REPORT ON STATEWIDE COMPLIANCE

FOR THE QUARTER ENDED
DECEMBER 31, 2022

OFFICE OF THE COMPTROLLER

DEPARTMENT OF ACCOUNTS

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REPORT ON STATEWIDE COMPLIANCE
Quarter Ended December 31, 2022

STATEMENT OF PURPOSE

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

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

This *Quarterly Report* includes information for the quarter ended December 31, 2022, and comparative FY 2022 data.

Lewis R. McCabe, CPA, CGFM, CGMA
Comptroller

DOA

Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

COMPLIANCE

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

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

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

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

Audit Reports – Quarter Ended December 31, 2022

The APA issued 4 reports covering 13 State Agencies for the Executive Branch and one report for the Independent Agencies. The last column indicates whether the CAW has been received as of the date of this publication for each agency with audit findings. Note that in some cases, the CAW may not have been received because it is not yet due.

	New Findings	Repeat Findings	Total Findings	CAW Received
Administration				
None				
Agriculture and Forestry				
None				
Commerce and Trade				
None				

	New Findings	Repeat Findings	Total Findings	CAW Received
Education				
Virginia Commonwealth University	3	0	3	YES
Virginia Community College System – Central Office[1]	2	3	5	YES
Virginia Community College System – Shared Services Center[1]	1	2	3	YES
John Tyler Community College[1]	8	0	8	YES
J. Sargeant Reynolds Community College[1]	5	1	6	YES
Lord Fairfax Community College[1]	4	3	7	YES
New River Community College[1]	1	0	1	YES
Northern Virginia Community College[1]	3	2	5	YES
Rappahannock Community College[1]	5	2	7	YES
Tidewater Community College[1]	1	4	5	YES
Executive Offices				
None				
Finance				
None				
Health and Human Resources				
None				
Independent Agencies				
Virginia Lottery	4	0	4	YES
Natural Resources				
None				
Public Safety and Homeland Security				
Department of Corrections[2]	1	1	2	YES
Virginia Alcoholic Beverage Control Authority	3	5	8	YES
Virginia Parole Board[2]	0	0	0	N/A
Technology				
None				
Transportation				
None				
Veterans and Defense Affairs				
None				

[1] *The APA issued one report titled, "Virginia Community College System Report on Audit for the year ended June 30, 2021."*

[2] *The APA issued one report titled, "Department of Corrections Including Virginia Parole Board for the year ended June 30, 2022".*

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

Education

Virginia Commonwealth University

2022-01: Improve IT Asset Management Process
2022-02: Improve Firewall Security
2022-03: Improve IT Change Management Procedures and Process

Virginia Community College System – Central Office

2021-01: Provide Oversight and Guidance Related to College Financial Reporting
2021-02: Improve Policy and Procedures for Capital Assets
2021-03: Continue to Develop Comprehensive Policies and Procedures for Reviewing and Reacting to System and Organization Controls Reports. **This is a Repeat Finding.**
2021-04: Ensure Consistency in the Handling and Financial Reporting of Dual Enrollment Tuition. **This is a Repeat Finding.**
2021-05: Address Inconsistencies in Employee Personnel Records. **This is a Repeat Finding.**

Virginia Community College System – Shared Services Center

2021-06: Develop and Implement Policies and Procedures Over Payroll Certifications and Reconciliations
2021-07: Continue to Improve Information Available to Community Colleges Related to Prepayments. **This is a Repeat Finding.**
2021-08: Improve the Effectiveness of the Annual Systems Access Certification. **This is a Repeat Finding.**

John Tyler Community College

2021-40: Strengthen the Schedule of Expenditures of Federal Awards Process
2021-41: Ensure an Accurate FISAP is Submitted to Education
2021-42: Improve Reporting to the Common Origination and Disbursement System
2021-43: Promptly Return Unclaimed Aid to Department of Education
2021-44: Properly Perform Return of Title IV Calculations
2021-45: Improve Federal Direct Loan Reconciliations
2021-46: Perform an Evaluation of Student Information System Access Roles for Financial Aid Office Employees
2021-47: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act

J. Sargeant Reynolds Community College

2021-19: Strengthen Communications and Procedures Related to Terminated Employees. **This is a Repeat Finding.**
2021-20: Ensure Terminated Employees are Properly Terminated in the Commonwealth's Payroll System
2021-21: Properly Accrue Prepaid Expenses
2021-22: Develop and Implement Policies and Procedures to Comply with 1,508 Rule for Wage Employees
2021-23: Improve Internal Controls over New Hire Documentation
2021-24: Retain Documentation Related to Reconciliation Processes Between the Human Resource and Retirement System

Lord Fairfax Community College

2021-25: Continue to Improve System Access Controls. **This is a Repeat Finding.**
2021-26: Perform Federal Aid Program Reconciliations. **This is a Repeat Finding.**
2021-27: Continue to Ensure Proper Capitalization and Retention of Records for Capital Assets. **This is a Repeat Finding.**
2021-28: Ensure Compliance with Cash Management Requirements
2021-29: Strengthen Communications and Procedures Related to Terminated Employees
2021-30: Improve Internal Controls over Accounts Receivable Reporting
2021-31: Retain Documentation Related to Reconciliation Processes Between the Human Resource and Retirement Systems

New River Community College

2021-32: Strengthen Communications and Procedures Related to Terminated Employees

Northern Virginia Community College

2021-09: Improve the Monitoring of Critical System Access
2021-10: Continue to Strengthen Interdepartmental Communications Related to Terminated Employees. **This is a Repeat Finding.**
2021-11: Reconcile Federal Assistance Programs
2021-12: Improve Notification Process for Federal Loan Awards to Students
2021-13: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**

Rappahannock Community College

2021-33: Ensure Annual Review of Account Systems is Performed
2021-34: Improve Internal Controls over Timing of Cash Collection Deposits
2021-35: Update Policies and Procedures for Cash Management Requirements. **This is a Repeat Finding.**
2021-36: Strengthen Communications and Procedures Related to Terminated Employees

2021-37: Improve the Annual Access Review of the Human Resources System to Ensure Appropriateness of System Access

2021-38: Perform and Document Reconciliation of Commonwealth's Retirement Benefits System

2021-39: Assign Contract Administrator Responsibilities in Writing. **This is a Repeat Finding.**

Tidewater Community College

2021-14: Improve Capital Asset Inventory and Tracking

2021-15: Continue to Strengthen Internal Controls Over Physical Inventory. **This is a Partial Repeat Finding.**

2021-16: Strengthen Communication and Procedures Related to Terminated Employees. **This is a Repeat Finding.**

2021-17: Perform Risk Assessment as Required by the Gramm-Leach-Bliley Act. **This is a Repeat Finding.**

2021-18: Report Student Status Enrollment Changes Accurately and Timely to National Student Loan Data System. **This is a Repeat Finding.**

Independent Agencies

Virginia Lottery

2022-01: Ensure System Access Adheres to Principles of Least Privilege

2022-02: Improve Virtual Private Network Security

2022-03: Improve IT Asset Management Process

2022-04: Improve Oversight of Third-Party IT Service Providers

Public Safety and Homeland Security

Department of Corrections

2022-01: Deactivate Access to the Commonwealth's Purchasing System Timely. **This is a Repeat Finding.**

2022-02: Implement Internal Controls to Terminate Benefits for Employees Convicted of a Felony

Virginia Alcoholic Beverage Control Authority

2022-01: Continue Improving Database Security. **This is a Repeat Finding.**

2022-02: Continue Improving Security Awareness and Training Program. **This is a Partial Repeat Finding.**

2022-03: Continue Improving Oversight of Third-Party Service Providers. **This is a Repeat Finding.**

2022-04: Continue Improving Internal Controls over Employment Eligibility Process. **This is a Repeat Finding.**

2022-05: Continue Improving Internal Controls over Processing Payments. **This is a Partial Repeat Finding.**

2022-06: Improve Internal Controls over Employee Separation Process

2022-07: Implement a Data/Records Retention Policy and Solution for Automated Reconciliations

2022-08: Retain Inventory Documentation

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Risk Alerts – Quarter Ended December 31, 2022

No APA Reports containing "Risk Alerts" were received.

