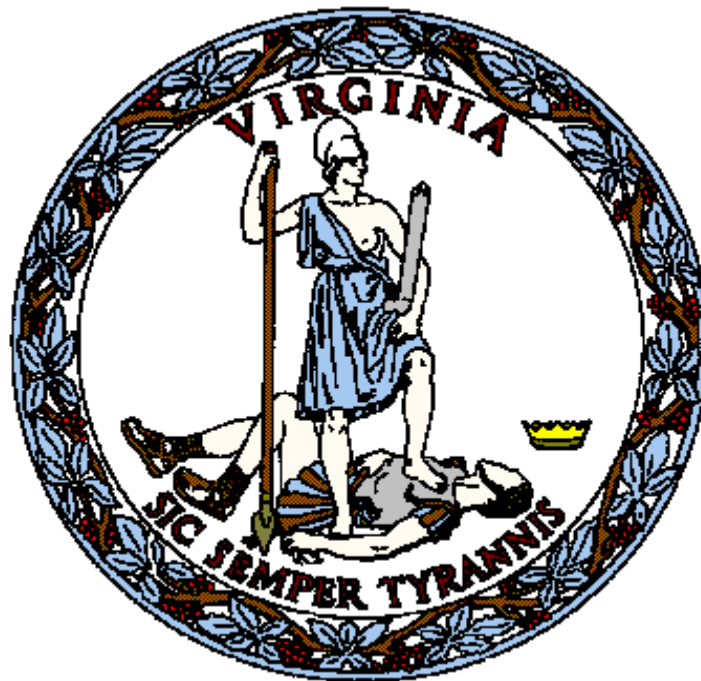


# **REPORT ON STATEWIDE COMPLIANCE**

**FOR THE QUARTER ENDED  
MARCH 31, 2021**



**OFFICE OF THE COMPTROLLER**

**DEPARTMENT OF ACCOUNTS**

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## STATEMENT OF PURPOSE

The *Code of Virginia* requires that the Department of Accounts (DOA) monitor and account for all transactions involving public funds. In order to carry out this mandate, the Department uses a variety of measures, including automated controls, statistical analyses, pre-audits and post-audits, staff studies and reviews of reports issued by the Auditor of Public Accounts. When taken as a whole, these measures provide an important source of information on the degree of agency compliance with Commonwealth accounting and financial management policies, internal controls, procedures, regulations, and best practices.

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

This *Quarterly Report* includes information for the quarter ended March 31, 2021, and comparative FY 2020 data.

David A. Von Moll, CPA, CGFM  
Comptroller



Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

## SPECIAL REPORT 2020 Year-End Payroll Processing

At the end of calendar year 2020, DOA working with 203 state agencies and institutions, verified and printed 112,518 W-2s. This was a slight decrease from the number of W-2s printed in 2019.

	CY 2020	CY 2019
W-2s Printed	112,518	118,433
W-2Cs Printed	33*	50*
Agencies Making Adjustments	64	82
Employee Records Requiring Year-End Adjustments	183	361

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

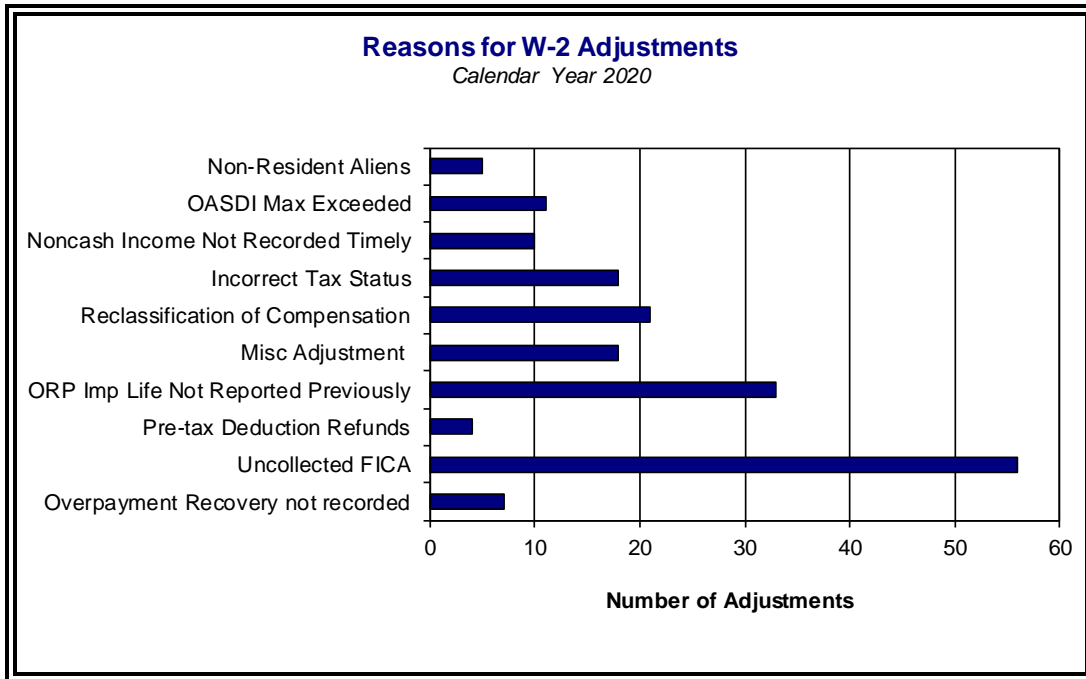
Many agencies improved the timeliness of payroll updates during the year which made it possible to begin W2 processing sooner.

As a result, required processing deadlines continue to be met without difficulty.

Submissions of certified year-end reports continue to follow the same trend as last year.

Eighty-two agencies adjusted 183 employee records. Thirty-one percent of all adjustments were required for uncollected FICA. Another eighteen percent of the corrections were attributable to ORP Imputed Life not being reported previously. Twelve percent were the result of reclassification of compensation.

W-2s are printed at the Department of Treasury using self-mailers. Upon return from Treasury, agencies are notified that the W-2s are ready for pickup. CIPPS W-2s were available in Payline by January 28th for all agencies. All paper copies were picked up by January 29th for subsequent delivery to employees.



## COMPLIANCE

### Auditor of Public Accounts Reports - Executive Branch and Independent Agencies

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

Each agency must provide a written response that includes a Corrective Action Workplan (CAW) to the Department of Planning and Budget, the Department of Accounts, and the agency’s Cabinet Secretary when its audit report contains one or more audit findings. Workplans must be submitted within 30 days of receiving the audit report. Commonwealth Accounting Policies and Procedures (CAPP) manual, Topic No. 10205, *Agency Response to APA Audit*, contains instructions and guidance on preparing the workplan.

The APA also reports additional recommendations that can include risk alerts, efficiency issues, or any other improvements that can be made within agency operations. Risk alerts address issues that are beyond the capacity of agency management to implement effective corrective actions. Efficiency issues provide management with recommendations to enhance agency practices, processes or procedures. Additional recommendations are provided following the Audit Findings section.

The APA also issued several Special and Other Reports during the quarter. These reports are listed following the Additional Recommendations section. The full text of these reports is available at [www.apa.virginia.gov](http://www.apa.virginia.gov).

### *Audit Reports – Quarter Ended March 31, 2021*

The APA issued 12 reports covering 21 State Agencies for the Executive Branch and 2 reports for the Independent Agencies. The last column indicates whether the CAW has been received as of the date of this publication for each agency with audit findings. Note that in some cases, the CAW may not have been received because it is not yet due.

	New Findings	Repeat Findings	Total Findings	CAW Received
<b>Administration</b>				
Department of Human Resources Management	0	0	0	N/A
Virginia Information Technologies Agency	1	0	1	YES
<b>Agriculture and Forestry</b>				
None				
<b>Commerce and Trade</b>				
Virginia Employment Commission	5	0	5	YES
<b>Education</b>				
Department of Education/Direct Aid to Public Education <sup>(1)</sup>	0	0	0	N/A
Virginia Commonwealth University	1	0	1	YES
3/31/21 Quarterly Report		4		Department of Accounts

	New Findings	Repeat Findings	Total Findings	CAW Received
Virginia Community College System	1	0	1	YES
Virginia State University	3	5	8	YES
<b>Executive Offices</b>				
None				
<b>Finance</b>				
Department of Accounts <sup>(2)</sup>	1	1	2	YES
Department of Planning and Budget <sup>(2)</sup>	2	1	3	YES
Department of Taxation <sup>(2)</sup>	2	3	5	YES
Department of the Treasury <sup>(2)</sup>	0	2	2	YES
Treasury Board <sup>(2)</sup>	0	0	0	N/A
<b>Health and Human Resources</b>				
Department of Behavioral Health and Developmental Services <sup>(3)</sup>	3	13	16	YES
Department of Health <sup>(3)</sup>	3	7	10	YES
Department of Medical Assistance Services <sup>(3)</sup>	6	4	10	YES
Department of Social Services <sup>(3)</sup>	2	15	17	YES
<b>Independent Agencies</b>				
Virginia Lottery	0	0	0	N/A
Virginia Retirement System	0	0	0	N/A
<b>Natural Resources</b>				
None				
<b>Public Safety and Homeland Security</b>				
Department of Criminal Justice Services	0	1	1	YES
<b>Technology</b>				
None				
<b>Transportation</b>				
Department of Transportation <sup>(4)</sup>	2	1	3	YES
Department of Motor Vehicles <sup>(4)</sup>	1	1	2	YES
<b>Veterans and Defense Affairs</b>				
Department of Military Affairs	1	1	2	YES

(1) The APA issued one report titled, "Department of Education including Direct Aid to Public Education for the year ended June 30, 2020."

