated as withdrawals and may have been incorrectly reported as status changes. Further investigation and collaboration with the VCCS will be required to determine further inaccuracies.

• Admissions staff will work with Financial Aid staff to compare Clearinghouse data reports with NSLDS status to monitor accuracy of submitted enrollment reports.

• Admissions and SIS staff will participate in training provided by the Clearinghouse to better understand the reporting requirements and the appropriate way to correct report errors.

Status Summary: Completed (On Schedule)

Finding 20-68: Ensure an Accurate FISAP is Submitted to Department of Education

Status: WCC financial aid will not use the Grant Total that is on the report received from the VCCS. The College will use the student fees plus tuition totals instead of the Grant Total listed on the report.

Status Summary: Completed (On Schedule)

Finding 20-69: Enhance Notification for Borrowers that have not Completed Exit Counseling

Status: WCC Financial Aid has mailed information to students to complete the Exit Counseling and will work on completing in the 30 day time frame. Being short-staffed in the financial aid office makes getting things done in 30 days with everything else that needs to be done hard to do. WCC will work on getting this done in the 30 day time frame. WCC has been mailing a letter to the student to complete the Exit Counseling but has not been emailing students. WCC will start implementing the Loan Exit Report documentation that has been developed by the VCCS.
Status Summary: Completed (On Schedule)

Finding 20-70: Ensure Student System Roles are Assigned Properly
Status: Requests for modifications to Student Information System (SIS) accesses must be made by position supervisors with the assistance of SIS Functional Support personnel to ensure that least privilege and duty segregation is maintained. A complete Security Access Request (SAR) form must be submitted to the Director of Technology as part of the change management process. Annual reviews of SIS accesses will be initiated by Information Security Shared Services (ISSS) to ensure access assignments are relevant and valid with changes being communicated directly to supervisors and documented through the SAR process.
Status Summary: Completed (On Schedule)

Finding 20-71: Improve Direct Loan Quality Assurance Program
Status: WCC Financial Aid will implement a Direct Loan Quality Assurance Program and is currently working on documenting this process and procedures.
Status Summary: Completed (On Schedule)

Finding 20-72: Improve Federal Direct Loan Borrower Notification Process
Status: WCC Financial Aid Office will modify the current notification process to meet the Federal requirements. WCC Financial Aid Office is currently working on setting up a Message Center Process for Direct Loan Borrowers Right to Cancel Communications for students with loans and using this in the time frame required.
Status Summary: Completed (On Schedule)

Finding 20-73: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act
Status: WCC will perform Risk Assessments for all information technology systems the college uses that touch GLBA data and will address all requirements of the VCCS Information Security Standard from network access controls, application access, data storage, and such concerns as both logical and physical access to information systems. WCC will perform a Perceptive Content Risk Assessment, Network Infrastructure Risk Assessment, a Computing Infrastructure Risk Assessment, and a SIS Risk Assessment tailored WCC's college environment for use and access to all Student data including Financial Aid Data. The BIA Executive Summary, Disaster Recovery Plan, Incident Handling Policy will be reviewed and updated. PEN Test will be submitted. Conduct Roles & Responsibilities, FERPA and GLBA KnowBe4 training. Will conduct a review of SIS Student Financial Aid accounts. On target for completion on or before February 28, 2022.
Status Summary: In Progress (On Schedule)

Virginia Military Institute (VMI)
Audit Year: 2020

Finding 20-01: Improve Procedures over Completing Employment Eligibility (I-9) Forms. This is a Repeat Finding.
Status: In order to effectively remediate the above audit finding, implementation of the following corrective actions has either already taken place as indicated or is expected by the listed estimated completion date. VMi's ARMICS personnel have (and will continue to be) involved from a quality control review perspective.

1) Retrain all Human Resources Office staff on I-9 and E-Verify procedures and requirements. (Ongoing- Training will be an ongoing process to ensure staff perform each step promptly and accurately) Training was completed in October, will be completed annually going forward.

2) Reinforce via communication (and/or education) with Hiring Managers that notification of executed employment contracts, accurate start dates, timely employment letters, and electronic Personnel Action Form (PAF) submissions are necessary prior to I-9 completion.
(Status - Ongoing: Hiring Managers currently reminded at time of candidate hire of all processes necessary to ensure accurate start date recordation; executed employment contracts, employment letters, Personnel Action Form submissions, and completed contracts prior to I-9 initiation). Improvement has been noted as a result of the added due diligence.

3) Strengthen New Hire I-9 process by requiring scheduled, one on one appointment only basis for more focused, individualistic approach (and error risk reduction).
   [Complete- Continue to communicate with each department on Post about the importance of ensuring their new hires have scheduled an appointment with HR to verify all pre-employment items have been completed.) Improvement has been noted as a result of the added due diligence.

4) Electronic Personnel Action Form start dates to be verified by the HR Director prior to full execution.
   [Status - Complete: For Hourly/Wage hires, the Personnel Action Form is currently reviewed/verified twice for accurate hire dates by the Director of Human Resources prior to final approval.]
   Status Summary: In Progress (On Schedule)

Finding 20-02: Improve Termination Procedures
Status: 1) Establish communication channels with all departments across Post to ensure proper procedures are being adhered to in regards to generating exit alerts for terminated employees. Completed-Training materials are currently be developed and distributed across Post to ensure the necessary communication is occurring in regards to terminated employees (December 31, 2021)- Training will continue as needed.

2) Create an electronic Clearance Checklist in the system to streamline the exit process and improve the ability to track the status. - Checklist has been implemented and will be reviewed periodically (status-complete)
   Status Summary: Completed (On Schedule)

Virginia Polytechnic Institute and State University (VPISU/ID)
Audit Year: 2020

Finding 20-01: Report Student Status Enrollment Changes Timely to National Student Loan Data System. This is a Repeat Finding.
Status: The Office of University Registrar implemented manual audit of random sample for the impacted scenario and continues to work with the Office of Audit, Risk, and Compliance to automate the planned detective controls.
   Status Summary: In Progress (On Schedule)

Virginia State University (VSU)
Audit Year: 2020

Finding 20-01: Improve Documentation of Sole Source Procurement. This is a Partial Repeat Finding.
Status: OPS is continuously reviewing sole source procurements to ensure that proper documentation is maintained and that competitive bids are obtained where needed.
   Status Summary: In Progress (Delayed)

Finding 20-05/18-11: Establish a Process for Periodically Reviewing Stagnate Grants and Contributions. This is a Repeat Finding.
Status: Significant progress has been made on clearing up the stagnant grant funds in question through return of funds to the respective agencies, repurpose of the funds, or release of the funds for University use by the grantor. VSU anticipates finalizing all work with a new review policy by March 2022
   Status Summary: In Progress (On Schedule)
Finding 20-06: Match Federal Grants with Qualifying State Expense. This is a Material Weakness.
Status: The University has held bi-weekly meetings to discuss the NIFA grant and status. All under matched amounts from FY14-FY19 have now been repaid to NIFA and the University is now matching expenditures in the initial award year of the grants.
Status Summary: In Progress (Delayed)