Special Reports – Quarter Ended December 31, 2022

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

Auditor of Public Accounts 2020-2025 Strategic Plan

Department of Human Resource Management Commonwealth of Virginia State Health Plans Program for Pre-Medicare Retirees for the fiscal year ended June 30, 2021

General Assembly, Legislative Agencies, and Commissions of the Commonwealth of Virginia Financial Report for the year ended June 30, 2022

Revenue Stabilization Fund Calculations for the year ended June 30, 2022

Revenue Reserve Fund Calculations for the year ended June 30, 2022

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

Virginia District Court System Statewide Report on Audit for the year ended June 30, 2021

Other Audit Reports – Quarter Ended December 31, 2022

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

Central Virginia Transportation Authority for the year ended June 30, 2022

State Corporation Commission – Audit of the Utility Direct Assistance Program for the period July 1, 2020 through March 31, 2022

Virginia529 (Virginia College Savings Plan) for the year ended June 30, 2022

Virginia Passenger Rail Authority for the year ended June 30, 2022

Virginia Resources Authority for the year ended June 30, 2022

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

Fort Monroe Authority for the year ended June 30, 2022

Potomac River Fisheries Commission for the year ended June 30, 2022

Internal Control Questionnaire Reviews - Quarter Ended December 31, 2022

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

2021 Internal Control Questionnaire Results for the period January 1, 2021 through December 31, 2021

Department of Criminal Justice Services Internal Control Questionnaire Review Results as of June 2022

Department of Environmental Quality Internal Control Questionnaire Review Results as of July 2022

Department of Labor and Industry Internal Control Questionnaire Review Results as of August 2022

GENEDGE Alliance Internal Control Questionnaire Review Results as of June 27, 2022

Southern Virginia Higher Education Center Internal Control Questionnaire Review Results as of July 2022

Southwest Virginia Higher Education Center Internal Control Questionnaire Review Results as of July 2022

The Library of Virginia Internal Control Questionnaire Review Results as of July 2022

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Auditor of Public Accounts Reports - Executive Branch Agencies

Summary of Prior Audit Findings

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

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

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Administration				
Department of General Services	1	0	0	0
Virginia Information Technologies Agency	0	0	0	1
Commerce and Trade				
Department of Housing and Community Development	1	0	0	0
Department of Small Business and Supplier Diversity	1	0	0	0
Education				
Christopher Newport University	3	0	0	0
Department of Education including Direct Aid to Public Education	0	1	0	0
George Mason University	0	0	1	0
Longwood University	0	0	2	0
Norfolk State University	3	2	1	0
Old Dominion University	5	0	2	0
Radford University	0	2	1	0
Richard Bland College	1	0	0	0
University of Mary Washington	0	0	3	0
University of Virginia	1	3	0	0
University of Virginia College at Wise	2	0	1	2
University of Virginia Medical Center	2	0	0	0
Virginia Community College System – Central Office	0	1	0	0
John Tyler Community College	0	1	0	0
Virginia Military Institute	2	1	0	0
Virginia Polytechnic Institute and State University	1	1	0	0
Virginia State University	6	0	1	0

	IN PROGRESS		COMPLETED	
	On Schedule	**Delayed**	**On Schedule**	**Delayed**
Executive Offices				
Attorney General and Department of Law	3	1	0	0
Finance				
Department of Planning and Budget	0	1	0	0
Department of the Treasury	1	0	0	0
Health and Human Resources				
Department of Behavioral Health and Developmental Services	5	1	1	1
Department of Health	2	1	1	0
Department of Medical Assistance Services	0	2	0	0
Department of Social Services	7	5	0	0
Department for the Blind and Vision Impaired	0	3	0	0
Labor				
Virginia Employment Commission	1	2	2	0
Public Safety and Homeland Security				
Department of Fire Programs	0	5	0	1
Department of State Police	0	11	0	0
Virginia Alcoholic Beverage Control Authority	0	1	0	0
Transportation				
Department of Motor Vehicles	1	0	0	0
Veterans and Defense Affairs				
Department of Veterans Services	0	0	3	0
Sitter & Barfoot Veterans Care Center	0	0	2	0
Virginia Veterans Care Center	0	0	5	0
TOTALS	49	45	26	5

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Status of Prior Audit Findings

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

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

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

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

Administration

Department of General Services (DGS)
Audit Year: 2020

> **Finding 20-02:** Develop and Implement Surplus Tracking System
> **Status:** Surplus will look into the feasibility of purchasing a tracking system and consider the possibility of other tracking options.
> **Status Summary:** In Progress (On Schedule)

Virginia Information Technologies Agency (VITA)
Audit Year: 2021

> **Finding 21-01/20-01:** Ensure ITISP Suppliers Meet all Contractual Requirements. **This is a Repeat Finding.**
> **Status:** VITA continues to enhance, on an ongoing basis, the security of infrastructure services, including remediating vulnerabilities and providing agencies with useful and appropriate access to security log information. VITA described in detail in the last corrective action report (submitted October 7) how this finding has been addressed and why that was adequate (in VITA's view) for closure. VITA understands that FY22 audit findings will soon be finalized, and that APA may not agree. Upon the finalization of the FY22 findings, VITA will address and respond further.
> **Status Summary:** Completed (Delayed)

Commerce and Trade

Department of Housing and Community Development (DHCD)
Audit Year: 2021

> **Finding 21-05:** Include Required Provisions in Contracts Supported with Federal Funds
> **Status:** Working with Procurement Officer to ensure appropriate language is included in contracts supported with federal funds. Received additional insight from APA in December 2022. Sending policy over to APA for review and approval. Anticipate this being approved and complete by January 31, 2023.
> **Status Summary:** In Progress (On Schedule)

Department of Small Business and Supplier Diversity (DSBSD)
Audit Year: 2021

Finding 21-01: Ensure Proper Monitoring over Outsourced Programmatic Functions. **This is a Material Weakness.**
Status: The Rebuild Program Manager, the Executive Director of VSBFA and other members of senior management have routinely met weekly with the service provider during FY2022. In addition the Program Manager has performed monthly reviews of applications and appeals via randomly selected sample. Results of each review were discussed in weekly meetings. As the Rebuild program winds down, the service provider has completed reviewing all application as of November 16, 2022, and the service provider will phase out on December 16, 2022. Going forward there are no new applications to review. The team is now concentrating on disabusing awarded funds to the remaining approved applicants.
Status Summary: In Progress (On Schedule)

Education

Christopher Newport University (CNU)
Audit Year: 2021

Finding 21-01: Develop and Implement Database Configuration Procedures
Status: IT Services has completed the configuration of application CIS Compliance scans and documented the vendor specified deviations from the industry standard. The benchmarks will be reviewed annually beginning in November 2023.
Status Summary: In Progress (On Schedule)

Finding 21-02: Develop and Implement a Process to Maintain Oversight over Service Providers
Status: The University's Executive Steering Committee approved the Third-Party Vendor Risk Management Standard and procedures on September 9, 2022.
Status Summary: In Progress (On Schedule)

Finding 21-03: Implement Cybersecurity Requirements of the Gramm-Leach-Bliley Act
Status: CNU has an active engagement with a third party to conduct a GLBA assessment in February of 2023 to identify and document GLBA data and the departments responsible for it.
Status Summary: In Progress (On Schedule)

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

Finding 19-03/18-07/17-11/16-06: Continue Improving Database Security. **This is a Repeat Finding.**
Status: The CISO has been working with VITA/a Third-Party to get log access. The CISO is still waiting on access to the SIEM tool for evaluation of logs and set up.
Status Summary: In Progress (Delayed)

George Mason University (GMU)
Audit Year: 2021

Finding 21-02/20-04: Continue Improving Security Awareness Training. **This is a Repeat Finding.**
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Longwood University (LU)
Audit Year: 2021