(2) The APA issued one report titled, "Agencies of the Secretary of Finance for the year ended June 30, 2020."

(3) The APA issued one report titled, "Agencies of the Secretary of Health and Human Resources for the year ended June 30, 2020."

(4) The APA issued one report titled, "Agencies of the Secretary of Transportation for the year ended June 30, 2020."



## *Audit Findings - Quarter Ended March 31, 2021*

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

### **Administration**

#### *Virginia Information Technologies Agency*

1. Ensure ITISP Suppliers Meet all Contractual Requirements

### **Commerce and Trade**

#### *Virginia Employment Commission*

1. Comply with Federal RESEA Requirements. **This is a Material Weakness.**
2. Submit Required Reports Timely
3. Improve Information Technology Governance
4. Promptly Complete the Employment Eligibility Form
5. Comply with Statutory Deduction Requirements

### **Education**

#### *Virginia Commonwealth University*

1. Improve Timeliness of the Commonwealth's Retirement Benefits System Reconciliation Process

#### *Virginia Community College System*

1. Monitor Statewide WIOA Grant Program According to Policy

#### *Virginia State University*

1. Improve Documentation of Sole Source Procurement. **This is a Partial Repeat Finding.**
2. Improve Internal Controls Over Financial Reporting for Capital Assets. **This is a Partial Repeat Finding.**
3. Improve Process for Employment Eligibility. **This is a Repeat Finding.**
4. Improve Processes over Payroll and Human Resources Reconciliations. **This is a Partial Repeat Finding.**
5. Establish a Process for Periodically Reviewing Stagnate Grants and Contributions. **This is a Repeat Finding.**
6. Match Federal Grants with Qualifying State Expense. **This is a Material Weakness.**
7. Retain Documentation to Support Transactions and Respond to Audit Inquiries
8. Establish and Maintain a Complete Contract Listing



## Finance

### *Department of Accounts*

1. Continue to Dedicate Resources to Timely Update CAPP Manual Topics. **This is a Partial Repeat Finding.**
2. Ensure Timely Approval of ChartField Changes

### *Department of Planning and Budget*

1. Continue to Improve Database Governance and Security. **This is a Partial Repeat Finding.**
2. Improve Audit Logging and Monitoring Controls
3. Review and Update Baseline Configuration Standards

### *Department of Taxation*

1. Continue to Improve Controls Over User Access. **This is a Repeat Finding.**
2. Continue to Improve Disaster Recovery Planning Documentation. **This is a Repeat Finding.**
3. Continue Completing a Risk Assessment for Each Sensitive System. **This is a Repeat Finding.**
4. Improve Patching to Mitigate Vulnerabilities
5. Ensure Employees Complete Required Conflict of Interest Training

### *Department of the Treasury*

1. Continue to Improve Policies and Procedures over Unclaimed Property Reconciliations. **This is a Repeat Finding.**
2. Continue to Improve Process for Payments of Risk Management Invoices. **This is a Repeat Finding.**

## Health and Human Resources

### *Department of Behavioral Health and Developmental Services*

1. Ensure Consistent Application of Subrecipient Monitoring Controls. **This is a Material Weakness.**
2. Perform Independent Peer Reviews of Community Mental Health Programs
3. Implement Standardized Off-Boarding Procedures. **This is a Repeat Finding.**
4. Improve Controls Over Financial Systems Reconciliations. **This is a Repeat Finding.**
5. Perform and Document Commonwealth's Retirement Benefits System Reconciliations **This is a Repeat Finding.**
6. Improve Controls over Payroll Reconciliations
7. Improve Controls over Payroll Certifications. **This is a Repeat Finding.**
8. Properly Approve and Monitor Administrative Employee Overtime. **This is a Repeat Finding.**
9. Continue Dedicating Resources to Support Information Security Program. **This is a Repeat Finding.**

10. Improve IT Contingency Management Program. **This is a Repeat Finding.**
11. Develop Baseline Configuration for Information Systems. **This is a Repeat Finding.**
12. Continue Improving Web Application Security. **This is a Partial Repeat Finding.**
13. Continue to Develop and Implement Compliant Application Access Management Procedures. **This is a Repeat Finding.**
14. Comply with Employment Eligibility Requirements. **This is a Repeat Finding.**
15. Continue to Improve Opioid Grant Subrecipient Monitoring. **This is a Repeat Finding.**
16. Provide Federal Award Requirements to Subrecipients. **This is a Repeat Finding.**

### *Department of Health*

1. Strengthen Controls over Commitments Reporting. **This is a Material Weakness.**
2. Improve Information Technology Change Management Process for a Sensitive System
3. Strengthen Process over Employee Separations
4. Continue Improving Web Application Security. **This is a Repeat Finding.**
5. Continue Improving the Disaster Recovery Plan. **This is a Repeat Finding.**
6. Continue Improving the Contingency Management Program. **This is a Repeat Finding.**
7. Continue Strengthening the System Access Removal Process. **This is a Repeat Finding.**
8. Continue Enhancing Reviews of System Access. **This is a Repeat Finding.**
9. Continue Following Administrative Code Requirements for Above-50-Percent Vendors. **This is a Partial Repeat Finding.**
10. Continue Addressing Compliance with the Conflicts of Interest Act. **This is a Repeat Finding.**

### *Department of Medical Assistance Services*

1. Properly Record Financial Transactions. **This is a Material Weakness.**
2. Improve Information Security Program and Controls. **This is a Material Weakness.**
3. Strengthen Review of System and Organization Control Reports for Third-Party Service Providers
4. Review Eligibility Information as Required
5. Improve Financial Management System Access Controls
6. Ensure Compliance with National Correct Coding Initiative Requirements
7. Strengthen Controls over Year End Accrual Reporting. **This is a Repeat Finding.**
8. Complete and Approve the System Security Plan. **This is a Repeat Finding.**
9. Remove Separated Employee Access in a Timely Manner. **This is a Repeat Finding.**
10. Continue Improving the Overpayment Collection Process. **This is a Repeat Finding.**

### *Department of Social Services*

1. Continue to Improve Controls over SNAP Payments. **This is a Material Weakness and a Repeat Finding.**
2. Define and Communicate Subrecipient Monitoring Responsibilities
3. Continue Improving IT Risk Management Program. **This is a Repeat Finding.**
4. Review Eligibility Information as Required
5. Continue to Improve Reconciliation Process of the Commonwealth's Retirement Benefits System. **This is a Repeat Finding.**
6. Review Exceptions Between Commonwealth's Human Resource System and Payroll System. **This is a Repeat Finding.**

7. Improve Controls over Income Verification for the TANF Program. **This is a Repeat Finding.**
8. Continue to Improve Controls over SNAP Federal Reporting. **This is a Repeat Finding.**
9. Continue to Improve Controls over TANF Federal Performance Reporting. **This is a Repeat Finding.**
10. Ensure Appropriate Oversight over Divisions' Monitoring Activities. **This is a Repeat Finding.**
11. Review Audits for Non-Locality Subrecipient and Communicate Results Timely. **This is a Repeat Finding.**
12. Continue Improving Database Security. **This is a Partial Repeat Finding.**
13. Continue Developing Record Retention Requirements and Processes for Electronic Records. **This is a Repeat Finding.**
14. Continue Improving Web Application Security. **This is a Repeat Finding.**
15. Continue Improving IT Change and Configuration Management Process. **This is a Repeat Finding.**
16. Continue to Improve Access Controls to Critical Systems. **This is a Repeat Finding.**
17. Comply with Federal Regulations for Documentation of Employment Eligibility. **This is a Repeat Finding.**

## Public Safety and Homeland Security

### *Department of Criminal Justice Services*

1. Improve Internal Controls over Financial Reporting. **This is a Repeat Finding.**

## Transportation

### *Department of Transportation*

1. Improve Financial Reporting of Infrastructure Assets. **This is a Material Weakness and a Repeat Finding.**
2. Improve Financial Reporting of Capital Assets Other than Roadway Infrastructure
3. Follow-Up with Supervisors to Ensure the Separating Employee Checklist is Properly Completed

### *Department of Motor Vehicles*

1. Develop a Schedule of Routine Accounting Adjustments
2. Continue Improving Controls for Processing Access Terminations and Changes. **This is a Partial Repeat Finding.**

## Veterans and Defense Affairs

### *Department of Military Affairs*

1. Strengthen Internal Control over Federal Awards. **This is a Repeat Finding.**
2. Improve Controls over Financial Attachment Preparation



***Risk Alerts – Quarter Ended March 31, 2021***

The APA issued the following Risk Alerts:

Department of Behavioral Health and Developmental Services: Continue to Comply with the Department of Justice Settlement Agreement

Department of Education including Direct Aid to Public Education:

- Improve Vulnerability Remediation Efforts
- Improve Audit Log Monitoring

Department of Taxation: Mitigate Server Vulnerabilities

***Special Reports – Quarter Ended March 31, 2021***

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

2020 Annual Report of the Auditor of Public Accounts

Report on Collections of Commonwealth Revenues by Local Constitutional Officers for the year ended June 30, 2020

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

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

Commonwealth of Virginia Single Audit Report for the year ended June 30, 2020

***Other Audit Reports – Quarter Ended March 31, 2021***

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

George Mason University Intercollegiate Athletics Programs for the year ended June 30, 2020

Internal Control Report on Local Government Investment Pool Program, Virginia College Building Authority, Virginia Public Building Authority, and Virginia Public School Authority for the year ended June 30, 2020

James Madison University Intercollegiate Athletics Programs for the year ended June 30, 2020

Norfolk State University Intercollegiate Athletics Programs for the year ended June 30, 2020

Northern Virginia Community College Review Report for the year ended June 30, 2020

Old Dominion University Intercollegiate Athletics Programs for the year ended June 30, 2020

Radford University Intercollegiate Athletics Programs for the year ended June 30, 2020

Review of the Rappahannock River Basin Commission Financial Information, and the George Washington Regional Commission’s audit report relating to fiscal year ended June 30, 2020

The College of Williams and Mary in Virginia Intercollegiate Athletics Programs for the year ended June 30, 2020

University of Virginia’s College at Wise Intercollegiate Athletics Programs for the year ended June 30, 2020

University of Virginia Intercollegiate Athletics Programs for the year ended June 30, 2020

Virginia Commonwealth University Intercollegiate Athletics Programs for the year ended June 30, 2020

The APA issued the following “Other Reports” that contained management recommendations and a risk alert:

Virginia Biotechnology Research Partnership Authority for the year ended June 30, 2020

Virginia Economic Development Partnership for the year ended June 30, 2020

***Internal Control Questionnaire Reviews - Quarter Ended March 31, 2021***

No APA “Internal Control Questionnaire Reviews” were received.