Finding 20-07: Retain Documentation to Support Transactions and Respond to Audit Inquiries
Status: The University has moved towards electronic documentation within the system as well as BOA Works, which houses credit card transactions. OPS has also taken a much more active role in ensuring that both documentation and reconciliations are completed timely and accurately.
Status Summary: In Progress (On Schedule)

Finding 20-08: Establish and Maintain a Complete Contract Listing
Status: OPS has been maintaining the contract listing with all proper information included as directed by the APA. In addition, beginning on July 1, 2021, all contracts entered into the system will be verified/added onto the contract listing throughout the year
Status Summary: In Progress (Delayed)

Executive Offices

Attorney General and Department of Law (OAG)
Audit Year: 2021

Finding 21-01: Improve Information Security Program and IT Governance
Status: Policies and Procedures are currently being developed and implemented for the Information Technology Section.
Status Summary: In Progress (On Schedule)

Finding 21-02/20-03: Continue to Improve Virtual Private Network Security Controls. This is a Repeat Finding.
Status: OAG completed 60% according to the schedule. OAG will have to adjust the schedule for the remaining 40% based on new information. OAG will target an additional 24% to be completed by July 30, 2021. The remaining 16% will have to be pushed out to September 30, 2021 due to infrastructure changes OAG is completing now and additional infrastructure changes that will need to happen which will allow IT to complete the VPN issues.
Status Summary: In Progress (On Schedule)

Finding 21-03: Improve Database Security
Status: Internal Application Team is still reviewing and developing strategies to resolve deficiencies.
Status Summary: In Progress (On Schedule)

Finding 21-04/20-02: Continue to Improve Firewall Management. This is a Partial Repeat Finding.
Status: On track to have 40% complete by the first targeted milestone date of September 30, 2021. OAG completed 13% of the findings ahead of schedule. With the departure of staff, progress has slowed but not stopped.
Status Summary: In Progress (On Schedule)

Office of the Governor (GOV)
Audit Year: 2021

Finding 21-01: Improve Budget Transparency Regarding Cabinet Secretary Employees. This is a Repeat Finding.
**Finance**

**Department of Accounts (DOA)**  
**Audit Year: 2020**

Finding 20-01: Continue to Dedicate Resources to Timely Update CAPP Manual Topics. **This is a Partial Repeat Finding.**
Status: Update of Payroll CAPP Topics for HCM is underway.  
**Status Summary: In Progress (On Schedule)**

Finding 20-02: Ensure Timely Approval of ChartField Changes
Status: ChartField Maintenance Procedures have been completed and reviewed. The procedures include a timeline for preparation and review. A PDF Portfolio has been developed and put into production to streamline the process for the ChartField Maintenance documentation.  
**Status Summary: Completed (On Schedule)**

**Department of Planning and Budget (DPB)**  
**Audit Year: 2020**

Finding 20-01: Continue to Improve Database Governance and Security. **This is a Partial Repeat Finding.**
Status: The agency is working with its vendors to develop the additional policies that need to be put in place to address this finding.
**Status Summary: Completed (On Schedule)**

**Department of Taxation (TAX)**  
**Audit Year: 2020**

Finding 20-04: Improve Patching to Mitigate Vulnerabilities  
Status: Progress is being made establishing and implementing a process that will enable Virginia Tax to apply patches within the required 90 day window, but the process will not be complete until March 30, 2022.
**Status Summary: In Progress (Delayed)**

Audit Year: 2019

Finding 19-04: Mitigate Server Vulnerabilities. **This is a Repeat Finding.**
Status: Progress is being made establishing and implementing a process that will enable Virginia Tax to apply patches within the required 90 day window, but the process will not be complete until March 30, 2022.
**Status Summary: In Progress (Delayed)**

**Department of the Treasury (TD)**  
**Audit Year: 2020**

Finding 20-02: Continue to Improve Process for Payments of Risk Management Invoices. **This is a Repeat Finding.**
Status: Risk Management, Operations, and IT have finalized the development of a new workflow process in the system. Revised estimated completion date is to allow for sufficient user acceptance testing before placing into production.
**Status Summary: In Progress (Delayed)**
Finding 20-04: Develop and Implement Information Security Policies and Procedures. **This is a Repeat Finding.**
**Status:** The Information Security Program and Framework has been completed and DARS is completing the MOU signoffs for appendices to include the Information Security Program agreement.
**Status Summary:** In Progress (On Schedule)

Finding 20-05: Upgrade Manufacturing System. **This is a Repeat Finding.**
**Status:** DBVI has withdrawn from the VITA led procurement of Enterprise Resource Planning tool for DBVI and state contract use. The project status is to be determined. DBVI has received Project Initiation Approval (PIA) for the DBVI-VIB ERP Implementation (Financials and Manufacturing) project through Sec. of HHR.
**Status Summary:** In Progress (On Schedule)

Finding 20-06: Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**
**Status:** DBVI has withdrawn from the VITA led procurement of Enterprise Resource Planning tool for DBVI and state contract use. The project status is to be determined. DBVI has received Project Initiation Approval (PIA) for the DBVI-VIB ERP Implementation (Financials and Manufacturing) project through Sec. of HHR.
**Status Summary:** In Progress (On Schedule)

Finding 20-07/19-02: Improve Oversight over Third Party Providers. **This is a Repeat Finding.**
**Status:** DBVI has withdrawn from the VITA led procurement of Enterprise Resource Planning tool for DBVI and state contract use. The project status is to be determined. DBVI has received Project Initiation Approval (PIA) for the DBVI-VIB ERP Implementation (Financials and Manufacturing) project through Sec. of HHR.
**Status Summary:** In Progress (On Schedule)

Finding 20-03/19-09/19-11/19-23: Implement Standardized Off-Boarding Procedures. **This is a Repeat Finding.**
**Status:** HR Forum held in September and is now an objective in HR field audits. Sample check out sheet sent to all facility HR Managers. DBHDS was able to start DBHDS’s first HR audit in June 2021. This has been delayed due to COVID, new APA audit findings this year, and time for implementation at the facilities.
**Status Summary:** In Progress (Delayed)

Finding 20-05: Perform and Document Commonwealth’s Retirement Benefits System Reconciliations. **This is a Repeat Finding.**
**Status:** All DBHDS facilities now have policies and procedures in place, but it appears they are not always properly followed. DBHDS will work with its facilities to ensure all employees are trained on the procedures. Training has been provided, but issues are still noted in this year's APA audit. Training and resources provided to facility HR. DBHDS has a Virginia Management Fellow assisting DBHDS in drafting a more consistent procedure however he has since left and staffing is an issue to get this completed. This oversight function has been assigned to an existing HR staff member to review and work with facilities to test the updated procedures. This will also be a part of DBHDS HR audits as they get underway.
**Status Summary:** In Progress (Delayed)
Finding 20-06: Improve Controls over Payroll Reconciliations
Status: Reconciliation issues have been addressed with further guidance from Central Office to the facilities.
Status Summary: In Progress (Delayed)