Finding 21-01: Continue to Improve Financial System Operating System Security. **This is a Partial Repeat Finding.**
Status: Longwood will continue to establish and document a process to mitigate, or document exceptions for, system vulnerabilities in a timely manner. Longwood will implement, perform, and follow up on the vulnerability scans.
Status Summary: Completed (On Schedule)

Finding 21-02: Improve Asset System Operating System Security
Status: Longwood will document and implement a configuration procedure that is based on CIS Benchmarks (Level 1). The configuration procedure will include deviations from recommended and expected security configurations and Longwood's business justification for the deviation.
Status Summary: Completed (On Schedule)

Norfolk State University (NSU)
Audit Year: 2021

Finding 21-04/20-01/17-01/16-01: Continue to Improve Information Security and Risk Management and Contingency Programs. **This is a Partial Repeat Finding.**
Status: NSU hired a 3rd party technology (audit) company to perform risk assessments on all the university's sensitive systems. The assessments for all systems are complete.
NSU continues to revise and plans to complete the DRP as well as the Continuity of Operations Plan (COOP) and test by January 13, 2023.
Status Summary: In Progress (On Schedule)

Finding 21-05/20-07: Continue to Implement Cybersecurity Requirements of the Gramm-Leach-Bliley Act (GLBA). **This is a Repeat Finding.**
Status: NSU identified the university systems subject to GLBA policy and hired an audit firm to prioritize the completion of risk assessments for those systems. The assessments for the systems identified as subject to GLBA policy are complete and NSU the risk treatment plans have been created and systems remediation applied.
Status Summary: Completed (On Schedule)

Finding 21-06/20-02/17-03/16-03/15-02: Continue to Upgrade End-of-Life Technology. **This is a Partial Repeat Finding.**
Status: Norfolk State University continues to make significant progress in upgrading and decommissioning end-of-life technology campus-wide. NSU has completed 92% of the systems that need to be addressed. NSU is on track to have the remaining 8% of end-of-life systems decommissioned by February 1, 2023.
Status Summary: In Progress (Delayed)

Finding 21-07: Remove System Access Timely. **This is a Partial Repeat Finding.**
Status: Policy updates are in progress. Human Resource provided communication to all University Faculty, Administrators and Staff on Understanding the Employee Clearance and Separation Process. This training material include the requirement of notifying certain campus departments of the employee's departure through electronic university clearance form within 24 hours of notification of separation. This communication will continue to be distributed quarterly as a training tool and reminder for University Faculty, Administrators, and Staff.
Status Summary: In Progress (On Schedule)

Finding 21-08: Comply with Prompt Payment Provisions. **This is a Repeat Finding.**
Status: The University has continued with training on the procurement to pay process to ensure budget managers and fiscal staff understand their responsibility.
Status Summary: In Progress (On Schedule)

Finding 21-09: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
Status: The Registrar's and Financial Aid Offices continues to review and document submissions of both official and unofficial withdrawals and graduate reporting based on the updated policies and procedures put in place to ensure timely and accurate enrollment reporting. Errors are continuing to be address and resolved.
Status Summary: In Progress (Delayed)

Old Dominion University (ODU)
Audit Year 2021

Finding 21-01: Improve the Financial Reporting Process. **This is a Material Weakness.**
Status: Management of the Office of Finance is implementing the following corrective actions:
1. Develop a review control checklist to enhance high-level review. (In Progress)
2. Conduct more robust flux analysis and reasonableness analysis review at the transaction level and through the year-end reporting process. (Complete)
3. Increase methodology documentation of key financial reporting processes. (In Progress)
4. Develop effective data validation steps to mitigate the risk of error which may be caused by an over reliance on system-generated reports. (In Progress)
5. Expand engagement with internal and external partners when incorporating new program and new funding resources in the financial reporting process. (Complete)
6. Allocate resources to improve Banner functionality, efficiency and financial reporting process. (In Progress)
7. Conduct SWOT Analysis, evaluate organizational structure and allocate resources to realign responsibility, accountability and professional skill set of the Office of Finance. (New initiative - In Progress)
Status Summary: In Progress (On Schedule)

Finding 21-02: Strengthen Policies and Procedures Related to Terminated Employees
Status: 1. The Department of Human Resource (HR) has revised Policy #6060-Separation Policy for Faculty/Staff and submitted the policy to the University Policy University Policy Manager & Executive Secretary to the Board of Visitors for review by the University Policy Review Committee, and final approval by the University President. (In Progress)
2. HR has implemented a new timeline to send a non-compliance notification to the hiring managers and their supervisor if the checklist is not completed two days after the employee's separation effective date. (Complete)
Status Summary: In Progress (On Schedule)

Finding 21-03: Improve Controls over Residential System Access
Status: All four corrective actions have been implemented as of December 8, 2022.
Status Summary: Completed (On Schedule)

Finding 21-04: Promptly Return Unclaimed Aid to the Department of Education
Status: 1. The University (Office of Finance) had promptly return unclaimed aid to the Department of Education as of December 8, 2022. (Complete)
2 & 3. The Office of Finance has updated its formal procedure (OOF Procedure# 3-035 Due Diligence for Title IV Checks) to perform due diligence on outstanding checks that include federal funds for checks written up to 240 days from initial check date. (Complete)
4. The procedure follows applicable federally mandated guidelines and attempt to contact students with undeposited payments. If not successful, the Office of Finance will notify the Student Financial Aid Office timely (no later than two hundred days) to process aid changes and for the University to return the unclaimed funds to the U.S. Department of Education (ED) within the required timeframe. (Complete)
5. The Information Technology Services (ITS) is currently developing a revised aging report to further improve monitoring effectiveness. (New initiative - In Progress)
Status Summary: In Progress (On Schedule)

Finding 21-05: Promptly Return Unearned Title IV Funds to Department of Education
Status: SFA management plans to engage the Third-Party vendor in 2023 to ensure all available Banner resources have been applied to the Return of Title IV Funds processing. (New initiative - In Progress). SFA management has counseled responsible staff and clarified expectations of duties surrounding the critical nature to process assigned system duties promptly and timely. (New initiative - Complete)
Status Summary: In Progress (On Schedule)

Finding 21-06/21-01: Improve Compliance over Enrollment Reporting
Status: 1 &2. Some of the errors the auditors had found were caused by defects in the enrollment reporting job itself and reported to the third-party vendor. While no new compliance issues were identified by the review process, based on the consultant's recommendation, the Office of Registrar is making the following changes to improve consistencies and accuracies in managing enrollment status effective dates at the campus and program levels:
a. Development stage - change the major declaration process to make curriculum changes effective with the start of the following term, (In Progress)
b. Implementation stage - Use the on-the-fly time status calculation to update enrollment status effective dates as registration activity takes place. (In Progress)
3. The Office of Registrar has implemented a stricter quality control process over enrollment reporting. (Complete)
Status Summary: In Progress (On Schedule)

Finding 21-07: Properly Complete Exit Counseling for Federal Direct Loan Borrowers
Status: Corrective action has been completed.
Status Summary: Completed (On Schedule)

Radford University (RU)
Audit Year 2021

Finding 21-01: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
Status: The Office of Financial Aid and the Registrar's Office have improved and refined processes to address all parts of the APA Finding #2021-078. The University's Office of Audit & Advisory Services (OAAS) has verified that implementation of these improvements was successful for all parts except unofficial withdrawals.
OAAS will test Fall 2022 unofficial withdrawals in Spring 2023, with verification scheduled to be complete by April 30, 2023. No changes from prior submission.
Status Summary: In Progress (Delayed)

Finding 21-02: Improve Timeliness of Information System Access Removal
Status: Revised procedures and processes were reviewed and validated. Item is now completed.
Status Summary: Completed (On Schedule)

Finding 21-04: Promptly Return Unclaimed Aid to the Department of Education
Status: The Office of Financial Aid and the Department of General Accounting collaborated to make process revisions and updates to internal procedures, these procedures are currently being reviewed and validated.
Status Summary: In Progress (Delayed)