**Auditor of Public Accounts Reports - Executive Branch Agencies**

*Summary of Prior Audit Findings*

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

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

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
<b>Administration</b>				
Department of General Services' Bureau of Real Estate Services	1	0	0	0
<b>Commerce and Trade</b>				
Virginia Employment Commission	0	1	0	1
<b>Education</b>				
Department of Education including Direct Aid to Public Education	0	1	0	2
Christopher Newport University	0	0	0	1
George Mason University	0	0	0	1
Longwood University	6	0	0	0
Norfolk State University	3	2	0	0
Richard Bland College	0	0	0	1
Southern Virginia Higher Education Center	0	1	0	0
University of Mary Washington	0	1	0	0
University of Virginia	1	1	0	1
University of Virginia Medical	3	0	1	0
Virginia Community College System – Central Office	0	3	2	0
Virginia Community College System – Shared Services Center	0	0	1	0
John Tyler Community College	0	2	0	0
Virginia Military Institute	0	0	0	1
Virginia Polytechnic Institute and State University	2	0	1	0
Virginia State University	2	0	0	0
<b>Executive Offices</b>				
Attorney General and Department of Law	2	0	1	0
<b>Finance</b>				
Department of Taxation	0	3	0	0
Department of the Treasury	0	1	0	0

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
<b>Health and Human Resources</b>				
Department of Aging and Rehabilitative Services	9	1	0	1
Department of Behavioral Health and Developmental Services	1	6	0	1
Department of Health	0	5	0	1
Department of Medical Assistance Services	0	3	0	0
Department of Social Services	0	8	0	1
Department for the Blind and Vision Impaired	6	3	0	0
Department for the Deaf and Hard-of-Hearing	0	1	0	0
Virginia Board for People with Disabilities	0	1	0	0
<b>Independent Agencies</b>				
State Corporation Commission	2	0	2	0
<b>Natural Resources</b>				
Department of Game and Inland Fisheries	2	0	0	0
<b>Public Safety and Homeland Security</b>				
Department of Corrections	1	0	2	0
Department of Fire Programs	5	0	0	0
Department of State Police	0	11	0	0
Virginia Alcoholic Beverage Control Authority	2	2	0	0
<b>Transportation</b>				
Department of Motor Vehicles	0	1	0	0
<b>TOTALS</b>	<b>48</b>	<b>58</b>	<b>10</b>	<b>12</b>



## *Status of Prior Audit Findings*

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

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

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

### **Administration**

#### **Department of General Services' Bureau of Real Estate Services (DGS)\***

**Audit Year: 2020**

**Finding 20-01:** Improve Lease Policies and Procedures and Review of Lease Classifications

**Status:** Revise policies and procedures.

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

### **Commerce and Trade**

#### **Virginia Employment Commission (VEC)**

**Audit Year: 2019**

**Finding 19-01:** Improve Database Security

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

**Status Summary:** Completed (Delayed)

**Audit Year: 2016**

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

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

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

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



## Education

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

**Audit Year: 2019**

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

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

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

**Audit Year: 2015**

**Finding 15-03:** Continue to Improve Information Security Policies and Procedures. **This is a Repeat Finding.**

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

**Status Summary:** Completed (Delayed)

**Finding 15-04/14-04:** Improve Risk Management and IT Security Audit Plan Document. **This is a Repeat Finding.**

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

**Status Summary:** Completed (Delayed)

### Christopher Newport University (CNU)

**Audit Year: 2019**

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

**Status:** Several major improvements were deployed by ITS to the Employee Resource System the week of December 7, 2020, including enhanced reporting and improved supervisor access. The policy was updated in January 2021 to account for changes in the system and processes, and a new training was deployed in March 2021 for all supervisors and resource providers. HR completed quarterly audits and HR is providing a monthly report to Vice Presidents with any supervisors or resource providers that are non-compliant. Major improvements were made by December 31, 2020; however, additional enhancements will continue to be implemented including evaluating the use of software in conjunction with the ERS for onboarding.

**Status Summary:** Completed (Delayed)

### George Mason University (GMU)

**Audit Year: 2019**

**Finding 19-02:** Improve Patch and Vulnerability Management

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

**Status Summary:** Completed (Delayed)

### Longwood University (LU)\*

**Audit Year: 2020**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Finding 20-05:** Improve Database Security

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

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

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

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

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

### **Norfolk State University (NSU)**

**Audit Year: 2020**

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

**Status:** All policies are being reviewed and updated due to a new requirement that NSU must develop, and the Board of Visitors (BOV) must adopt, information technology policies governing IT security. The process for policy approval includes submitting a Statement of Proposed Policy and a Policymaking Process Checklist. Seven (7) IT Security policies have been entered into the approval process. Three (3) were approved by the BOV in 2020 QTR4. On December 11, 2020, the Norfolk State University Board of Visitors approved the System Maintenance Policy, Media Protection Policy, and Logical Access Policy. Copies of the policies have been made available online in the NSU Policy Library. Four (4) IT policies are awaiting a legal sufficiency review and are scheduled to be approved by the BOV in 2021 QTR1. All remaining policies are still in the initiation and development phase. Outdated policies are adhered to until new policies are approved by the BOV. A larger inventory of information technology policies are currently in the NSU review process. The Agency Head, the ISO, and OIT are planning for 3-4 policies to be approved per quarter, which are scheduled to be completed by December 31, 2021. Currently, ten (10) systems have System Security Plans (SSP's). As part of the Risk Assessment strategy, Risk Reports, and Risk Treatment Plans are currently being developed for the 10 systems assessed in 2020. OIT continues to provide training to staff members who hold key security roles and responsibilities.

**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:** OIT has made substantial progress with upgrading critical infrastructure in efforts to decommission end-of-life technology. Overall, 36 out of 52 Server Operating Systems and 34 out of 45 Database platforms remain and are scheduled to be upgraded by December 31, 2021.

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

**Finding 20-03:** Comply with Prompt Payment Provisions

**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:** In Progress (On Schedule)

**Finding 20-04:** Improve Employee Termination Procedures

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

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

**Finding 20-05:** Complete Purchase Card Reconciliations Timely

**Status:** Internal SPCC policy has been revised. The Small Purchase Charge Card policy #43-13 has been updated. Revamped the monthly review process.

The monthly review process has been revamped and the submitted documentation is housed in an electronic format (Bank of America Works) which provides:

- a. Online audit capabilities to the Program Administrator.
- b. Accessibility and visibility to the cardholder, supervisor, Program Administrator, and Accounts Payable.
- c. Required access to external agencies (i.e. - Department of Accounts).
- d. Expanded Accounts Payable access to the charge card program to provide real-time access to monthly reconciliations and automate allocation of charges.

Provides the cardholders be reviewed every 3 month cycle.

All charge card transactions have been reviewed up through October 2020 with reporting of findings and follow-up. The audit cycle is continuous.

Revised internal submission process.

The internal submission process has been revised:

- a. New policy has updated language regarding submission and is now aligned with DOA CAPP Manual policy 20355.
- b. Accounts Payable has been provided real-time access to cardholders' electronic reconciliation

Implemented electronic reconciliation through Bank of America that provides real time access.

Effective September 16, 2020, implementation of Bank of America Works was completed. This included:

- Providing the Program Administrators' training and real-time access to cardholder activity.
- Roll out access and retraining of cardholders and supervisors.
- Issuance of the new cards required for use with electronic system.

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

**Richard Bland College (RBC)**

**Audit Year: 2019**

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

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

**Status Summary:** Completed (Delayed)

**Southern Virginia Higher Education Center (SVHEC)**

**Audit Year: 2016**

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

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

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

**University of Mary Washington (UMW)**

**Audit Year: 2018**

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

**Status:** UMW engaged an outside IT audit firm to audit IT infrastructure and related controls. Audit work began in fiscal year 2020 and is still in progress. One system audit remains incomplete as of March 31, 2021 but will be complete by June 11 with reports prior to June 30, 2021.

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

**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 report comments associated with User Access and Provisioning Rights, Review of User Rights, as well as Password Management. Monthly meetings have been scheduled between Finance, HR, and IT to work on all aspects of the report.

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

**Finding 20-02:** Develop Policies and Procedures to Ensure Compliance with Conflict of Interest Act Requirements. **This is a Partial Repeat Finding.**

**Status:** Process improvements put in place on April 1, 2020, successfully ensured completion of the Statement of Economic Impact (SOEI) filing and the Conflict of Interest Act (COIA) reporting requirements. Additional improvements, however, were needed to fully address the specific timing requirements that are defined in the Code of Virginia. In August 2020, the University reassigned oversight responsibility for the tracking for SOEI compliance, resulting in improvements to the process and to its execution. The new processes that are in place allow the University to identify new hires/transfers weeks before their start date and to effectively communicate their need to complete both the filing and the training. Additionally, UVAD has well-trained resources reviewing the status of new hires/transfers and associated filing and training on weekly basis.