Finding 20-09/19-01: Continue dedicating Resources to Support Information Security Program. This is a Repeat Finding.
Status: Strategic plan has been submitted to VITA, and the new CISO will evaluate staffing and support needs. Resources needs continue to be evaluated.
Status Summary: In Progress (Delayed)

Finding 20-10/19-02/18-02/17-02: Improve IT Contingency Management Program. This is a Repeat Finding.
Status: Strategic plan has been submitted to VITA, and security has priorities the BIA. Will continue working with facilities, IT and Emergency Management to revise COOPs and DRPs.
Status Summary: In Progress (Delayed)

Finding 20-11/19-04/18-04: 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. Continuing to work with VITA and system owners on this matter.
Status Summary: In Progress (Delayed)

Finding 20-12/19-05/18-05: Continue Improving Web Application Security. This is a Repeat Finding.
Status: The DBHDS system administrator has additional support and has moved to a cloud based platform. The risk assessment was documented to ensure sufficient mitigating controls are in place.
Status Summary: Completed (Delayed)

Finding 20-13: Continue to 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 still under evaluation for options and available tools. Policies and procedures under review/development.
Status Summary: In Progress (Delayed)

Department of Health (VDH)
Audit Year: 2020

Finding 20-03: Strengthen Process over Employee Separations
Status: To date, VDH developed a two-step process that requires an HR Manager to review the internal separation form within one day of submittal (email notifications daily), a second review is done prior to the end of the payroll period to catch any systems access removals that were not completed as well as to ensure that the final payout or leave accrual is conducted per policy.
Status Summary: In Progress (Delayed)

Finding 20-05: Continue Improving the Disaster Recovery Plan. This is a Repeat Finding.
Status: VITA DR Tier’s levels are being assigned to applications.
Status Summary: In Progress (Delayed)

Finding 20-06/19-02: Continue Improving the Contingency Management Program. This is a Repeat Finding.
Status: Hired a Business Continuity Professional to perform table top exercises, tests, and corrective actions.
Status Summary: In Progress (Delayed)
Finding 20-07/19-04: Continue Strengthening the System Access Removal Process. This is a Repeat Finding.
Status: Reviewing the Staff Separation process and performing testing of the process.
Status Summary: In Progress (Delayed)

Finding 20-08: Continue Enhancing Reviews of System Access. This is a Repeat Finding.
Status: Selected an entitlement review application.
Status Summary: In Progress (Delayed)

Finding 20-10: Continue Addressing Compliance with the Conflicts of Interest Act. This is a Repeat Finding.
Status: 1. OHR has continually updated processes and procedures to maintain compliance to include annual Compliance Reviews, job aids and agency education since taking on the COIA/SOEI program.
Status Summary: In Progress (Delayed)

Audit Year: 2019

Finding 19-07*: Strengthen the Employee Off-Boarding Process
Status: To date, VDH developed a two-step process that requires an HR Manager to review the internal separation form within one day of submittal (email notifications daily), a second review is done prior to the end of the payroll period to catch any systems access removals that were not completed as well as to ensure that the final payout or leave accrual is conducted per policy.
Status Summary: In Progress (Delayed)

Department of Medical Assistance Services (DMAS)
Audit Year: 2020

Finding 20-02: Improve Information Security Program and Controls. This is a Material Weakness.
Status: The corrective action for this finding is FOIA exempt under section 2.2-3705.2 of the Code of Virginia due to the sensitivity of the information.
Status Summary: In Progress (Delayed)

Finding 20-04: Review Eligibility Information as Required
Status: DMAS staff have been working with VDSS business and technical staff to develop a system change that will take the information already provided to DSS on a monthly basis and use that information to reconcile with information contained in the system. The requirements for the system change went into production on October 8, 2021. The October 2021 release is the first step in a long-term plan to implement 360 communication between systems. This automated reconciliation will ensure alignment of the two systems. The reports included the following:

- System Status Exception Report
- System Missing Client Exception Report, which identifies clients with enrollment in the system but no eligibility in the system as well as the reverse other case discrepancies.

DMAS will continue to work with DSS to develop additional training or informational broadcasts to remind eligibility workers of the need to ensure that changes that are made in the system are successfully bridged over to another system. The first of those informational broadcasts was developed and issued on March 31, 2021.
Status Summary: Completed (Delayed)

Finding 20-06: Ensure Compliance with National Correct coding Initiative Requirements
Status: Effective October 15, 2021. DMAS finalized the contract modification with its fiscal provider to incorporate the NCCI confidentiality requirements.
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: OCS has provided the initial requirements and design of the MMIS ICAM integration. Testing of the system integration is currently in progress. The system will eventually migrate over as part of the MES project. However, profile and user cluster management will remain and be a part of the process that the vendor currently performs and will perform in the future. IM will be launching a project described as the “take-over RFP” of the system. As a part of the RFP, IM will partner with OCS to define requirements for the take-over vendor to implement a special project to review and catalog the clusters that manage permissions in the system and to establish a process for preventing and identifying potential ‘conflicts’. The business owners will be required to validate the permissions, current profiles (clusters) and access (screens), and to assist with establishing a risk-based approach - where the high-risk profiles are identified and reviewed and are prioritized as a part of the profile and conflict validation. The take-over RFP to be completed by the end of the calendar year-end this year - 2021. The estimated takeover date is July 1, 2023 and is when the project will commence and a final target date established for closure of this issue.
Status Summary: In Progress (Delayed)

Department of Social Services (DSS)
Audit Year: 2020

Finding 20-02: Define and Communicate Subrecipient Monitoring Responsibilities
Status: The Agency Monitoring Plan has been drafted and a pilot program has been implemented to test the processes and reporting efforts.
Status Summary: In Progress (Delayed)

Finding 20-03/19-08/18-11: Continue Improving IT Risk Management Program. This is a Repeat Finding.
Status: ISRM is working with new Risk Manager to complete outstanding Risk Assessments, SSPs, and Data Classification. Additional sensitive systems have been identified and additional time will be needed for 100% completion.
Status Summary: In Progress (On Schedule)

Finding 20-04: Review Eligibility Information as Required
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

Finding 20-05: Continue to Improve Reconciliation Process of the Commonwealth’s Retirement Benefits System. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

Finding 20-06: Review Exceptions Between Commonwealth’s Human Resource System and Payroll System. This is a Repeat Finding.
Status: Corrective action has been completed.
Status Summary: In Progress (Delayed)

Finding 20-07/19-02/18-01: Improve Controls over Income Verification for the TANF Program. This is a Repeat Finding.
Status: Fingerprinting requirements have been established for accessing and using the IRS-sourced Federal Tax Information. The Code of Virginia has not yet been modified to allow localities the ability to implement this requirement.
Status Summary: In Progress (On Schedule)
Finding 20-10: Ensure Appropriate Oversight over Divisions’ Monitoring Activities. This is a Repeat Finding.