Richard Bland College (RBC)*
Audit Year 2021

Finding 21-01: Develop and Implement a Service Provider Oversight Process
Status: No updated corrective action workplan received.
Status Summary: In Progress (On Schedule)

University of Mary Washington (UMW)
Audit Year 2021

    Finding 21-01: Accurately Record Intra-Entity Capital Asset Transfers
    Status: The intra-entity asset transfer in fiscal year 2021 was very uncommon and is not standard practice for UMW. UMW will ensure that corrections are made in fiscal year 2022 to the assets related to the 2021 transfer. In addition, asset transfer procedures will be developed and documented.
    Status Summary: Completed (On Schedule)

    Finding 21-02: Improve Internal Control Over Capital Outlay Procurement and Management
    Status: UMW will hire additional Capital Outlay staff and will continue to encourage professional and other VCCO training and development. Capital Outlay and Procurement will work together to develop processes to ensure segregation of duties or compensating controls, and ensure appropriate documentation and approvals are provided for capital outlay requests and transactions.
    Status Summary: Completed (On Schedule)

    Finding 21-03: Properly Track and Report Leases
    Status: UMW will move forward, as previously planned, and use the Commonwealth's LAS87 system for tracking leases. In addition, UMW Finance will form a leases group to meet, discuss and analyze leases to determine proper classification and reporting. The group will also develop written procedures related to leases and the lease system of record.
    Status Summary: Completed (On Schedule)

University of Virginia (UVA/AD)
Audit Year 2021

    Finding 21-01/20-01/19-02: Improve Controls over User Access to the Payroll and Human Resources System. **This is a Partial Repeat Finding.**
    Status: A risk rated approach around Segregation of Duties and Access Provisioning and De-Provisioning has been taken, and the cross-functional team established continues to make progress, now that the system implementation is complete. Significant deficiencies associated with User Access and Provisioning Rights continue to be addressed. Work in this area will be ongoing through FY23.
    Status Summary: In Progress (Delayed)

    Finding 21-02: Improve Processes over Employment Eligibility Verification. **This is a Partial Repeat Finding.**
    Status: After multiple decentralized initiatives around compensating controls regarding the onboarding process, UVA leadership will be operationalizing a more centralized preventative approach as a means to remediate. UVA will provide more directed and detailed insight on those remediation efforts and business process changes in our quarterly updates to the Department of Accounts, however it is important to note, that due to governance and the need for new processes, will not take effect until Spring of 2023.
    Status Summary: In Progress (Delayed)

    Finding 21-03: Complete Annual Review Over user Access to University Information Systems
    Status: The University is taking a collaborative approach into FY2023, now that our new finance system has been implemented, to address the entire control environment over university systems and user access. This includes Request-Based Access initiative, Segregation of Duties identification and review, establishment of a System Access Working Group.
    Status Summary: In Progress (Delayed)

Finding 21-04: Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act

Status: The Academic Division continues to progress towards full implementation of all required components of the Gramm-Leach-Bliley Act. The Academic Division's external vendor conducted risk assessments on all five systems containing nonpublic customer information in October 2022 as planned. Upon receipt and review of the external vendor's report, the Academic Division will develop a remediation plan to mitigate identified risks. The plan is expected to be developed in early 2023.

Status Summary: In Progress (On Schedule)

University of Virginia's College at Wise (UVA/CW)
Audit Year 2021

Finding 21-01: Improve Controls over User Access to the Payroll and Human Resources System. **This is a Partial Repeat Finding.**

Status: A risk rated approach around Segregation of Duties and Access Provisioning and De-Provisioning has been taken, and the cross-functional team established continues to make progress, now that the system implementation is complete. Significant deficiencies associated with User Access and Provisioning Rights continue to be addressed. Work in this area will be ongoing through FY23.

Status Summary: In Progress (On Schedule)

Finding 21-02: Improve Processes over Employment Eligibility Verification. **This is a Partial Repeat Finding.**

Status: After multiple decentralized initiatives around compensating controls regarding the onboarding process, UVA leadership will be operationalizing a more centralized preventative approach as a means to remediate. UVA will provide more directed and detailed insight on those remediation efforts and business process changes in our quarterly updates to the Department of Accounts, however it is important to note, that due to governance and the need for new processes, will not take effect until Spring of 2023.

Status Summary: In Progress (On Schedule)

Finding 21-07: Continue to Improve Controls and Compliance with Student Financial Aid Requirements

Status: UVA Wise has addressed this recommendation. Wise has enhanced current reporting procedures and implemented corrective actions to ensure that student disbursements are reported accurately and timely. As noted by University Audit, UVA Wise is continuing work on this corrective action plan as management wants to monitor the improvements implemented for the whole academic year of 2022-23 to ensure the process is smooth and to pursue further automation, wherever possible. Management's anticipated completion date for this continued work is May 30, 2023.

Status Summary: Completed (On Schedule)

Audit Year 2020

Finding 20-03: Report Student Changes Accurately and Timely to the National Student Loan Data System

Status:
1. Management has performed a comprehensive review of their student status reporting procedures. Based on that review, management has developed and implemented improved procedures to ensure accurate and timely reporting of student status changes to NSLDS.
2. Additionally, the UVA Wise Registrar has developed and implemented a self-audit process with a checklist as part of their quality control review of the NSLDS reporting.

Status Summary: Completed (Delayed)

Finding 20-04: Perform Accurate Title IV Calculations
Status: UVA Wise has addressed this recommendation. Wise has enhanced current reporting procedures and implemented corrective actions to ensure that student disbursements are reported accurately and timely. As noted by University Audit, UVA Wise is continuing work on this corrective action plan as management wants to monitor the improvements implemented for the whole academic year of 2022-23 to ensure the process is smooth and to pursue further automation, wherever possible. Management's anticipated completion date for this continued work is May 30, 2023.
Status Summary: Completed (Delayed)

University of Virginia Medical Center (UVAH)
Audit Year 2021

Finding 21-01: Improve Controls over User Access to the Payroll and Human Resources System. **This is a Partial Repeat Finding.**
Status: A risk rated approach around Segregation of Duties and Access Provisioning and De-Provisioning has been taken, and the cross-functional team established continues to make progress, now that the system implementation is complete. Significant deficiencies associated with User Access and Provisioning Rights continue to be addressed. Work in this area will be ongoing through FY23.
Status Summary: In Progress (On Schedule)

Finding 21-02: Improve Processes over Employment Eligibility Verification. **This is a Partial Repeat Finding.**
Status: After multiple decentralized initiatives around compensating controls regarding the onboarding process, UVA leadership will be operationalizing a more centralized preventative approach as a means to remediate. UVA will provide more directed and detailed insight on those remediation efforts and business process changes in our quarterly updates to the Department of Accounts, however it is important to note, that due to governance and the need for new processes, will not take effect until Spring of 2023.
Status Summary: In Progress (On Schedule)

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

Finding 20-02/19-01: Ensure Consistency in the Handling and Financial Reporting of Dual Enrollment Tuition
Status: Fiscal Services will develop procedures to accurately account and report dual enrollment (DE) activity. Two new AIS accounts (40221 and 40222) have been established in AIS to account for this DE activity. Colleges will be instructed to account for all DE income (tuition) and DE expenses (reimbursements) in these two accounts. As the colleges have several different ways that DE activity is accounted for, they will be instructed to ensure that this activity is "grossed-up" at year end for financial statement reporting purposes. Colleges will be given the option to record this in a manner that fits into their operational activity:
1) Grossed up as part of their normal DE registration and invoicing.
2) Grossed up through a journal entry when the activity is transferred from SIS into AIS, or.
3) Grossed up through a journal entry in AIS either monthly, quarterly or at year-end.
The System Office will then review the DE activity at year-end for the "system" to ensure accuracy and reasonability. Colleges will be contacted with maintain supporting documentation for their DE activity entries. Process changes will go into effect July 1, 2023, for the June 30, 2024, year-end and will adhere to the most recent recommendations from the Joint Legislative Audit and Review Commission (JLARC).
Status Summary: In Progress (Delayed)