**Status Summary:** Completed (Delayed)

**Finding 20-03:** Improve Processes over Employment Eligibility Verification

**Status:** The University will implement additional business process controls as it pertains to stated weakness in controls and compliance, but would like to ensure that both risk and materiality are considered upon business process implementation. Root cause analysis of the data points presented in this management comment indicate opportunities around hiring notifications, student worker documentation, document requirement notification, as well as reporting for compensating controls around onboarding and notification requirements. As a result, the University has already created reporting that allows UVA HR to begin communicating with all new employees on their hire date in the Human Resources and Payroll System eliminating several compliance concerns. The new report/process was put into place in August 2020 for the Fall Student Hiring season. To date, the University has been able to meet compliance standards around documentation of the I-9 and any e-verify processes due to COVID-19 exemptions set by DHS. New efforts regarding training are also underway.

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

**University of Virginia Medical (UVAH)**

**Audit Year: 2020**

**Finding 20-04: Improve Database Security**

**Status:** The Oracle Database Security Management Point contains 7 areas where the Medical Center needs to improve. The Medical Center lists very specific action items related to the 7 areas pertaining to this Management Point in the response to the APA. Please refer to the official Medical Center response for additional detail.

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

**Finding 20-05: Improve Controls Over the creation of Medicaid Cost Settlement Report Estimates**

**Status:** To document changes in calculating the Medicaid Cost Report estimates each month, to include source and reasoning behind each monthly estimate. To establish monthly logs for the monthly Medicaid estimate in order to provide a clearer audit trail.

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

**Finding 20-06: Improve Compliance with Unclaimed Property Act**

**Status:** To change the filing of unclaimed property from a bank delivered period of 5 years to annually to comply with the Unclaimed Property Act.

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

**Finding 20-07: Improve Cash Reconciliation and Review Process**

**Status:** To establish and maintain a monthly cash reconciliation process for the University of Virginia Medical Center.

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

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

**Audit Year: 2020**

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

**Status:** Procedures will be established by December 31, 2021, and full implementation will be complete by July 1, 2022.

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

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

**Status:** The target date for completion has been extended until 6/30/2021 to communicate SOC procedures to Vice Presidents.

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

**Finding 20-06: Improve Operating System Security**

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

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

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

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

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

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

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

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

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

**Audit Year: 2020**

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

**This is a Repeat Finding.**

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

**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 has been extended until June 30, 2021.

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

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

**Status:** The target date for completion has been extended until June 30, 2021.

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

**Virginia Military Institute (VMI)**

**Audit Year: 2020**

**Finding 20-01:** Improve Controls over Employment Eligibility Verification

**Status:** In order to remediate the audit finding, implementation of the following corrective actions has taken place as indicated. 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. (Status - Complete)

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 - Complete: Implemented as ongoing standard practice due to number of existing and new hiring managers. Hiring Managers currently reminded at time of candidate hire of all processes necessary to ensure accurate start date recordation; executed employment contracts, employment letters, Personnel Action Form submissions, and completed contracts prior to I-9 initiation)

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). [Status - Complete]

4) Electronic Personnel Action Form start dates to be verified by the HR Director prior to full execution.

[Status - Complete: Implemented as ongoing standard practice. For Hourly/Wage hires, the Personnel Action Form is currently reviewed/verified twice for accurate hire dates by the Director of Human Resources prior to final approval.]

5) Added Previously - Transition historical Personnel Action Form to newly implemented (vastly improved) "Softdocs retrieve" electronic form environment, inclusive of Hiring Manager sign-off confirming accurate/appropriate hire date.

[Status - Complete: VMI HR and VMI IT, coupled with VMI Comptroller, collectively created/tested/implemented new electronic form now in production inclusive of enhanced workflow tracking, simplified overall form layout, required Official Hire Date Field, corresponding alerting language on Official Hire Date accuracy, etc.]

**Status Summary:** Completed (Delayed)

**Virginia Polytechnic Institute and State University (VPISU)**

**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 Registrar, Financial Aid, Controller and Vice President for finance information technology group have meet 3 times to gain an understanding of the reports, databases and resources available to automate the post-submission audit to confirm accuracy in program and campus level reporting to NSLDS for graduate status. The VPFIT group oversees the development of financial robotic process automations (RPA) and was tapped to spend two days to develop a proof of concept – with a goal of determining if RPA could be of benefit in conducting the audit or if other to be identified tools/resources/manual audit would be more efficient. RPA is one tool that can be used to convert the available files into compatible formats. The sample used to conduct the development and this test was limited to 6 students with various record types/transactions to be posted. The team continues its work and has a number of ideas for improving the output and identification of discrepancies.

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

**Finding 20-02:** Strengthen the Schedule of Expenditures of Federal Awards Review Process

**Status:** Update the SEFA SAS query to create the data subset for subcontracts at the beginning of the program prior to any coding that sets expenditure amounts for funds received from other state agencies. (Completed October 26, 2020). Prepare a review checklist that must be completed prior to the submission of the SEFA to the Department of Accounts. (Completed November 19, 2020).

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

**Finding 20-03:** Improve Timeline of Grant Closeout

**Status:** On February 22, 2021, University's Cost Transfer policy 3255 was revised and posted. Associate VP for Research and Innovation conducted a meeting on February 23, 2021 for college and institute fiscal officers. The following topics were discussed, APA audit finding; revisions to University Policy 3255 and OSP Procedure 30005; and the open encumbrances query available on the Controller's Office website. On March 1, 2021, an article was included in The Ledger (an online newsletter of the University Controller's Organization) about revisions to Policy 3255 and a link to the online policy. All System users were emailed the link to the newsletter. On March 15, 2021, Sponsored Project Closeout Procedure 30005 was revised and posted. On March 23, 2021, the Office of Sponsored Programs communicated the following topics to university research administrators and PI's via the VT-SPA listserv: Revisions to Sponsored Projects Closeout Procedure 30005, revisions to University Policy 3255, and the open encumbrance query tool. OSP is working to develop a training to be conducted in April 2021 that will provide information about the revisions to University Policy 3255 and OSP Procedure 30005 as well as information about how to use the open encumbrances query.

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

**Virginia State University (VSU)**

**Audit Year: 2018**

**Finding 18-07:** Strengthen Internal Controls over Capital Assets

**Status:** The University will implement the flowing actions to correct this finding:  
1. Capital Outlay and the Controller's Office will communicate throughout the year as to the status of on-going projects, including the completion dates of any such projects.  
2. Quarterly meeting scheduled to discuss both on-going and upcoming projects.

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

**Finding 18-11:** Establish a Process for Periodically Reviewing Stagnate Grants and Contributions

**Status:** The Grants & Contracts Office will perform the following tasks:

1. Develop a comprehensive list of all stagnant grants and dollar amounts, as well as the responsible PI at the time of the grant award.
2. Pull supporting documentation for grants identified to determine original award and what costs were allowable.
3. Determine the cause of the unspent funds and contact PI's and granting agencies based.
4. Develop a policy to review grant spending more frequently to ensure grants do not become stagnant.

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

## Executive Offices

### Attorney General and Department of Law (OAG)

**Audit Year: 2020**

**Finding 20-01:** Comply with Federal Requirements for the Documentation of Employment Eligibility. **This is a Repeat Finding.**

**Status:** Amended electronic onboarding materials and communication sent to new hires in advance of their start date, which now stipulates I9 process and requirements for completion. Amended official offer of employment correspondence sent to new hires, which stipulates the same.

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

**Finding 20-02:** Continue to Improve Firewall Management. **This is a Repeat Finding.**

**Status:** Firewall findings to be addressed in the following phases: 40% findings complete by September 30, 2021. 100% Findings Complete by December 31, 2021.

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

**Finding 20-03:** Improve Virtual Private Network Security Controls

**Status:** As of March 19, 2021, OAG is on track to meet the 60% completion by March 31, 2021. OAG addressed 37% of the items.

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

## Finance

### Department of Taxation (TAX)

**Audit Year: 2019**

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

**Status:** The revised Business Impact Analysis document was completed January 1, 2021. The Disaster Recovery Plan and the Continuity Plan (CP) documents will be updated by June 30, 2021.

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

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

**Status:** TAX will complete a risk assessment plan that will assess and report risks of sensitive systems as required by SEC501 by August 30, 2021.

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

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

**Status:** Progress is being made establishing and implementing a process that will enable 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: 2019**

**Finding 19-02: Improve Web Application Security**

**Status:** Treasury has submitted and received approval for an exception request for the continued use of a legacy transfer protocol. Treasury has begun procurement of a new system to remove the need for the legacy transfer protocol.

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

**Health and Human Resources**

**Department of Aging and Rehabilitative Services (DARS)**

**Audit Year: 2020**

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

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

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

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

**Status:** Capital Fixed Asset Policy is draft form. Anticipated adoption date April 15, 2021. DARS General Accounting continues to utilize expense reporting to update FAACS. DARS General Accounting has provided capital fixed asset training as part of the FY2021 Inventory Process for all DSAs. DARS is currently operating within the DRAFT policy document. Each DSAs Master Fixed Asset Listing is expected to be completed updated by June 30, 2021, at the commencement of the FY2021 Physical Inventory Count. Additionally, DARS has trained each DSA on the required FAACS forms, and established a process with each DSA to ensure updates are communicated during the fiscal year.