**Status:** The original selected vendor to implement the Subrecipient Monitoring System (SRMS) was deselected. A new IT project has been initiated to include not only the SRMS, but to also include: Grants Management, Vendor Management, Contract Management, Invoice Processing, and Tracking, as well as Dashboard functionality. Subrecipient Monitoring policies and procedures are in DRAFT format, however the pilot oversight process is underway and being led by the Subrecipient Monitoring Coordinator. Summary divisional reports are being gathered and summarized to provide reports to Executive Management. Divisional reports are currently being gathered, assessed, and analyzed for completeness and accuracy. A summary report of deviations to be reported to Executive Management is underway.

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

Finding 20-11: Review Audits for Non- Locality Subrecipient and Communicate Results Timely. This is a Repeat Finding.

**Status:** Desk reviews are underway, but not fully completed. The process is in pilot regarding the review and reporting regarding the results of the reviews.

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

Finding 20-13/19-10/18-10: Continue Developing Record Retention Requirements and Processes for Electronic Records. This is a Repeat Finding.

**Status:** Business/IT has scheduled changed for 2022 VACMS cycle due to Data Center move events in 2021.

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

Finding 20-14/19-12: Continue Improving Web Application Security. This is a Repeat Finding.

**Status:** ITS has implemented patches to update configurations recommended by APA during FY2021. ITS is reviewing current configuration to make sure recommended settings are implemented.

**Status Summary:** In Progress (On Schedule)

Finding 20-15/19-13: Continue Improving IT Change and Configuration Management Process. This is a Repeat Finding.

**Status:** New change and configuration manager requiring procedures to be followed and documented correctly in Manage Engine tracking tool. APA will assess sample of changes during FY2022 audit.

**Status Summary:** In Progress (On Schedule)

Finding 20-16: Continue to Improve Access Controls to Critical Systems. This is a Repeat Finding.

**Status:** ISRM is working with OD/HR and finance to ensure employees are reviewed and removed from critical systems in a timely manner. APA will be sampling critical access during the FY22 audit to determine remediation.

**Status Summary:** In Progress (On Schedule)

Finding 20-17: Comply with Federal Regulations for Documentation of Employment Eligibility. This is a Repeat Finding.

**Status:** Corrective action has been completed.

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

Department for the Blind and Vision Impaired (DBVI)
Audit Year: 2020

Finding 20-04/18-05: Develop and Implement Information Security Policies and Procedures. This is a Repeat Finding.
**Status**: The Information Security Program and Framework has been completed and DBHV is completing the MOU signoffs for appendices to include the Information Security Program agreement.

**Status Summary**: In Progress (On Schedule)

**Finding 20-05/18-06**: Upgrade Manufacturing System. This is a Repeat Finding.  
**Status**: DBVI has withdrawn from the VITA led procurement of Enterprise Resource Planning tool for DBVI and state contract use. The project status is to be determined. DBVI has received Project Initiation Approval (PIA) for the DBVI-VIB ERP Implementation (Financials and Manufacturing) project through Sec. of HHR. 

**Status Summary**: In Progress (On Schedule)

**Finding 20-06/18-07**: Improve Information Security for Point-of-Sale System. This is a Repeat Finding.  
**Status**: DBVI has withdrawn from the VITA led procurement of Enterprise Resource Planning tool for DBVI and state contract use. The project status is to be determined. DBVI has received Project Initiation Approval (PIA) for the DBVI-VIB ERP Implementation (Financials and Manufacturing) project through Sec. of HHR. 

**Status Summary**: In Progress (On Schedule)

**Finding 20-07/18-08**: Improve Oversight over Third Party Providers. This is a Repeat Finding. 
**Status**: DBVI has withdrawn from the VITA led procurement of Enterprise Resource Planning tool for DBVI and state contract use. The project status is to be determined. DBVI has received Project Initiation Approval (PIA) for the DBVI-VIB ERP Implementation (Financials and Manufacturing) project through Sec. of HHR. 

**Status Summary**: In Progress (On Schedule)

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**Public Safety and Homeland Security**

**Department of Corrections (DOC)**  
**Audit Year**: 2020

**Finding 20-02**: Strengthen Controls over Small Purchase Charge Cards  
**Status**: The audit finding was reviewed during the FY21 APA Audit and the finding was noted as resolved and cleared in the FY21 Report.  
**Status Summary**: Completed (Delayed)

**Department of Criminal Justice Services (DCJS)**  
**Audit Year**: 2020

**Finding 20-02**: Improve Internal Controls over Financial Reporting. This is a Repeat Finding.  
**Status**: The quarterly federal financial reports submitted to the Department of Justice, Office for Victims of Crime were reviewed for accuracy by the Grants Compliance Supervisor and resubmitted to OVC along with additional requested supporting documentation (Financial System downloads) for review on December 28, 2018. OVC accepted the reconciled documents and the issue was resolved fully on January 25, 2019. On April 22, 2021 OVC performed an Enhanced Desk Review and reported no findings.  
**Status Summary**: Completed (Delayed)

**Department of Fire Programs (DFP)**  
**Audit Year**: 2020

**Finding 20-01**: Update End-Of-Life Technology  
**Status**: VDFP is in the process of identifying and obtaining the resources needed to remediate the outdated software issues. VDFP is working to develop a project plan outlining the technical steps that will be performed and the projected timeline of this effort.
**Status Summary**: In Progress (On Schedule)

**Finding 20-02/19-21**: Continue to Improve Database Security. **This is a Partial Repeat Finding.**

**Status**: The implementation of Image Trend is ongoing and expected to replace the Agency's other legacy system. Image Trend implementation will allow VDFP to address the database security issues identified by the APA.

**Status Summary**: In Progress (On Schedule)

**Finding 20-03/19-22**: Continue to Improve IT Risk Management and Contingency Planning Process. **This is a Partial Repeat Finding.**

**Status**: The agency has secured the services of a 3rd party security vendor to assist with the risk assessment and remediation activities. The output from these activities will feed into the ongoing improvements and updates being made to the contingency planning process. Risk assessment and remediation activities are ongoing.

**Status Summary**: In Progress (On Schedule)

**Finding 20-04/19-25**: Continue to Improve Logging and Monitoring. **This is a Partial Repeat Finding.**

**Status**: VITA has initiated and is implementing requirements needed to finalize the changeover to a new SIEM platform that will allow the agency to log the servers which DFP has oversight for. This system also is anticipated to allow the agency to monitor systems for possible infiltration and other security related issues.