John Tyler Community College (JTCC)
Audit Year: 2020

Finding 20-01: Perform Capital Asset Inventory, Record Capital Assets Timely, and Reconcile Inventory Counts
Status: Due to COVID, campus closures, and problems with the software, completion targeted for June 30, 2023.
Status Summary: In Progress (Delayed)

Virginia Military Institute (VMI)
Audit Year: 2021

Finding 21-01: Ensure Proper Documentation of Bank Reconciliations
Status: VMI has reconciled all deposits and checks to the bank statement through October 2022 and are working on November. While VMI has made some progress, reconciling timely continues to be a challenge with current department staffing levels. VMI has three staff accountant positions and only one is currently filled (this staff member will be out on maternity leave from April through June 2023). If VMI is unsuccessful at filling its two vacancies, this will leave VMI with no support staff during her leave. VMI had one of the vacancies filled in June, but they left for other employment in mid-October. Both positions have been posted since April 2022 and VMI has failed to find qualified candidates. For this reason, VMI is extending the completion date out by 6 months. With current staffing challenges, VMI is unable to meet the initial estimated December 2022 deadline.
Status Summary: In Progress (Delayed)

Finding 21-02: Improve Controls over Terminated Employees. **This is a Repeat Finding.**
Status: General Order #35 (Institute Policies & Procedures) needs further review before approval and formal publication. Meeting scheduled in January to review termination processes and to update the General Order. Formal training to be developed for supervisors once General Order is finalized.
Status Summary: In Progress (On Schedule)

Finding 21-03: Ensure Compliance with Conflict of Interests Act
Status: The list of employees required to complete the annual Statement of Economic Interest has been reviewed, updated, and sent to the VMI Ethics Council contact person. In January when the notice is sent out from the Ethics Council, VMI will send an email reminding these employees to take the required training and to complete the annual filing by the deadline of February 1, 2023. A tracking mechanism will be established by the end of March 2023 to monitor training requirements.
Status Summary: In Progress (On Schedule)

Virginia Polytechnic Institute and State University (VPISU/ID)
Audit Year 2021

Finding 21-01: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
Status: The University continues to work on the process change requirements and testing.
Status Summary: In Progress (On Schedule)

Audit Year: 2020

Finding 20-01: Report Student Status Enrollment Changes Timely to National Student Loan Data System. **This is a Repeat Finding.**
Status: The office of university registrar review 100% of the spring 2022 awards identifying refinements needed to have a fully effective self-audit of certificates awarded. Based on discussion with APA auditor in February 2022 when the below finding was issued, VPISU will not report this item as completed until all known enrollment issues have been addressed.
Status Summary: In Progress (Delayed)

<u>Virginia State University (VSU)</u>
Audit Year: 2021

Finding 21-01: Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**
Status:
1-VSU has received access to the NSLDS for Registrar staff - VSU is still trying to hire an additional staff member to maintain the enrollment reporting.
2-After VSU revitalization training with the third-party vendor, VSU has successfully ran the 3 additional jobs in the application to assist with clean up and accuracy for enrollment reporting:
   -expected graduation dates
   -cleanup of EL term records
   -time status
3-VSU has implemented monthly meetings with the Office of Financial Aid to ensure quality control reviews are conducted in collaboration with Office of the Registrar to ensure timely and accurate reporting.
Status Summary: In Progress (On Schedule)

Finding 21-02: Promptly Return Unclaimed Aid to the Department of Education
Status: VSU has allocated additional resources to the Student Accounts department to assist in improving operations and to ensure compliance regarding billings, collections, refunds, etc.
Status Summary: In Progress (On Schedule)

Audit Year: 2020

Finding 20-03: Improve Processes for Employment Eligibility. **This is a Repeat Finding.**
Status: OHR is in the process of procuring a third-party vendor to take over the administration of I-9s and E-Verify and anticipates having proper processes and procedures in place and implemented by June 2023.
Status Summary: In Progress (On Schedule)

Finding 20-08: Improve Access and Account Management Controls
Status: VSUTS has continued working with various vendors to determine the best solution for a single sign-on which will significantly assist in the risk of unauthorized system access to various software.
Status Summary: In Progress (On Schedule)

Finding 20-11: Properly Reconcile Student Account Collections
Status: Student Accounts is still working towards fulfilling vacant positions. The Senior Accounting role is expected to be filled by November 2022 and will then begin taking on reconciliation duties.
Status Summary: In Progress (On Schedule)

Finding 20-14: Improve Internal Controls over Unauthorized Purchases and Adhere to Procurement Policy
Status: OPS has continued to monitor unauthorized purchases and takes action as necessary for offenders of the policy.
Status Summary: Completed (On Schedule)

Finding 20-15: Improve Processes and Controls for Leave Activity
Status: OHR intends to take a closer look at leave policy within the statewide accounting system after the October 3, 2022, go-live date for VSU as a Release 3 agency.
Status Summary: In Progress (On Schedule)

Executive Offices

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

Finding 21-01: Improve Information Security Program and IT Governance
Status: Policy findings remediation delayed due to the departure of Deputy Director during December 2021. The resulting administrative overhead has hindered progress on this finding. OAG has engaged a risk management firm to assist in the development of policies. Continued progress and a revised plan will be achieved by December 31st, 2022. IT continues to work internally and Contractors to remediate finding.
Status Summary: In Progress (Delayed)

Finding 21-02/20-03: Continue to Improve Virtual Private Network Security Controls. **This is a Repeat Finding.**
Status: VPN findings remediation delayed due to the departure of Network Engineer during October 2021. The new Network Engineer was hired April 2022. Estimated completion date of internal assessment July 15, 2022. Continued progress and a revised plan will be achieved by August 1, 2022. IT continues to work internally and Contractors to remediate finding.
Status Summary: In Progress (On Schedule)

Finding 21-03: Improve Database Security
Status: An estimated 90% of the policies and procedures have been completed. An estimated 75% of the technical remediation work has been completed. The application team will continue work to complete outstanding items. We'll be leveraging the support of a risk management firm in completion of this item and expect its delivery by December 31st, 2022. IT continues to work with Application team and Contractors to address and correct findings.
Status Summary: In Progress (On Schedule)

Finding 21-04/20-02: Continue to Improve Firewall Management. **This is a Partial Repeat Finding.**
Status: Firewall findings remediation delayed due to the departure of Network Engineer during October 2021. The new Network Engineer was hired April 2022. Estimated completion date of internal assessment July 15, 2022. Continued progress and a revised plan will be achieved by August 1, 2022. IT continues to work internally and Contractors to remediate finding.
Status Summary: In Progress (On Schedule)

Finance

Department of Planning and Budget (DPB)
Audit Year: 2021

Finding 21-01: Improve Information Technology Change and Configuration Management Policy and Process
Status: Agency is actively addressing issues identified by the auditor and is making changes to its configuration management platforms and formal policies.
Status Summary: In Progress (Delayed)

Department of the Treasury (TD)
Audit Year: 2021

Finding 21-01: Improve IT Risk Management and Contingency Planning Documentation
Status: Treasury's COOP Team has begun reviewing and revising current documentation and the Information Security Officer has been completing System Security Plans.
Status Summary: In Progress (On Schedule)

Department of Behavioral Health and Developmental Services (DBHDS)
Audit Year: 2021

Finding 21-02: Improve Risk Assessment Process
Status: The hiring process has been completed. The selected candidate is being onboarded by January 25, 2023, even though DBDHS is trying to make that January 10, 2023.
Status Summary: Completed (On Schedule)

Finding 21-04: Improve Controls over the Process for Calculating Contractual Commitments
Status: Contractual commitments were computed for the FY 2022 financial reporting cycle. The process used to compute the commitments is in place and is continuously being improved upon. Despite the existence of written procedures involving the commitment calculation, the A and E Services Office and the Office of Procurement and Administration experienced significant staff turnover during the FY 2022 fiscal year. Procurement and Administration operated at half-staff and without a director or deputy director. The result of these conditions was a $3 million variance in the commitment calculation. Although APA determined this to not be material to the ACFR, it is still considered a control weakness. DBHDS will ideally have different conditions next cycle. Procedures as outlined have been addressed and are considered adequate.
Status Summary: Completed (Delayed)