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

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

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

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

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

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

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

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

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

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

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

**Finding 20-07/19-02:** Improve Oversight over Third Party Providers. **This is a Repeat Finding.**  
**Status:** Revised estimated completion dates. Included the new DARS ISO to review contracts and coordinate with VITA to receive appropriate reporting. The management teams are evaluating impacts of moving to the state contract for credit card services. Based on preliminary analysis DARS will have to solicit SOC with the implementation of new system. DBVI awaits a review by VITA of in scope and out of scope computer equipment and clarification on what standards are required for OOS systems that do not touch the COV network and must meet federal host requirements. A component of DSA revised DSA Information Security and Procurement policy is that all third party providers are under ECOS and are compliant with SEC525.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-08:** Improve Controls Over Capital Assets  
**Status:** Capital Fixed Asset Policy is draft form. Anticipated adoption date April 15, 2021. DARS General Accounting continues to utilize expense reporting to update FAACS. DARS General Accounting has provided capital fixed asset training as part of the FY2021 Inventory Process for all DSAs. DARS is currently operating within the DRAFT policy document. Each DSAs Master Fixed Asset Listing is expected to be completed updated by June 30, 2021, at the commencement of the FY2021 Physical Inventory Count. Additionally, DARS has trained each DSA on the required FAACS forms, and established a process with each DSA to ensure updates are communicated during the fiscal year.  
**Status Summary:** In Progress (On Schedule)

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

**Finding 20-10:** Implement Software and Other Intangible Assets Policy  
**Status:** Completed in 2021, and reviewing intangible asset purchases monthly and coordination/communication with IT.  
**Status Summary:** In Progress (On Schedule)

## **Audit Year: 2018**

**Finding 18-02:** Improve Internal Controls over Financial System Reconciliations  
**Status:** Revised estimated completion to April 1, 2021. The DARS Fiscal Division and DBVI, VIB Shared Operations has met to discuss current policies and procedures related to reconciling the point of sale system and manufacturing system revenue on a cash basis to Cardinal system monthly. The General Accounting Department has begun to utilize check logs and reporting to build this monthly reconciliation. The General Accounting Department has utilized daily processing reports and daily payment reports to investigate the daily variances and understand processing times and inconsistencies. The General Accounting Department is working to reconcile credit card transactions between two systems, as these transactions are not processed consistently between the two systems. This reconciliation is expected to be finalized in early 2021. As of November 2020, any variances between the two systems, outside of credit card transactions, are noted and communicated to DBVI for discussion to determine correction within the appropriate system. DARS Fiscal is working to formalize the reconciliation procedures, as soon as the reconciliation is finalized and credit card transactions are better understood between the two systems. The DBVI and DARS

fiscal management team are working through an outstanding concern of reconciling items related credit card transactions recordation in the manufacturing systems for reconciliation. The anticipated project completion is before calendar year end.

**Status Summary:** Completed (Delayed)

## **Department of Behavioral Health and Developmental Services (DBHDS)**

**Audit Year: 2019**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Status:** HR Forum planning and alternative solutions underway due to COVID-19. HR is working with the Audit department on including this as a part of the HR field audit. Sample check out sheet sent to all facility HR Managers.

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

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

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

**Status Summary:** Completed (Delayed)

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

**Status:** HR Forum planning and alternative solutions underway due to COVID-19. HR is working with the Audit department on including this as a part of the HR field audit. Sample check out sheet sent to all facility HR Managers.

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

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

**Status:** HR Forum planning and alternative solutions underway due to COVID-19. HR is working with the Audit department on including this as a part of the HR field audit. Sample check out sheet sent to all facility HR Managers.

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

### **Department of Health (VDH)**

**Audit Year: 2019**

**Finding 19-01/18-10:** Improve Web Application Security. **This is a Partial Repeat Finding.**

**Status:** Continue with regional testing with five states.

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

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

**Status:** VDH has prioritized disaster operations and activities.

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

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

**Status:** OIM collaborated with VITA to implement new Service Level Agreements (SLA) for COV account terminations/separations. If it happens to go through the email/normal process, it would be as follows.

COV Network Account Request – expedited = 1hr

COV Network Account Request – standard = 24 hours

**Status Summary:** Completed (Delayed)

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

**Status:** Making continuous improvements in VDH business process. OIM is working on a proposed process and solution for quarterly certification of user accounts.

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

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

**Status:** Separating employees are marked inactive in F&A and leave balances must be verified and updated the pay period immediately after HR-5 is completed to ensure that leave balances for separated classified employees are paid after their last regular paycheck. SBS Human Resources Managers (HRM) will be required to pull F&A Separations Reports every Monday. Health's CFO will add the language as a requirement in the Office of Financial Management's (OFM) Policies and on the Agency Calendar as a reminder. SBS HR managers will pull HR-5 for leave balances and submit to OFM by the Office of Human Resources (OHR) deadline. HRMs will pull F&A separation reports VDH Workers and separations report/employees weekly (Mondays) to verify that all separations are entered into F&A and will pull the separation folder for their SBS Office to review termination checklists ensuring each checklist is completed in its entirety for each separated employee.

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

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

**Status:** 1. COIA Job Aid outlining processes, procedures and contacts created and posted to the OHR Intranet.

2. The OHR Policy Analyst was designated as the primary COIA Coordinator as a main POC3. The COIA Coordinator sent out routine training and filing requirement reminders throughout the filing period.

4. All VDH employees required to file an SOEI have completed training and filed as of February 2021.

5. OHR has established QA checkpoints throughout the year (QA to ensure appropriate designation of filers, review RMS postings and review training reports).

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

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

**Audit Year: 2019**

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

**Status:** OCS is continuing the review of the vendor submitted SSP. OCS is also developing the formal SSP review and approval process.

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

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

**Status:** OCS is defining role based training modules that will address managers, system administrators, developers and senior management staff. Manager level training will emphasize account removal in a timely manner. OCS is working to automate the log review process to detect late account removals.

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

**Audit Year: 2017**

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

**Status:** OCS continues to work with the new claims system project team to implement a single sign on (SSO) solution to the system, which will facilitate a more complete mapping of the users. Existing users will move to the new single sign on system and during the re-provisioning move, OCS will work with IM to review and catalog the clusters that manage permissions in the system.

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

**Department of Social Services (DSS)**

**Audit Year: 2019**

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

**Status:** Social Services will work to ensure the implementation of the new system process for local agencies processing TANF applications properly verifies income and is utilized when determining eligibility for TANF. Additionally, Social Services will implement policy and procedures when the legislation is passed requiring background checks of local agency employees who access the system.

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

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

**Status:** Finance and Enterprise Business Solutions will continue to ensure that all amounts in the reports are adequately supported.

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

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

**Status:** Enterprise Business Solutions will continue to correct system deficiencies to ensure all information submitted in two TANF performance reports is accurate.

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

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

**Status:** Social Services will develop a plan and dedicate the necessary resources to complete Risk Management documentation for its sensitive systems and review those documents annually to validate that the information reflects the current environment. Additionally, Social Services will dedicate the necessary resources to implement security controls to mitigate the risks and vulnerabilities identified in its Risk Assessments. Doing this will help to ensure the confidentiality, integrity, and availability of the agency's sensitive systems and mission essential functions.

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

**Finding 19-09/18-09:** Continue Improving Database Security. **This is a Partial Repeat Finding.**  
**Status:** Social Services will continue implementing the database procedures and controls in accordance with the Security Standard. This will help maintain the confidentiality, integrity, and availability of sensitive and mission-critical data.  
**Status Summary:** In Progress (Delayed)

**Finding 19-10/18-10:** Develop Records Retention Requirements and Processes for Case Management System. **This is a Repeat Finding.**  
**Status:** Social Services will continue to identify the remaining retention requirements for the data within its case management system. Additionally, Social Services will continue coordinating with its vendor to develop and implement a process, whether manual process or automated control, to ensure consistent compliance with the retention requirements for each data set within Social Services' IT systems.  
**Status Summary:** In Progress (Delayed)

**Finding 19-11:** Develop a Process to Maintain Oversight for Third-Party Providers  
**Status:** Corrective action has been completed.  
**Status Summary:** Completed (Delayed)

**Finding 19-12:** Improve Web Application Security  
**Status:** A current reorganization will more clearly align dedicated resources to remediate the configuration issues. VDSS will improve web application security and develop a plan to implement FOIAE controls.  
**Status Summary:** In Progress (Delayed)

**Finding 19-13:** Improve IT Change and Configuration Management Process  
**Status:** The Virginia Department of Social Services (VDSS), Division of IT Services (to include Enterprise Systems (DES) and Division of Information Security and Risk Management (ISRM)) concur with the management point. A current reorganization will more clearly align dedicated resources to remediate the configuration issues. VDSS will improve web application security and develop a plan to implement FOIAE controls.  
**Status Summary:** In Progress (Delayed)

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

**Finding 20-01/18-01:** Update Disability Services Agencies Memorandum of Understanding. **This is a Repeat Finding.**  
**Status:** The management teams have continued to discuss the deliverables and will be starting the documentation of the MOU in the next quarter. These discussions are in full swing and DBVI anticipates completing the MOU by end of SFY 2021.  
**Status Summary:** In Progress (Delayed)