**Status Summary**: In Progress (On Schedule)

**Finding 20-05**: Continue to Improve Security Awareness Training. **This is a Partial Repeat Finding.**

**Status**: VDFP has developed a new security awareness training program that meets the Security Standard. VDFP is reviewing and finalizing the procedures to ensure that all users take required training and that training records and follow-up are managed appropriately.

**Status Summary**: In Progress (On Schedule)

**Finding 20-06**: Confirm the Commonwealth’s Retirement Benefits System’s Snapshot Timely. **This is a Partial Repeat Finding.**

**Status**: The agency has included a Snapshot notification to the calendar as a reminder to meet monthly deadlines. Additionally, an email is sent as a follow up to ensure the completion.

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

**Finding 20-07**: Comply with Contract Administration Requirements. **This is a Partial Repeat Finding.**

**Status**: The Procurement Department has completed the task of identifying all Contract Administrators for the currently active contracts and the previous contracts that were in violation. All contract administrators have been served with their Contract Administrator letters and logged onto the new contracts spreadsheet. The spreadsheet is active and is placed on the Procurement Drive with details of renewals and expiration dates. This spreadsheet will be updated ongoing whenever a contract action has taken place involving a VDFP procured contract.

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

**Finding 20-08**: Perform Administration of Contracts. **This is a Partial Repeat Finding.**

**Status**: Moving forward, all contact administrators will be updated on the new contract spreadsheet on the procurement drive. All of the contract files that were in violation now have a Contract Administrator letter in their files. Also, all contracts have been added to e-VA's sourcing and contracts which will notify the Procurement Department ahead of time when contracts will expire and when a renewal is needed. A review will be done at this time also for any Contract Administrator changes.

**Status Summary**: Completed (On Schedule)
Audit Year: 2019

Finding 19-19: Improve IT Governance
Status: VDFP has finalized its BIA and COOP. Sixteen IT policies and procedures have been approved; an additional 17 policies are being refreshed and will be resubmitted to VDFP management in the coming months for final approval.
Status Summary: In Progress (On Schedule)

Finding 19-20: Develop and Implement Information Security Policies and Procedures
Status: The agency submitted another request in FY 21 to hire an ISO (not yet fulfilled). In the interim, VDFP plans to rely on internal audit to help fill the roles and responsibilities for this area. Internal Audit has begun its work of fulfilling duties that would typically be completed by an ISO.
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 is waiting for current projects (e-Receivables and Perceptive - Work Zone) to be fully implemented before developing and finalizing the division's policies and procedures. Enhancements and fixes on those two projects are ongoing through late spring 2022.
Status Summary: In Progress (Delayed)

Audit Year: 2017

Finding 17-01/14-03/11-02/09-03: Continue to Upgrade and Replace End-of-Life Technology. This is a Repeat Finding.
Status: System was shut down on December 8, 2021.
Status Summary: Completed (Delayed)

Finding 17-06: Improve Risk Assessments
Status: VITA Centralized Security Services has committed to delivering CJIS Risk Assessments (SSPs) in mid-December.
Status Summary: In Progress (Delayed)

Finding 17-09: Strengthen User Access Policies and Procedures. This is a Repeat Finding.
Status: Six positions have been hired since August 2021. There are additional two additional positions currently being on boarded. Due to the new automated system implementation, updates on the desk procedures are not finalized at this time. There are fixes and enhances that will take additional time to correct that will impact division procedures and policies.
Status Summary: In Progress (Delayed)

Finding 17-15: Improve Disaster Recovery Plan
Status: IT is allocating a contract resource in Q1 CY22 to begin work on the creation of VSP's DRP.
Status Summary: In Progress (Delayed)

Finding 17-34: Improve Accounts Receivable Tracking Process
Status: There are still a few Accounts Receivable transactions and accounts that are maintained manually as conversion of all AR records is not yet completed in the new AR system.
Status Summary: In Progress (Delayed)

Finding 17-35/14-08: Improve Processes over Work Zone Project Billings. This is a Repeat Finding.
**Status:** The Perceptive application currently does not provide the required data for successful implementation. VSP offsite divisions and areas are still required to submit their information for Work Zone billing. P&F continues to work with IT to resolve the issues.

**Summary:** In Progress (Delayed)

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

**Status:** HR continues to follow guidelines in CAPP 50410 and the Payroll Bulletin Volume 2013-02, with agency procedures finalized. As the Payroll Services Bureau submits the VRS reconciliation to the agency, P&F and HR will collaborate on clearing reconciling items.

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

**Virginia Alcoholic Beverage Control Authority (ABC)**

**Audit Year: 2020**

**Finding 20-03:** Improve Oversight of Third-Party Service Providers

**Status:** Virginia ABC’s Information Security team has drafted the policy addressing third-party service providers, but it is still in the review stage. ABC has revised its completion date to December 31, 2021.

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

**Transportation**

**Department of Motor Vehicles (DMV)**

**Audit Year: 2020**

**Finding 20-01:** Develop a Schedule of Routine Accounting Adjustments

**Status:** PHASE 1: DMV originally created a "Routine General Ledger Journal Entries and Agency-to-Agency" Procedures Manual to encompass all procedures into one document. As DMV started working through this document, DMV realized it was more cumbersome to combine everything.

PHASE 2: DMV changed its process to create a Policies & Procedures FOLDER for DMV routine entries. Each routine entry should have a policy/procedures and most have been updated as of 2021.06.30.

PHASE 3: Since DMV is making changes to some processes and trying to make the procedures more uniformed, these policies/procedures will continue to be updated throughout the year.

PHASE 4: Most Policies & Procedures have been updated & expanded on, at this point. DMV is working on an Excel schedule to coincide with these P&Ps that will show entry dates and amounts for ease in year-end reporting or any inquiries from the Agencies receiving funds.

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

**Finding 20-02/19-05/18-01:** Continue Improving Controls for Processing Access Terminations and Changes. This is a Partial Repeat Finding.

**Status:** 1. made significant improvements on the technical controls but those are still not where they need to be and are being addressed through DMV’s current Corrective Action Plan with the Department of Accounts.

2. 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.

3. As another means to address the control has DMV 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.

4. DMV’s internal AD Domain has been on boarded to the VITA platform. This will allow DMV to manage those accounts from the same tool.

5. 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.
6. DMV expanded the scope of the original systems to include newly identified external systems and IoT systems.
7. Requested increase to IT MEL to facilitate moving Access Mgt. activities from ITS and other business units to ISRM (Security).
8. New ISO for I&AM hired on May 25th and the ASO staff were moved from SSG (IT) to ISRM (Security). Termination list was updated with additional touchpoints.
9. Additional monitoring was added to the existing process to determine if improvements are needed.
10. Completed the testing of the new "glass-break" process with SAIC that provides a much faster response time on terminations, this is now in production.
11. Started process to identify managers that submit termination requests after an employee leaves instead of before with targeted training on the process.