Finding 21-06: Ensure Compliance with the Conflict of Interests Act
Status: Due to staffing issues and other pressing deadlines, DBHDS has to extend the due date for this function. All facilities were provided updated guidance and asked to report back that their list was up to date, payment system was updated, and that training was taking place. The follow up from CO to review that this was complete is still in progress. DBHDS needs to, through October, complete based on the statewide accounting system go live date of October 3, 2022.
Status Summary: In Progress (Delayed)

Finding 21-07: Continue to Ensure Consistent Application of Subrecipient Monitoring Controls. **This is a Partial Repeat Finding.**
Status: The third remaining contract that needed to be transitioned to an SFA has been transferred. DBHDS will be continually monitoring the implementation of our procedures, but policies have been in place for a year and now all SFAs are transitioned. Once DBHDS has had a one year look behind after implementation in terms of monitoring this as part of staff activities, DBHDS will consider the finding complete.
Status Summary: In Progress (On Schedule)

Finding 21-09/20-10/19-02/18-02/17-02: Improve IT Contingency Management Program. **This is a Repeat Finding.**
Status: ISO met with Facility Emergency Management. Introduced the Disaster Recovery Template to the attendees. Template to be completed by November 30, 2022. Expected implementation of Enterprise COOP Plan is January 1, 2023.
Status Summary: In Progress (On Schedule)

Finding 21-10/20-11/19-04/18-04: Develop Baseline Configurations for Information Systems. **This is a Repeat Finding.**
Status: The BIA effort is underway, due to application inventory DBHDS is implementing BIA review for 25 applications per quarter. Anticipated to be completed with the entire review by Q1-2024
Status Summary: In Progress (On Schedule)

Finding 21-11/20-13: Continue to Implement Compliant Application Access Management Procedures. **This is a Repeat Finding.**
Status: The BIA effort is underway, due to application inventory DBHDS is implementing BIA review for 25 applications per quarter. Anticipated to be completed with the entire review by Q1-2024
Status Summary: In Progress (On Schedule)

Finding 21-13/20-06: Continue to Improve Controls over Payroll Reconciliations. **This is a Repeat Finding.**
Status: DBHDS had developed the reconciliation, however due the statewide accounting system Implementation those processes will have to be revised. DBHDS has already began discussions with the Facility CFOs and anticipate these to be done by December 31, 2022.
Status Summary: In Progress (On Schedule)

Department of Health (VDH)
Audit Year: 2021

Finding 21-01: Strengthen Controls over Financial Reporting. **This is a Material Weakness.**
Status: The Grants Accountant and the Director of OFM positions have been filled. However, the Deputy Director of General Accounting is vacant since that individual was promoted to Director of OFM. The Deputy Director of General Accounting position has been posted and screenings have been completed.
Status Summary: In Progress (Delayed)

Finding 21-03: Improve Service Provider Oversight
Status: OIM and Procurement are working on processes. OIM is establishing a process with a change management software.
Status Summary: In Progress (On Schedule)

Finding 21-04: Improve Controls over Small Purchase Charge Cards
Status: SPCC policy has been reviewed by the DCA and needs to go for comments.
Status Summary: In Progress (On Schedule)

Finding 21-07: Continue Improving Information Technology Change Management Process for a Sensitive System. **This is a Repeat Finding.**
Status: Launched a change management portal and processes including security impact analysis.
Status Summary: Completed (On Schedule)

Department of Medical Assistance Services (DMAS)
Audit Year: 2021

Finding 21-02/20-02: Improve Information Security Program and Controls. **This is a Material Weakness and a Repeat finding.**
Status: The Deputy of Technology and Innovation started on November 10th and the ISO is working closely with the deputy to develop the plan of action to remediate the other audit findings. Two of the findings (Security Awareness and Training and Contingency Planning) have been closed.
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: No Change from last update. DMAS continues to work on drafting the RFP for the Fiscal Agent System takeover project. Role-based account privileges will be included as a requirement in the RFP.
Status Summary: In Progress (Delayed)

Department of Social Services (DSS)
Audit Year: 2021

Finding 21-02: Evaluate Subrecipients' Risk of Noncompliance
Status: SRM Workgroup has been revising the SRM Plan and is on track for the overall plan to be presented to the Division Director by the end of December 2022 for review. Individual program risk assessments are under development. Once approved, VDSS home office and regional staff will be trained with the implementation goal of July 1, 2023.
Status Summary: In Progress (On Schedule)

Finding 21-03/20-10: Ensure Appropriate Oversight over Divisions' Monitoring Activities. **This is a Repeat Finding.**
Status: An initial budget request has been provided to the Executive Team for their consideration for inclusion in the formal budget requests which will go to DPB but was subsequently denied. Funding for an agency-wide Grants Management system has been approved and Compliance will seek to enhance the scope of that effort to entail various items related to Subrecipient Monitoring.
Status Summary: In Progress (Delayed)

Finding 21-04/20-11: Review Non-Locality Subrecipients' Audit Reports and Communicate Results Timely. **This is a Repeat Finding.**
Status: Most, but not all, audits of non-locality subrecipients expending $750,000 or more in federal funds, have been received and reviewed by Compliance. Compliance will continue to review the results of those audits and communicate issues of non-compliance or items of material or significant risk to management for their actions and decisions. The internal controls related to tracking and monitoring these grants need to be facilitated through a SRMS system. The system was not funded, nor funds made available to implement this system.
Status Summary: In Progress (On Schedule)

Finding 21-06/20-15/19-13: Continue Improving IT Change and Configuration Management Process. **This is a Repeat Finding.**
Status: TS has implemented a vulnerability and patch management process thru the VDSS Network Operations Security Center. As of July 30, 2022, DSS still needs to work on a process to identify unauthorized changes by comparing device changes to the Change Advisory Board approvals.
Status Summary: In Progress (On Schedule)

Finding 21-08/20-13/19-10/18-10: Continue Developing Record Retention Requirements for Electronic Records. **This is a Repeat Finding.**
Status: On detailed review of efforts needed to accomplish this action, there will need to be multiple phases developed and deployed to address the purging requirements. As such, the full completion of this effort is pushed to Q4 2024 due to the complexity and resource availability to accomplish this result.
Status Summary: In Progress (Delayed)

Finding 21-10/20-16: Continue to Improve Access Controls over Child Care System. **This is Repeat Finding.**
Status: Forms have been changed. As of July 30, 2022, there is still a manual process for identifying and removing system access by the business. Changes made but process is still manual and relies on Supervisors to initiate the process timely. Consider future actions with HR to track Supervisors who fail to report terminations and transfers timely.
Status Summary: In Progress (On Schedule)

Finding 21-13/20-17*: Comply with Federal Regulations for Documentation of Employment Eligibility. **This is a Repeat Finding.**
Status: No updated corrective action workplan received.
Status Summary: In Progress (On Schedule)
Finding 21-14*: Ensure Compliance with the Commonwealth's Executive Leave Policy
Status: No updated corrective action workplan received.
Status Summary: In Progress (On Schedule)

Finding 21-15/20-07/19-02/18-01: Improve Controls over Income Verification for the TANF Program. **This is a Repeat Finding.**
Status: DBP has worked with IT to develop the technical requirements to resolve this issue within the system. Per DSS ISRM, once the requirements are put into place, LDSS users will be unable to access this functionality unless they complete a fingerprint background check. Because LDSS employees are not state employees, the Code of Virginia must be amended to require LDSS employees who access this information to complete a background check. As soon as the GA approves the requirement that local employees be fingerprinted the process will be able to move forward.
Status Summary: In Progress (Delayed)