**Finding 20-02:** Improve Received Check Depositing and Reconciliation Process. **This is a Partial Repeat Finding.**  
**Status:** Capital Fixed Asset Policy is draft form. Anticipated adoption date April 15, 2021. DARS General Accounting continues to utilize expense reporting to update FAACS. DARS General Accounting has provided capital fixed asset training as part of the FY2021 Inventory Process for all DSAs. DARS is currently operating within the DRAFT policy document. Each DSAs Master Fixed Asset Listing is expected to be completed updated by June 30, 2021, at the commencement of the FY2021 Physical Inventory Count. Additionally, DARS has trained each DSA on the required FAACS forms, and established a process with each DSA to ensure updates are communicated during the fiscal year.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-03/18-09:** Improve Information Technology Governance. **This is a Repeat Finding.**  
**Status:** Over the past several months the DARS has hired an Information Security Officer to drive the policy development for Information Security Program. Additionally, the policies and procedures for Information Security program will be incorporated in the development of new MOU to include DBVI as a component of DARS Security program responsibilities. DBVI has established a Technology Innovation Planning and Review Team that meets monthly to discuss these outstanding information technology and security issues as well as other items. The first team meeting was October 28, 2020.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-04/18-05:** Develop and Implement Information Security Policies and Procedures. **This is a Repeat Finding.**  
**Status:** The policies and procedures for Information Security program will be incorporated in the development of new MOU to include DBVI as a component of DARS Security program responsibilities.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-05/18-06:** Upgrade Manufacturing System. **This is a Repeat Finding.**  
**Status:** The RFP has been released and bids were due in January 2021. The management teams are engaged with VITA supply chain on finding a software solution. Additionally, DBVI has received VITA ECOS exception for manufacturing system until September 1, 2021.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-06/18-07:** Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**  
**Status:** The RFP has been released and bids were due in January 2021. The management teams are engaged with VITA supply chain on finding a software solution. Additionally, DBVI has received VITA ECOS exception for manufacturing system until September 1, 2021.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-07/18-08:** Improve Oversight over Third Party Providers. **This is a Repeat Finding.**  
**Status:** Revised estimated completion dates. Included the new DARS ISO to review contracts and coordinate with VITA to receive appropriate reporting. The management teams are evaluating impacts of moving to the state contract for credit card services. Based on preliminary analysis DARS will have to solicit SOC with the implementation of new system. DBVI awaits a review by VITA of in scope and out of scope computer equipment and clarification on what standards are required for OOS systems that do not touch the COV network and must meet federal host requirements. A component of DSA revised DSA Information Security and Procurement policy is that all third party providers are under ECOS and are compliant with SEC525.  
**Status Summary:** In Progress (On Schedule)

#### **Audit Year: 2018**

**Finding 18-02:** Improve Internal Controls over Financial System Reconciliations  
**Status:** Revised estimated completion to April 1, 2021. The DARS Fiscal Division and DBVI, VIB Shared Operations has met to discuss current policies and procedures related to reconciling the point of sale system and manufacturing system revenue on a cash basis to Cardinal system monthly. The General Accounting Department has begun to utilize check logs and reporting from the system to build this monthly reconciliation. The General Accounting Department has utilized daily processing reports from Cardinal and daily payment reports from the system to investigate the daily variances and understand processing times and inconsistencies. The General Accounting Department is working to reconcile credit card transactions between two systems, as these transactions are not processed consistently between the two systems. This reconciliation is expected to be finalized in early 2021. As of November 2020, any variances between the two systems, outside of credit card transactions, are noted and communicated to DBVI for discussion to determine correction within the appropriate system. DARS Fiscal is working to formalize the reconciliation procedures, as soon as the reconciliation is finalized and credit card transactions are

better understood between the two systems. The DBVI and DARS fiscal management team are working through an outstanding concern of reconciling items related credit card transactions recordation in the manufacturing systems for reconciliation. The anticipated project completion is before calendar year end.

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

**Finding 18-04:** Improve Controls over System Access

**Status:** Revised the estimated completion date to April 1, 2021. DBVI has developed procedures for the security for two systems to maintain access and annual review steps.

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

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

**Audit Year: 2018**

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

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

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

### **Virginia Board for People with Disabilities (VBPD)**

**Audit Year: 2018**

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

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

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

## **Independent Agencies**

### **State Corporation Commission (SCC)**

**Audit Year: 2020**

**Finding 20-01:** Document Policies and Procedures and Implement Separation of Duties for Legal Service Contracts

**Status:** Revisions to the SCC Procurement policies to include the separation of duties for procured legal service contracts have been approved.

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

**Finding 20-02:** Improve Database Security

**Status:** Action has been taken to address all but one of the control issues.

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

**Finding 20-03:** Improve Server Operating System Security

**Status:** Action has been taken to address all but one of the control issues.

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

**Finding 20-04:** Continue Improving Information Security Program. **This is a Partial Repeat Finding.**

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

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



## Natural Resources

### Department of Game and Inland Fisheries (DGIF)\*

Audit Year: 2020

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

**Status:** More efficient uniform processes are being implemented to ensure that myVRS Navigator Reconciliations have back-up procedures in place for snapshot approval to account for both primary and back up responsibilities. These uniform processes will better position DGIF when circumstances arise that prevent the primarily-assigned reviewer from approving and to ensure that all reconciliation documentation is kept in a organized, secure location within the Human Resources Division.

The Assistant Human Resource Director is working with the Payroll Manager, in the Planning and Finance Division, to develop “self –audit” procedures that meet both divisions’ compliance requirements. Since the last CAW, Human Resources staff are in the final stages of finalizing these new processes and procedures.

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

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

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

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

## Public Safety and Homeland Security

### Department of Corrections (DOC)

Audit Year: 2020

**Finding 20-01:** Align System Access with the Principle of Least Privilege

**Status:** Petty cash access in Cardinal was removed for all 43 employees before the audit was completed.

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

**Finding 20-02:** Strengthen Controls over Small Purchase Charge Cards

**Status:** P-Card audits for the field are being conducted by the P-Card/Procurement Trainer, as well as the PA for Headquarters, this will be an ongoing process. Throughout the Fiscal Year, communication will be sent out to recap all PA’s job duties and responsibilities.

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

**Finding 20-03:** Ensure Segregation of Duties During Payroll Certifications

**Status:** Employees are working in the office on certification day to ensure segregation of duties during the payroll pre-certification and post-certification exists.

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

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

**Department of Fire Programs (DFP)**

**Audit Year: 2019**

**Finding 19-19: Improve IT Governance**

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

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

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

**Status:** The agency submitted another request in FY 20 to hire an ISO (not yet fulfilled). In the interim, DFP plans to rely on internal audit to help fill the roles and responsibilities for this area.

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

**Finding 19-21: Improve Database Security**

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

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

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

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

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

**Finding 19-25: Improve Logging and Monitoring**

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

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

**Department of State Police (VSP)**

**Audit Year: 2019**

**Finding 19-01: Document Internal Policies and Procedures**

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

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

**Finding 19-02: Evaluate and Document Revenue Processes**

**Status:** June 30, 2021 testing of the second batch of applicable desk procedures is underway.

**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:** Software 1st phase rollout is complete. Agency training on new software continues. Progress continues with platforms and the new software is being rolled out to Windows 10 machines as they are completed. All devices will have the new software by June 2021.

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

**Finding 17-03: Perform Information Technology Security Audits**

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

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

**Finding 17-06: Improve Risk Assessments**

**Status:** Risk Assessment plan has been filed in the system and accepted by VITA CSRM. Risk assessments are approximately 45% complete.

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

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

**Status:** SOC reports will be required in contracts that qualify per established guidelines. A plan for deviation exposure and potential mitigation required by VSP is being implemented for the weaknesses noted in SOC reports.

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

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

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

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

**Finding 17-15: Improve Disaster Recovery Plan**

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

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

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

**Status:** P&F will update agency records for the past due accounts the OAG approved to be discharged in March 2021. Also, the implementation of the eBilling application was delayed to June 1, 2021, as there are integration issues with the transaction workflow from VSP internal accounting system into the Cardinal 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 agency successfully piloted the application and plans to roll out for statewide use in April 2021 with VDOT projects already in flight. As more contracts with VDOT are signed, the updated process will transition to the new application.

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

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

**Status:** HR continues to follow guidelines in CAPP 50410 and the Payroll Bulletin Volume 2013-02, with agency procedures being finalized. Payroll Services Bureau submitted 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 20-01/19-02: Improve Database Security. This is a Repeat Finding.**

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

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

**Finding 20-02/19-03:** Improve Security Awareness Training Program. **This is a Repeat Finding.**  
**Status:** ABC did implement some role-based training, but not specific to designated security roles. In FY21, ABC will implement system owner training and will update internal policies to designate the specific roles that require additional training.  
**Status Summary:** In Progress (Delayed)

**Finding 20-03:** Improve Oversight of Third-Party Service Providers  
**Status:** ABC's Information Security team has started drafting the policy addressing third-party service providers.  
**Status Summary:** In Progress (On Schedule)

**Finding 20-04:** Improve Internal Controls Over Terminated Employee Access Removal  
**Status:** ABC is updating procedures to extend the time period managers have to complete an employee separation checklist. Additionally, ABC is making some modifications to ABC HR system, which will require managers to complete the checklist before they can take any action in the system, if the checklist is overdue.  
**Status Summary:** In Progress (On Schedule)

## Transportation

### Department of Motor Vehicles (DMV)

Audit Year: 2019

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

**Status:**

1. Made significant improvements on the technical controls but those are still not where they need to be and are being addressed through DMV current Corrective Action Plan with the Department of Accounts.
2. DMV security staff is still working with VITA/SAIC on implementing the new 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. Internal (DMV) 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).

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



## Compliance Monitoring

### **Agency Risk Management and Internal Control Standards (ARMICS) Compliance**

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

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

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

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

1. Late submission of the annual certification statement (without an extension authorized by DOA) will result

in citation in the current year's 9/30 Comptroller's Quarterly Report (QR).