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

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**Department of Transportation (VDOT)**

**Audit Year:** 2020

**Finding 20-01:** Improve Financial Reporting of Infrastructure Assets. This is a Material Weakness and a Repeat Finding.

**Status:** Completion date of June 30, 2022 hasn't changed. VDOT is making significant progress with procedure updates and has moved several of VDOT work papers into the application to streamline and automate processes.

**Status Summary:** In Progress (On Schedule)

**Finding 20-03:** Follow-Up with Supervisors to Ensure the Separating Employee Checklist is properly completed

**Status:** VDOT is still on path to be able to incorporate this into VDOT Phase II People Management Fundamentals modules (one or more) later this fall.

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

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Compliance Monitoring

Agency Risk Management and Internal Control Standards (ARMICS) Compliance

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

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

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

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

1. Late completion of the ARMICS annual certification in the ARMICS Certification System (ACS) (without DOA authorization) will result in citation in the current year’s 9/30 Comptroller’s Quarterly Report (QR).

2. Certification status of Compliant or Partially-Compliant with the documentation of processes required for successful completion of ARMICS found to be insufficient; therefore, the agency’s ARMICS certification status was rejected by DOA. This will result in citation in the QR until the agency has submitted and completed a CAP. The status of the agency’s submitted CAP will be reported until completion has been certified.

3. Certification status of Non-Compliant, 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. The status of the agency’s submitted Corrective Action Plan (CAP) will be reported until completion has been certified.

4. Failure to complete the ARMICS annual certification in the ACS will result in citation in the QR until the agency has submitted and completed a CAP. The status of the agency’s submitted CAP will be reported until completion has been certified.

5. 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 completion has been certified.
As of December 31, 2021, 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 2021 and submitted a **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>Central Virginia Community College</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Commonwealth Center for Children &amp; Adolescents</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Department of Emergency Management</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by September 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Department of General Services</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Department of Military Affairs</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Agency Name</td>
<td>Reason for Non-Compliance</td>
<td>Initial Corrective Action Plan Received</td>
<td>Status of Corrective Action</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------------------------</td>
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<td>-----------------------------</td>
</tr>
<tr>
<td>Department of Social Services</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by September 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Frontier Culture Museum of Virginia</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by September 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Grants to Localities</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by March 31, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>John Tyler Community College</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Mountain Empire Community College</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by February 28, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Agency Name</td>
<td>Reason for Non-Compliance</td>
<td>Initial Corrective Action Plan Received</td>
<td>Status of Corrective Action</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Virginia Board of Bar Examiners</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by September 30, 2022. Quarterly status update received.</td>
</tr>
<tr>
<td>Virginia Department of Health</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Initial Corrective Action Plan submitted. Quarterly status update not received.</td>
</tr>
<tr>
<td>Virginia Foundation for Healthy Youth</td>
<td>Certified Non-Compliant</td>
<td>Yes</td>
<td>Agency states internal control assessments will be completed by June 30, 2022. Quarterly status update received.</td>
</tr>
</tbody>
</table>

The following agencies **did not comply with ARMICS in FY 2020**, submitted an Exhibit 4 or Non-Compliant Certification Statement, and **have not yet completed corrective actions**:

<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>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 March 31, 2022. Quarterly status update received.</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 June 30, 2022. Quarterly status update received.</td>
</tr>
</tbody>
</table>
The following agencies did not complete the ARMICS certification process; therefore were not in compliance with ARMICS in FY 2021:

Division of Selected Agency Support Services
Gunston Hall
Virginia Racing Commission

There were no agencies found to be non-compliant with the ARMICS process based on a QAR performed during this quarter.

✦✦✦✦✦✦
Compliance with Comptroller’s Directives

Annually, all agencies and higher education institutions are required to submit information pursuant to the Comptroller’s financial statement directives. This financial data is integral to the successful completion of the Commonwealth’s Comprehensive Annual Financial Report. For the FY 2021 reporting period, the following issue was noted.

**Comptroller’s Directive 1-21, Directive Compliance Guidelines for State Agencies**

Department of Health – failed to submit three attachments accurately resulting in multiple resubmissions and did not respond promptly to follow-up communications from the Department of Accounts staff.
Analysis of Appropriation, Allotments and Expenditures, and Cash Balances

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

DOA contacts agencies in writing about credit cash balances and appropriations versus expenditure anomalies. For the quarter ended December 31, 2021, the following agencies failed to respond timely, make corrective action and/or provide additional information.

Credit Cash, Excess Expenditures, and Expenditure Credits

As of December 31, 2021

<table>
<thead>
<tr>
<th>Agency</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Wildlife Resources</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Danville Community College</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Patrick Henry Community College</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Southwest Virginia Community College</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
E-Commerce

Travel Check Charges

In accordance with Chapter 552, 2021 Special Session I, Virginia Acts of Assembly § 4-5.04 f., the Comptroller charges agencies $5 for travel reimbursement checks issued in lieu of Travel EDI. Agencies are charged for each travel reimbursement check issued to an employee after their second check of the fiscal year. Agencies are expected to take action to enroll applicable employees in the EDI program and thus avoid the fees altogether. The following table lists agencies that have incurred travel check charges during the second quarter of FY 2022.

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 December 31, 2021</th>
<th>Fiscal Year 2022 To-date Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Military Institute</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>Virginia State University</td>
<td>$30.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Longwood University</td>
<td>$0.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Virginia Museum of Fine Arts</td>
<td>$30.00</td>
<td>$30.00</td>
</tr>
<tr>
<td><strong>Public Safety and Homeland Security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of State Police</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>Haynesville Correctional Center</td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Department of Fire Programs</td>
<td>$15.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Virginia Alcoholic Beverage Control Authority</td>
<td>$15.00</td>
<td>$15.00</td>
</tr>
<tr>
<td><strong>Judicial</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circuit Courts</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>General District Courts</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Motor Vehicles</td>
<td>$60.00</td>
<td>$85.00</td>
</tr>
<tr>
<td><strong>Veterans and Defense Affairs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Military Affairs</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
</tbody>
</table>
Direct Deposit

Effective March 31, 2020, direct deposit was mandated for all employees. Agencies that did not attain a salaried direct deposit performance rate of at least 98% are included in this report.