Finding 21-16/20-02: Continue to Communicate Subrecipient Monitoring Responsibilities to the Coordinators. **This is a Repeat Finding.**
Status: The Agency-wide Monitoring Plan is partially completed and is expected to be finalized by December 31, 2022. An initial budget request has been provided to the Executive Team for their consideration for inclusion in the formal budget requests which will go to DPB but was subsequently denied. Funding for an agency-wide Grants Management system has been approved and Compliance will seek to enhance the scope of that effort to entail various items related to Subrecipient Monitoring.
Status Summary: In Progress (Delayed)

Finding 21-17/20-14/19-12: Continue Improving Web Application Security. **This is a Repeat Finding.**
Status: TS has implemented a vulnerability and patch management process thru the DSS Network Operations Security Center. DSS ISRM provides scan results each month, and quarterly VITA web scans to the business and to ITS. While the agency has a patch management process, it is not implemented consistently across the DSS architecture. DSS had a recent unauthorized access incident to a production cluster due to out of support OS and app environment.
Status Summary: In Progress (On Schedule)

Audit Year: 2020*

Finding 20-06: Continue to Improve Reconciliation Process of the Commonwealth's Retirement Benefits System. **This is a Repeat Finding.**
Status: No updated corrective action workplan received.
Status Summary: In Progress (Delayed)

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

Finding 20-05/18-06: Upgrade Manufacturing System. **This is a Repeat Finding.**
Status: VIB solicited and issued an intent to award a contract to a third-party vendor for a new enterprise resource planning (ERP) solution in the summer of 2022 that will replace both the manufacturing and retail ERPs. VIB has won VITA concurrence that the solution can be provided as a Platform as a Service (PaaS) solution if it passes the ECOS review process. The third-party provider has responded to two sets of questions from the VITA ECOS Team and DBVI is close to agreement that the security concerns of a PaaS solution can be satisfied. VIB hired a Project Manager to coordinate this work with VITA. There are regular project team meetings and project updates provided to VITA as required under their PMO. DBVI is targeting to implement the first of many phased modules in the summer of 2023 if the project remains on track.
Status Summary: In Progress (Delayed)

Finding 20-06/18-07: Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**
Status: VIB solicited and issued an intent to award a contract to a third-party vendor for a new enterprise resource planning (ERP) solution in the summer of 2022 that will replace both the manufacturing and retail ERPs. VIB has won VITA concurrence that the solution can be provided as a Platform as a Service (PaaS) solution if it passes the ECOS review process. The third-party provider has responded to two sets of questions from the VITA ECOS Team and DBVI is close to agreement that the security concerns of a PaaS solution can be satisfied. VIB hired a Project Manager to coordinate this work with VITA. There are regular project team meetings and project updates provided to VITA as required under their PMO. DBVI is targeting to implement the first of many phased modules in the summer of 2023 if the project remains on track.
Status Summary: In Progress (Delayed)

Finding 20-07/18-08: Improve Oversight over Third Party Providers. **This is a Repeat Finding.**
Status: VIB solicited and issued an intent to award a contract to a third-party vendor for a new enterprise resource planning (ERP) solution in the summer of 2022 that will replace both the manufacturing and retail ERPs. VIB has won VITA concurrence that the solution can be provided as a Platform as a Service (PaaS) solution if it passes the ECOS review process. The third-party provider has responded to two sets of questions from the VITA ECOS Team and DBVI is close to agreement that the security concerns of a PaaS solution can be satisfied. VIB hired a Project Manager to coordinate this work with VITA. There are regular project team meetings and project updates provided to VITA as required under their PMO. DBVI is targeting to implement the first of many phased modules in the summer of 2023 if the project remains on track.
Status Summary: In Progress (Delayed)

Labor

Virginia Employment Commission (VEC)
Audit Year: 2021

Finding 21-02: Comply with Federal Requirements for Payment of Federal Pandemic Unemployment Compensation. **This is a Material Weakness.**
Status: VUIS and BPC staff continues to establish FPUC overpayments related to PUA payments and pursue recoupment of the overpayments.
Status Summary: Completed (On Schedule)

Finding 21-06: Submit Required Reports Timely. **This is a Repeat Finding.**
Status: EIA completed the ETA reporting policy and is developing the ETA reporting procedure. Revised estimated completion date is December 30, 2022.
Status Summary: In Progress (Delayed)

Finding 21-08/20-05: Comply with Statutory Deduction Requirements. **This is a Repeat Finding.**

Status: The TOP Program remains on track to be implemented in November 2022 in order to allow proper offsets for benefit overpayments.
Status Summary: In Progress (On Schedule)

Finding 21-09/20-03: Continue to Improve Information Technology Governance. **This is a Repeat Finding.**
Status: Corrective actions have been completed to address the risk and the IT Strategic Committee will continue to follow the IT governance framework. The status of this finding has been remediated and closed per APA, on October 13, 2022, via email.
Status Summary: Completed (On Schedule)

Audit Year: 2016

Finding 16-10/15-05: Document Separation of Duties of Individuals for Mission Critical Systems. **This is a Repeat Finding.**
Status: Separation of duties matrices have been completed for UI, and FMS. Separation of Duties for EIA and VAWC are being revised. The estimated completion date is December 31, 2022. **Status Summary:** In Progress (Delayed)

Public Safety and Homeland Security

Department of Fire Programs (DFP)
Audit Year: 2020

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

Finding 20-02/19-21: Continue to Improve Database Security. **This is a Partial Repeat Finding.**
Status: Image Trend has been implemented and provided the capability needed to address database security issues.
Status Summary: In Progress (Delayed)

Finding 20-04/19-25: Continue to Improve Logging and Monitoring. **This is a Partial Repeat Finding.**
Status: The changeover to the SIEM platform is ongoing not yet completed. The additional time will help ensure all needed capabilities are appropriately implemented.
Status Summary: In Progress (Delayed)

Finding 20-05: Continue to Improve Security Awareness Training. **This is a Partial Repeat Finding.**
Status: DFP has implemented the training program and finalized its policies and procedures that provide a formalized process for tracking compliance.
Status Summary: In Progress (Delayed)

Audit Year: 2019

Finding 19-19: Improve IT Governance
Status: Corrective action has been completed.
Status Summary: Completed (Delayed)

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

Status: DFP has been approved for funding for its ISO position. DFP has started developing the position description and employee work plan. Due changes in its senior management and need to fill other positions, DFP is still working on finalizing the steps needed to formally fill this vacancy.
Status Summary: In Progress (Delayed)

Department of State Police (VSP)
Audit Year: 2020

Finding 20-01: Continue to Upgrade and Replace End-of-Life Technology. **This is a Repeat Finding.**
Status: Network Transformation continues to progress. IT is submitting VITA paperwork to establish server infrastructure at QTS. Agency is balancing Transformation, Agency projects and daily operations.
Status Summary: In Progress (Delayed)

Finding 20-02: Improve Backup and Recovery Policies and Procedures
Status: Network Transformation continues to progress. IT is submitting VITA paperwork to establish server infrastructure at QTS. Agency is balancing Transformation, Agency projects and daily operations.
Status Summary: In Progress (Delayed)

Finding 20-04: Ensure Reconciliation Policies and Procedures Meet CAPP Manual Requirements. **This is a Repeat Finding.**
Status: The General Ledger Reconciliation policies and procedures document is under review by management.
Status Summary: In Progress (Delayed)

Finding 20-05: Align Capital Asset Accounting Policies with Code of Virginia and CAPP Manual. **This is a Partial Repeat Finding.**
Status: The Fixed Asset policies and procedures document (as a draft) was submitted on October 31, 2022, for reviewing and approval by the senior management.
Status Summary: In Progress (Delayed)

Finding 20-06: Complete Capital Asset Physical Inventories in Accordance with CAPP Manual Guidelines. **This is a Partial Repeat Finding.**
Status: 100% of agency locations have reported results of physical inventory counts. Summary analysis and corrective action plans are being completed for P&F Management review and approval by December 31, 2022. FAACS database corrections will follow.
Status Summary: In Progress (Delayed)