2. Submission of Exhibit 4: Agency Statement, which states that the agency has not complied with ARMICS, will result in continued citation in the QR until the agency complies with the ARMICS standards and submits an ARMICS certification. The status of the agency's submitted Corrective Action Plan (CAP) will be reported until the ARMICS certification has been received.
3. Non-compliance with the processes required for successful completion of ARMICS; therefore, the agency's ARMICS submission was rejected by DOA. This will result in continued citation in the QR until the agency has complied with the ARMICS certification process and has submitted an ARMICS certification or Exhibit 4 (with required CAP).
4. Substantial non-compliance with the processes required for the successful completion of ARMICS (based on a QAR performed by DOA) will result in continued citation in the QR until the agency has complied with ARMICS and has submitted an ARMICS certification. The status of the agency's submitted CAP will be reported until the ARMICS certification has been received.

As of March 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 2020 and submitted an Exhibit 4 or Non-Compliant Certification Statement:

<b>Agency Name</b>	<b>Reason for Non-Compliance</b>	<b>Initial Corrective Action Plan Received</b>	<b>Status of Corrective Action</b>
Department of Military Affairs	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by March 30, 2022. Quarterly status update received.
Department of Emergency Management	Exhibit 4 Filed	Yes	Agency states internal control assessments will be completed by July 31, 2021. Quarterly status update received.
Virginia Commission for the Arts	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by June 30, 2021. Quarterly status update received.
Virginia State University	Exhibit 4 Filed	Yes	Agency states internal control assessments will be completed by June 1, 2021. Quarterly status update received.
Department of Forensic Science	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by September 30, 2021. Quarterly status update received.
Department of Fire Programs	Non-Compliant/ Exhibit 4	Yes	Agency states internal control assessments will be completed by June 1, 2021. Quarterly status report received.

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

Agency Name	Reason for Non-Compliance	Quarterly Corrective Action Plan Received	Status of Corrective Action
Compensation Board	Substantial non-compliance with ARMICS process based on a QAR	Yes	Agency states that internal control assessments will be completed by September 30, 2021. Quarterly status update received.
Virginia Museum of Fine Arts	Substantial non-compliance with ARMICS process based on a QAR	Yes	Initial Corrective Action Plan has been received. Agency states that internal control assessments will be completed by September 30, 2021.
Department of Motor Vehicles	Substantial non-compliance with ARMICS process based on a QAR	Yes	Agency states that internal control assessments will be completed by June 30, 2021. Quarterly status update received.



**Compliance Monitoring**

**Certification of Agency Reconciliation to Cardinal Reports**

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

DOA closely monitors Certification status, evaluates exceptions, and posts correcting entries in Cardinal. Certifications for November, December and January were due on 01/08/2021, 01/29/2021 and 02/26/2021, respectively.

**Certifications Late or Outstanding**

*As of April 29, 2021*

<b>Agency</b>	<b>Nov</b>
Department of Forensic Science	2/26/2021

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



## Response to Inquiries

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

However, in other instances, agencies do not respond timely or simply fail to respond. For the quarter ended March 31, 2021, all responses have been received within an acceptable timeframe, except as noted below.

Department of Behavioral Health and Developmental Services (DBHDS) - failure to submit required Coronavirus Relief Funds (CRF) reporting information. The March 31, 2021 CRF template was due to Department of Accounts (DOA) on April 6, 2021; however, no information was reported for expenditures related to several controlled agencies.

Department of Health (VDH) - failure to respond to repeated communications from the Department of Accounts (DOA) staff regarding an accounting entry to a Federal Cash Pass-Through Account recorded on August 6, 2020. VDH responded on August 17, 2020, requesting guidance to correct this entry. On August 24, 2020, DOA requested additional information from VDH in order to provide the correct guidance and no response was received in the quarter ending December 31, 2020, nor the quarter ending March 31, 2021. Follow-up communications were sent in September, November, December, January, February and April. The Federal Cash Pass-Through Account balance was corrected by VDH on April 22, 2021.

Department of Military Affairs (DMA) - failure to submit required Coronavirus Relief Funds (CRF) reporting information. The March 31, 2021 CRF template was due to Department of Accounts (DOA) on April 6, 2021; however, no information was reported.

### **Trial Balance Review**

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

DOA monitors selected general ledger balances and contacts agencies in writing about certain irregular balances. For the quarter ended March 31, 2021, the following agency failed to respond timely, make corrective action and/or provide additional information.

### **Trial Balance Review**

*As of March 31, 2021*

	<b>Agency</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Department of Health		X	X	X

## Analysis of Appropriation, Allotments and Expenditures, and Cash Balances

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

DOA contacts agencies in writing about credit cash balances and appropriations versus expenditure anomalies. For the quarter ended March 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 March 31, 2021*

<b>Agency</b>	<b>January</b>	<b>February</b>	<b>March</b>
New River Community College	X	X	-

## E-Commerce

### *Travel Check Charges*

In accordance with Chapter 56, 2020 Special Session I, Virginia Acts of Assembly § 4-5.04 f., the Comptroller charges agencies \$5 for travel reimbursement checks issued in lieu of Travel EDI. Agencies are charged for each travel reimbursement check issued to an employee after their second check of the fiscal year. Agencies are expected to take action to enroll applicable employees in the

EDI program and thus avoid the fees altogether. The following table lists agencies that have incurred travel check charges during the third quarter of FY 2021.

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

### **Agency Non-Compliance Travel Check Charges**

<b>Agency by Secretarial Area</b>	<b>Quarter Ended March 31, 2021</b>	<b>Fiscal Year 2021 To-date Charges</b>
<b>Commerce and Trade</b>		
Virginia Employment Commission	\$5.00	\$25.00
<b>Education</b>		
The Science Museum of Virginia	\$0.00	\$5.00
Virginia Military Institute	\$10.00	\$10.00
<b>Health and Human Resources</b>		
Department of Health	\$5.00	\$15.00
<b>Judicial</b>		
Magistrate System	\$5.00	\$15.00
General District Courts	\$15.00	\$40.00
Juvenile and Domestic Relations District Courts	\$0.00	\$5.00
<b>Natural Resources</b>		
Department of Conservation and Recreation	\$20.00	\$80.00
<b>Public Safety and Homeland Security</b>		
Department of Criminal Justice Services	\$0.00	\$20.00
Department of Fire Programs	\$20.00	\$20.00
Virginia Alcoholic Beverage Control Authority	\$5.00	\$5.00
<b>Transportation</b>		
Department of Motor Vehicles	\$25.00	\$90.00

## Payroll Controls

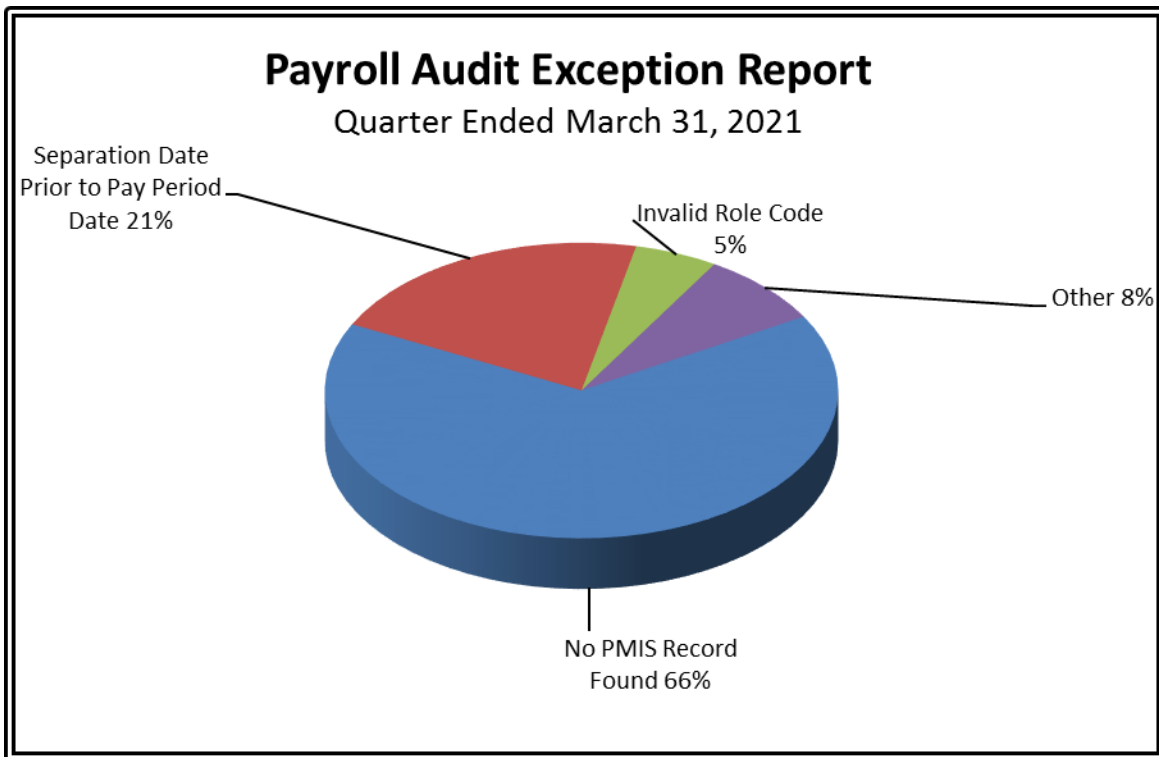
### *CIPPS/PMIS Payroll Audit*

During the quarter, DOA's automated comparison of payroll (CIPPS) and personnel (PMIS) records examined 391,376 salaried pay transactions and 105,600 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 3,286 new exceptions noted statewide during the quarter, with an overall exception rate of 0.01%.

The statewide salaried payroll exception rate was 0.0% and the wage payroll exception rate was 0%. During this quarter, 1 employee

paycheck was reduced to recover \$976.73 in overpayments.