Direct Deposit Performance by Secretarial Area
Quarter Ended December 31, 2021

<table>
<thead>
<tr>
<th>Secretarial Area</th>
<th>Direct Deposit % of Salaried Employees</th>
<th>Direct Deposit % of Wage Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>99.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Agriculture and Forestry</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Commerce and Trade</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Education</td>
<td>99.5%</td>
<td>97.3%</td>
</tr>
<tr>
<td>Executive Offices</td>
<td>99.5%</td>
<td>95.5%</td>
</tr>
<tr>
<td>Finance</td>
<td>99.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Health and Human Resources</td>
<td>99.0%</td>
<td>99.6%</td>
</tr>
<tr>
<td>Independent Agencies</td>
<td>99.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Judicial</td>
<td>99.9%</td>
<td>90.3%</td>
</tr>
<tr>
<td>Legislative</td>
<td>99.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>99.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Public Safety and Homeland Security</td>
<td>99.3%</td>
<td>99.8%</td>
</tr>
<tr>
<td>Transportation</td>
<td>99.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Veterans and Defense Affairs</td>
<td>98.0%</td>
<td>98.9%</td>
</tr>
</tbody>
</table>

| Statewide                             | 99.2%                                  | 98.0%                             |

Comparative
Quarter Ended December 31, 2020

| Statewide                             | 99.5%                                  | 97.9%                             |
### Statewide Salaried Direct Deposit Performance

**Quarter Ended December 31, 2021**

**Salaried Direct Deposit Participation** 99.4%

**Salaried Direct Deposit Below 98 Percent**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Percent</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia State University</td>
<td>97.1%</td>
<td>618</td>
</tr>
<tr>
<td><strong>Executive Offices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Select Agencies</td>
<td>93.6%</td>
<td>47</td>
</tr>
<tr>
<td><strong>Health and Human Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Center for Behavioral Rehabiliation</td>
<td>94.2%</td>
<td>480</td>
</tr>
<tr>
<td><strong>Independent Agencies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia College Savings Plan</td>
<td>97.7%</td>
<td>128</td>
</tr>
<tr>
<td><strong>Public Safety &amp; Homeland Security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Rock Correctional Center</td>
<td>97.7%</td>
<td>262</td>
</tr>
<tr>
<td>Greensville Correctional Center</td>
<td>97.7%</td>
<td>619</td>
</tr>
<tr>
<td>Haynesville Correctional Center</td>
<td>97.4%</td>
<td>311</td>
</tr>
<tr>
<td>Sussex I &amp; II State Prisons Complex</td>
<td>97.7%</td>
<td>472</td>
</tr>
<tr>
<td>Virginia Correctional Center for Women</td>
<td>97.0%</td>
<td>300</td>
</tr>
<tr>
<td><strong>Veterans and Defense Affairs Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sitter and Barfoot Veterans Care Center</td>
<td>97.8%</td>
<td>271</td>
</tr>
<tr>
<td>Virginia Veterans Care Center</td>
<td>96.5%</td>
<td>231</td>
</tr>
</tbody>
</table>

### Statewide Wage Direct Deposit Performance

**Quarter Ended December 31, 2021**

**Wage Direct Deposit Participation** 97.7%

**Wage Direct Deposit Below 90 Percent**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Percent</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>88.9%</td>
<td>1,863</td>
</tr>
<tr>
<td>Virginia State University</td>
<td>59.5%</td>
<td>841</td>
</tr>
<tr>
<td>VSU/Cooperative Extension and Agricultural Research Service</td>
<td>76.0%</td>
<td>154</td>
</tr>
</tbody>
</table>

12/31/21 Quarterly Report 53 Department of Accounts
Payroll Earnings Notices

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

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

Annual Payline & Earnings Notice Opt-Out Participation

![Graph showing Payline Participants and Earnings Notices Eliminated over years Dec 18 to Dec 21]
Payroll Controls

CIPPS/PMIS Payroll Audit

During the quarter, DOA’s automated comparison of payroll (CIPPS) and personnel (PMIS) records examined 384,219 salaried pay transactions and 96,137 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 3,463 new exceptions noted statewide during the quarter, with an overall exception rate of 0.42%.

The statewide salaried payroll exception rate was 0.41% and the wage payroll exception rate was 0.47%. During this quarter, no employee paychecks were reduced to collect prior overpayments.

While the largest cause of exceptions are to processing payroll for employees with no PMIS record, the second largest cause of exceptions was because the separation date was prior to the pay period end date. These exceptions can be avoided through timely PMIS data entry by agency Human Resource staff. Although segregation of these Human Resource and Payroll functions is an effective internal control, coordination and communication between agency Human Resource and Payroll staffs is essential.

![Payroll Audit Exception Report](image)
Exception percentages are calculated by dividing the number of exceptions by the number of salaried or wage employees. Agencies are reported below if the percentage of payroll exceptions to salaried or wage payments exceeds three times the statewide average for the quarter. The following agencies exceeded the allowed threshold for wage or salaried payments during the quarter ending December 31, 2020.

<table>
<thead>
<tr>
<th>Agency</th>
<th># of Salaried Exceptions</th>
<th>Exceptions as a % of Salaried Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catawba Hospital</td>
<td>23</td>
<td>1.36%</td>
</tr>
<tr>
<td>Central Virginia Training Center</td>
<td>1</td>
<td>5.26%</td>
</tr>
<tr>
<td>Commonwealth Center for Children and Adolescents</td>
<td>4</td>
<td>0.60%</td>
</tr>
<tr>
<td>Sitter and Barfoot Veterans Care Center</td>
<td>12</td>
<td>0.77%</td>
</tr>
<tr>
<td>Southern Virginia Mental Health Institute</td>
<td>5</td>
<td>0.52%</td>
</tr>
<tr>
<td>Western State Hospital</td>
<td>39</td>
<td>1.04%</td>
</tr>
</tbody>
</table>

Salaried Payroll Exceptions for the Quarter 0.41%
The following chart compares payroll exceptions as a percentage of wage payments by quarter for the past two years.

### Agency Payroll Exceptions as a Percent of Wage Payments

#### Quarter Ending December 31, 2021

<table>
<thead>
<tr>
<th>Agency</th>
<th># of Wage Exceptions</th>
<th>Exceptions as a % of Wage Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catawba Hospital</td>
<td>22</td>
<td>10.58%</td>
</tr>
<tr>
<td>Commonwealth Center for Children and Adolescents</td>
<td>17</td>
<td>10.18%</td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>76</td>
<td>2.72%</td>
</tr>
<tr>
<td>Sitter and Barfoot Veterans Care Center</td>
<td>8</td>
<td>3.33%</td>
</tr>
<tr>
<td>Virginia-Israel Advisory Board</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>Virginia Lottery</td>
<td>11</td>
<td>5.26%</td>
</tr>
<tr>
<td>Virginia Veterans Care Center</td>
<td>5</td>
<td>2.17%</td>
</tr>
<tr>
<td>Western State Hospital</td>
<td>138</td>
<td>34.59%</td>
</tr>
</tbody>
</table>