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



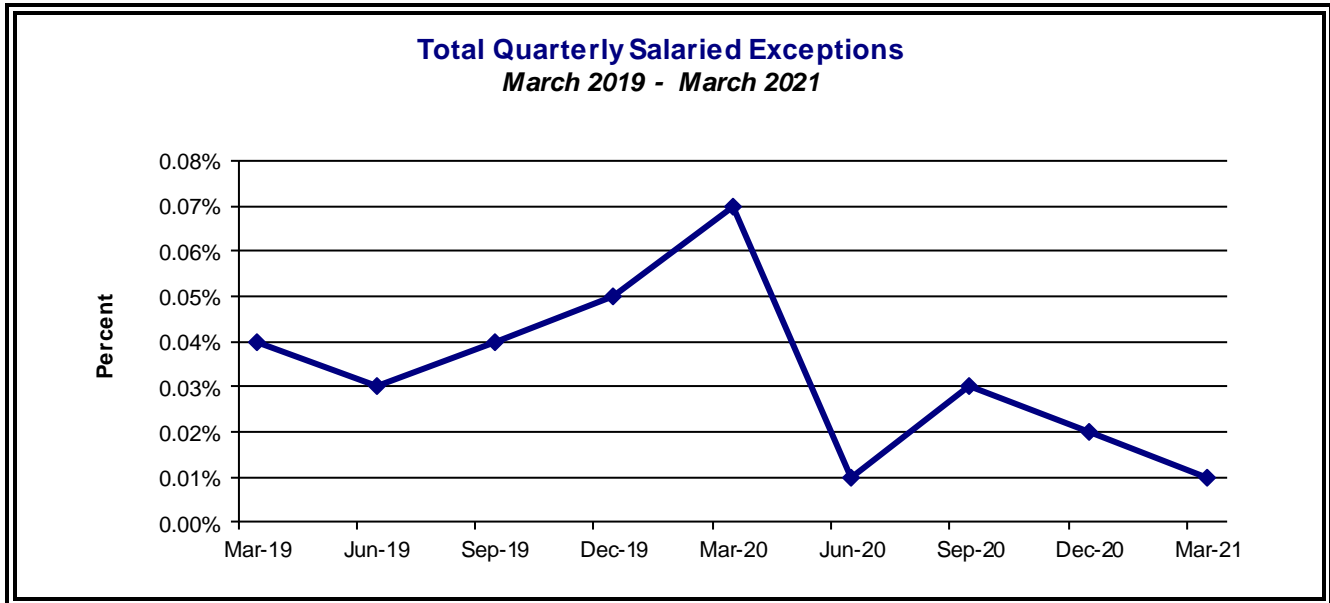
Exception percentages are calculated by dividing the number of exceptions by the number of salaried or wage employees. Agencies are reported below if the percentage of payroll exceptions to salaried or wage

payments exceeds three times the statewide average for the quarter. The following agencies exceeded the allowed threshold for wage or salaried payments during the quarter ending March 31, 2021.

**Payroll Exception Audit**  
**Agency Payroll Exceptions as a Percent of Salaried Payments**  
**Quarter Ending March 31, 2021**

Agency	# of Salaried Exceptions	Exceptions as a % of Salaried Payments
Central Virginia Training Center	1	0.90%
Sitter-Barfoot Veterans Care Center	1	0.06%
University of Mary Washington	4	0.10%
Virginia Center for Behavioral Rehabilitation	3	0.10%
Virginia Department of Transportation - Bristol Office	6	0.16%
Virginia Department of Transportation - Culpeper District	2	0.07%
Virginia Department of Transportation - Fredericksburg District	4	0.14%
Virginia Department of Transportation - Northern Virginia District	10	0.22%
Virginia Veterans Care Center	3	0.21%
<b>Salaried Payroll Exceptions for the Quarter</b>		<b>0.01%</b>

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



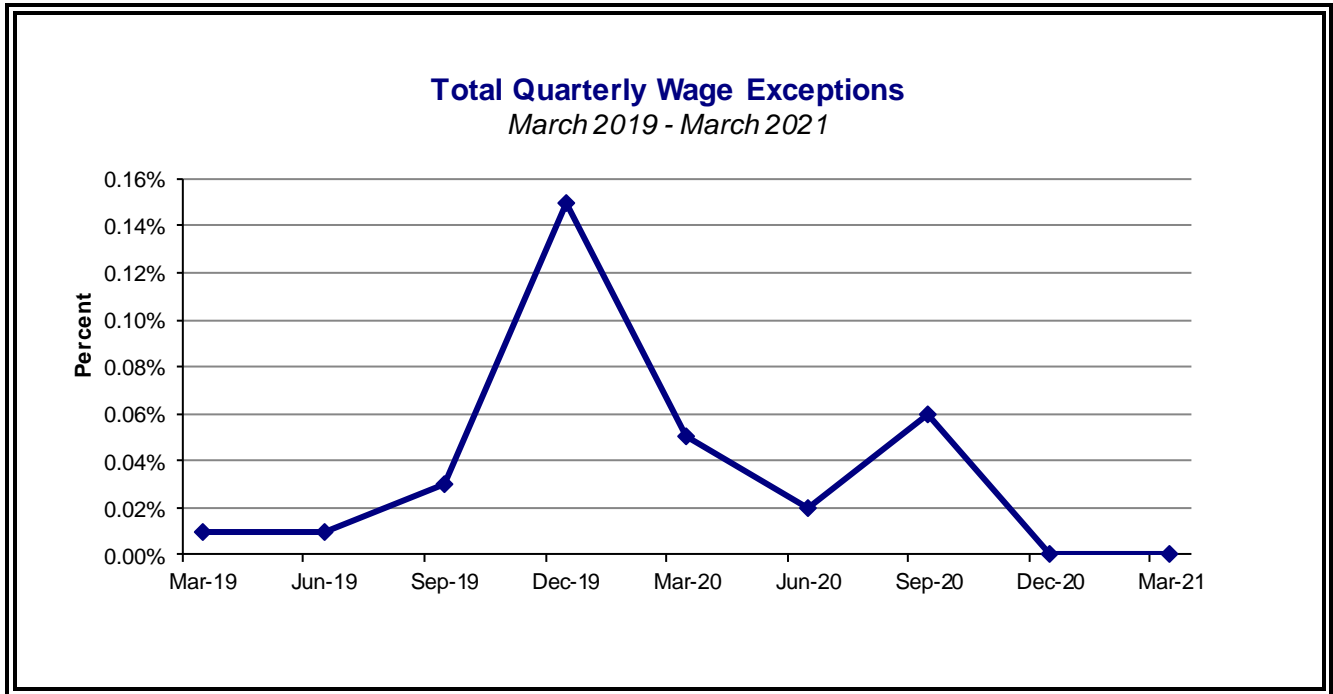
The following chart compares payroll exceptions as a percentage of wage payments by quarter for the past two years.

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

*Quarter Ending March 31, 2021*

<u>Agency</u>	<u># of Wage Exceptions</u>	<u>Exceptions as a % of Wage Payments</u>
University of Mary Washington	1	0.04%
Virginia Department of Transportation - Culpeper District	1	1.28%
Virginia Department of Transportation - Northern Virginia District	2	0.69%

<b>Wage Payroll Exceptions for the Quarter</b>	<b>0.01%</b>
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### *CIPPS/PMIS Exceptions*

Agencies are required to submit explanations and/or reconciliations for the differences identified on the CIPPS/PMIS Unresolved Exceptions Report within six weeks of

notification. The following table lists those agencies having exceptions that remain unresolved six weeks after receipt of the report.

<u>Agency</u>	<u>Unresolved Exceptions</u>
Central Virginia Training Center	1
Norfolk State University	1
Southern Virginia Training Center	1
Virginia Department of Transportation - Bristol District	4
Virginia Department of Transportation - Culpeper District	1
Virginia Department of Transportation - Fredericksburg District	2
Virginia Department of Transportation - Northern Virginia District	10





## *Payroll Certification*

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

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

and are not consistent with sound internal control over payroll.

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

Agencies are required to enter applicable payroll certification requests into the payroll system by **4:45 p.m.** daily to ensure sufficient time is available for central review by DOA staff to validate certification entries, a critical compensating control. This temporary change has been in effect since March 2020 due to the pandemic. Late entries, either initial or correcting, make certification review more difficult or impossible. When a data entry error is detected during the review process, DOA must make corrections to avoid inaccurate payroll disbursements and/or voluminous and costly corrective action.

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

### Payroll Certification Compliance

Agency	Variance Amount (a)	Performed by DOA (b)	Submitted Late (c)	Corrected by DOA (d)
<b>Education</b>				
Danville Community College				1
Norfolk State University	\$28,355			
Virginia Western Community College				1
<b>Health and Human Resources</b>				
Central State Hospital				1
Commonwealth Center for Children and Adolescents	23,895			
Hiram Davis Medical Center				1
Western State Hospital	52,226			
<b>Public Safety and Homeland Security</b>				
Augusta Correctional Center				1

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

Columns show the following:

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



**Health Care Reconciliations**

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

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

**Health Care Reconciliations  
as of March 31, 2021**

<u>Agency</u>	<u>Incomplete</u>	<u>Errors</u>	<u>Late</u>
Blue Ridge Community College			1
Central Virginia Community College			1
Central Virginia Training Center			1
Coffeewood Correctional Cener		1	
Cooperative Extension and Agricultural Research Services			1
Department of Enviromental Quality			1
Department of General Services			1
Department of Motor Vehicles			2
Department of Professional and Occupational Regulation			1
Department of State Police			1
Greensville Correcional Center		1	
Indian Creek Correctional Center		1	
Jamestown-Yorktown Foundation			1
Northern Virginia Mental Health Institute			1
State Council of Higher Education Virginia			1
Sussex One State Prison		1	
Virginia State University			1