#### Wage Payroll Exceptions for the Quarter

<table>
<thead>
<tr>
<th>Dec-19</th>
<th>Mar-20</th>
<th>Jun-20</th>
<th>Sep-20</th>
<th>Dec-20</th>
<th>Mar-21</th>
<th>Jun-21</th>
<th>Sep-21</th>
<th>Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50%</td>
<td>0.45%</td>
<td>0.40%</td>
<td>0.35%</td>
<td>0.30%</td>
<td>0.25%</td>
<td>0.20%</td>
<td>0.15%</td>
<td>0.10%</td>
</tr>
</tbody>
</table>

#### Total Quarterly Wage Exceptions

**December 2019 - December 2021**

---

12/31/21 Quarterly Report

Department of Accounts
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>Augusta Correctional Center</td>
<td>1</td>
</tr>
<tr>
<td>Central Virginia Community College</td>
<td>26</td>
</tr>
<tr>
<td>Department of Conservation and Recreation</td>
<td>3</td>
</tr>
<tr>
<td>Department of Motor Vehicles</td>
<td>1</td>
</tr>
<tr>
<td>Department of Public Rail and Transportation</td>
<td>5</td>
</tr>
<tr>
<td>Eastern State Hospital</td>
<td>3</td>
</tr>
<tr>
<td>Fluvanna Correctional Center for Women</td>
<td>8</td>
</tr>
<tr>
<td>Haynesville Correctional Center</td>
<td>2</td>
</tr>
<tr>
<td>Hiram Davis Medical Center</td>
<td>4</td>
</tr>
<tr>
<td>John Tyler Community College</td>
<td>7</td>
</tr>
<tr>
<td>Longwood University</td>
<td>1</td>
</tr>
<tr>
<td>Mountain Empire Community College</td>
<td>9</td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>64</td>
</tr>
<tr>
<td>Piedmont Virginia Geriatric Hospital</td>
<td>2</td>
</tr>
<tr>
<td>Red Onion State Prison</td>
<td>1</td>
</tr>
<tr>
<td>Southwestern Virginia Mental Health Institute</td>
<td>8</td>
</tr>
<tr>
<td>Southwestern Virginia Training Center</td>
<td>6</td>
</tr>
<tr>
<td>State Council of Higher Education</td>
<td>1</td>
</tr>
<tr>
<td>Sussex I and II State Prison Complex</td>
<td>20</td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td>4</td>
</tr>
<tr>
<td>Virginia Alcoholic Beverage Control Authority</td>
<td>26</td>
</tr>
<tr>
<td>Virginia Veterans Care Center</td>
<td>3</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 4:45 p.m. daily to ensure sufficient time is available for central review by DOA staff to validate certification entries, a critical compensating control. This temporary change has been in effect since March 2020 due to the pandemic. Late entries, either initial or correcting, make certification review more difficult or impossible. When a data entry error is detected during the review process, DOA must make corrections to avoid inaccurate payroll disbursements and/or voluminous and costly corrective action.

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

<table>
<thead>
<tr>
<th>Agency</th>
<th>Variance Amount (a)</th>
<th>Performed by DOA (b)</th>
<th>Submitted Late (c)</th>
<th>Corrected by DOA (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norfolk State University</td>
<td></td>
<td></td>
<td></td>
<td>2</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></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Department of Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hiram Davis Medical Center</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Western State Hospital</td>
<td>$45,252</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Safety and Homeland Security</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Forensic Science</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Department Of Juvenile Justice</td>
<td>63,926</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Division of Community Corrections</td>
<td>23,107</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Columns show the following:

- (a) Variance in dollars for agencies whose certified amounts varied from actual computed amounts if the variance is more than $20,000 for any payrolls processed during the quarter or the explanation for gross pay difference was submitted late.
- (b) The number of times DOA had to perform the certification function for the agency due to inadequate agency back-up.
- (c) The number of certifications that were submitted or altered later than the daily deadline.
- (d) The number of times DOA made corrections to agency certifications during the quarter.
Health Care Reconciliations

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

### Health Care Reconciliations
as of December 31, 2021

<table>
<thead>
<tr>
<th>Agency</th>
<th>Incomplete*</th>
<th>Errors*</th>
<th>Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catawba Hospital</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Virginia Community College</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Virginia Training Center</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSU Cooperative Extension and Agricultural Research Services</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Division of Capital Police</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluvanna Correctional Center for Women</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piedmont Geriatric Hospital</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern Virginia Mental Health Institute</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia Retirement System</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia State University</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

***
Payroll Statistics

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

On average, 77,608 employees were paid each month, of which 61,614 were salaried employees.

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

Statistics do not include employees of eight institutions of higher education that are decentralized for payroll processing.
The Commonwealth offers a variety of compensation, and flexible reimbursement programs.

### Benefit Participation

#### Number of Participating Employees

<table>
<thead>
<tr>
<th>Benefit</th>
<th>As of 12/31/2021</th>
<th>As of 12/31/2020</th>
<th>As of 12/31/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health Care</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COVA Care</td>
<td>38,893</td>
<td>50,218</td>
<td>51,861</td>
</tr>
<tr>
<td>COVA Health Aware</td>
<td>4,404</td>
<td>5,469</td>
<td>5,094</td>
</tr>
<tr>
<td>Kaiser</td>
<td>908</td>
<td>1,223</td>
<td>1,213</td>
</tr>
<tr>
<td>Optima Health</td>
<td>902</td>
<td>964</td>
<td>722</td>
</tr>
<tr>
<td>Tricare</td>
<td>58</td>
<td>69</td>
<td>71</td>
</tr>
<tr>
<td><strong>Optional Retirement Plans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fidelity Investments</td>
<td></td>
<td>1,193</td>
<td>1,709</td>
</tr>
<tr>
<td>Political Appointee - ORP</td>
<td>107</td>
<td>124</td>
<td>119</td>
</tr>
<tr>
<td>TIAA/CREF</td>
<td></td>
<td>604</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred Compensation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commonwealth of Virginia 457 D/C Plan</td>
<td>32,128</td>
<td>33,406</td>
<td>34,054</td>
</tr>
<tr>
<td>Commonwealth of Virginia 457 Roth Plan</td>
<td>4,970</td>
<td>4,238</td>
<td>3,454</td>
</tr>
<tr>
<td>Hybrid Mandatory</td>
<td>23,050</td>
<td>20,765</td>
<td>18,629</td>
</tr>
<tr>
<td>Hybrid 457 Voluntary D/C Plan</td>
<td>14,772</td>
<td>15,775</td>
<td>8,685</td>
</tr>
<tr>
<td><strong>Flexible Reimbursement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent Care</td>
<td>862</td>
<td>782</td>
<td>1,110</td>
</tr>
<tr>
<td>Medical Care</td>
<td>10,565</td>
<td>10,788</td>
<td>11,237</td>
</tr>
</tbody>
</table>

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

Cardinal Wave 1 agencies are not included in the statistics.