Finding 20-09: Align Internal Policies and Procedures with the Virginia Debt Collection Act and Commonwealth Accounting Policies and Procedures. **This is a Repeat Finding.**
Status: Our IT is working with a 3rd party collection company to provide VSP public I.P. address which use to access to their website. Once the IT complete the request, P&F will start sending our delinquent accounts to a 3rd party collection.
Status Summary: In Progress (Delayed)

Audit Year: 2019

Finding 19-01: Document Internal Policies and Procedures
Status: Progress was made with the dunning letters process and quarterly AR reporting, but the project is still in continuous process.
Status Summary: In Progress (Delayed)

Audit Year: 2017

Finding 17-06: Improve Risk Assessments
Status: New risk assessment format has been created and will comply with the submitted risk assessment plan. Initial set of risk assessments will be complete by June 2023.
Status Summary: In Progress (Delayed)

Finding 17-15: Improve Disaster Recovery Plan
Status: VSP received funding to engage vendor for DRP work. Vendor will be engaged January 2023. Transformation activities are consuming IT resources that are necessary for this effort. VSP will develop a timeline once SOW is signed.
Status Summary: In Progress (Delayed)

Finding 17-35/14-08: Improve Processes over Work Zone Project Billings. **This is a Repeat Finding**.
Status: In May 2022, Perceptive IT provided VSP the report in the application to generate the invoices for WZ/PSS. However, it was not "in sync" with payment system. Due to loss of IT staff this request is on hold until other higher priority projects are complete.
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 finalized. As the Payroll Services Bureau submits the VRS reconciliation to the agency, P&F and HR will collaborate on clearing reconciling items. The lack of available resources, along with statewide accounting and human capital management project, has not allowed P&F and HR to dedicate time to resolve.
Status Summary: In Progress (Delayed)

Virginia Alcoholic Beverage Control Authority (ABC)
Audit Year: 2021

Finding 21-03/ 20-03: Improve Oversight of Third-Party Service Providers. **This is a Repeat Finding.**
Status: The Authority agrees with the finding and will develop an IT Third Party Management Policy to include requirements for IT Security considerations. The Information Security Officer (ISO) will work with the Chief Information Officer (CIO) and with the Procurement division to define and identify the requirements for IT vendor risk and control Reporting reviews. The Authority will incorporate the IT Security requirements into the contract process review for new contracts, which will include documenting associated risks resulting from decisions to remove security requirements. The Authority will work with Procurement to identify the current inventory of service providers and develop an IT risk review schedule. Information Security & Governance will review the current process with procurement to address the completion of provider IT risk reviews and will develop a process that is sustainable and includes ongoing monitoring and compliance.
Status Summary: In Progress (Delayed)

Transportation

Department of Motor Vehicles (DMV)
Audit Year: 2021

Finding 21-01: Update End-of-Life Technology
Status: Oracle database upgrades completed. Work has begun to migrate CSC staff to cloud storage that will permit DMV to retire its legacy local storage arrays. VITA security exception was approved to carry DMV through December 2023. With the exception DMV is compliant with COV standards while it works through replacements and data migrations.
Status Summary: In Progress (On Schedule)

Veterans and Defense Affairs

Department of Veterans Services (DVS)
Audit Year: 2021

Finding 21-01: Record Donated Land in Capital Asset Accounting System
Status: During the audit, information needed to record the land purchase was obtained from DGS who had performed the acquisition on behalf of DVS. Land was added to the DVS Fixed Assets
Status Summary: Completed (On Schedule)

Finding 21-02: Properly Classify Federal Grants on Financial Attachments
Status: During the audit the correction was made and the Grant properly coded.
Status Summary: Completed (On Schedule)

Finding 21-03: Strengthen System Access over Financial Reporting System
Status: Have reminded Care Center Management of the importance of not only removing access timely but fully documenting such removal. DVS HQ is developing an Access Management System to allow IT staff to terminate access to all systems within the agency at one time upon termination of an employee. Until this system is in place (targeted for June 2023) DVS HQ will follow up on access removals when an employee is terminated.
Status Summary: Completed (On Schedule)

Sitter & Barfoot Veterans Care Center (SBVCC)
Audit Year: 2021

Finding 21-01: Strengthen System Access over Financial Reporting System
Status: Have reminded Care Center Management of the importance of not only removing access timely but fully documenting such removal. DVS HQ is developing an Access Management System to allow IT staff to terminate access to all systems within the agency at one time upon termination of an employee. Until this system is in place (targeted for June 2023) DVS HQ will follow up on access removals when an employee is terminated.
Status Summary: Completed (On Schedule)

Finding 21-02: Ensure Annual System Access Reviews are Performed. **This is a Repeat Finding.**
Status: Reviews were performed at Care Centers, but proper documentation was not kept. The importance of maintaining proper paperwork has been reinforced at the management level and HQ will ensure compliance.
Status Summary: Completed (On Schedule)

Virginia Veterans Care Center (VVCC)
Audit Year: 2021

Finding 21-01: Remove System Access for Terminated Employee
Status: Have reminded Care Center Management of the importance of not only removing access timely but fully documenting such removal. DVS HQ is developing an Access Management System to allow IT staff to terminate access to all systems within the agency at one time upon termination of an employee. Until this system is in place (targeted for June 2023) DVS HQ will follow up on access removals when an employee is terminated.
Status Summary: Completed (On Schedule)

Finding 21-02: Strengthen System Access over Financial Reporting System
Status: Have reminded Care Center Management of the importance of not only removing access timely but fully documenting such removal. DVS HQ is developing an Access Management System to allow IT staff to terminate access to all systems within the agency at one time upon termination of an employee. Until this system is in place (targeted for June 2023) DVS HQ will follow up on access removals when an employee is terminated.
Status Summary: Completed (On Schedule)

Finding 21-03: Ensure Annual System Access Reviews are Performed. **This is a Repeat Finding.**
Status: Reviews were performed at Care Centers, but proper documentation was not kept. The importance of maintaining proper paperwork has been reinforced at the management level and HQ will ensure compliance.
Status Summary: Completed (On Schedule)

Finding 21-04: Continue to Improve Controls over Physical Inventory
Status: Confirmed that audit had been conducted and that the issue was with the proper back up paperwork not being completed. VVCC has moved the responsibility for Capital Asset audits to the DVS HQ staff to ensure uniform procedures and paperwork at all entities.
Status Summary: Completed (On Schedule)

Finding 21-05: Improve Controls Over Capital Asset Reconciliations
Status: Management at the Care Centers have been reminded of the importance of completely documenting reviews to include dates. Oversight of such reconciliations will be conducted by HQ staff to ensure policies are being followed.
Status Summary: Completed (On Schedule)

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Compliance Monitoring

Agency Risk Management and Internal Control Standards (ARMICS) Compliance

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

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

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

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

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

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

3. Certification status of Non-Compliant, which states that the agency has not complied with ARMICS, will result in continued citation in the QR until the agency complies with the ARMICS standards. The status of the agency's submitted Corrective Action Plan (CAP) will be reported until completion has been certified.

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

5. Substantial non-compliance with the processes required for the successful completion of ARMICS (based on a QAR performed by DOA) will result in continued citation in the QR until the agency has complied with ARMICS and has submitted an ARMICS certification. The status of the agency's submitted CAP will be reported until completion has been certified.

As of December 31, 2022, 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 2022 and submitted a **Non-Compliant Certification Statement**:

Agency Name	Reason for Non-Compliance	Initial Corrective Action Plan Received	Status of Corrective Action
Department of Criminal Justice Services	Certified Non-Compliant	Yes	Agency states internal control assessments will be completed by June 30, 2023. Quarterly status update received.
Department of Emergency Management	Certified Non-Compliant	Yes	Agency states internal control assessments will be completed by June 30, 2023. Quarterly status update received.
Department of Environmental Quality	Certified Non-Compliant	Yes	Quarterly status update not received.
Department of Juvenile Justice	Certified Non-Compliant	Yes	Agency states internal control assessments will be completed by June 30, 2023. Quarterly status update received.
Department of Military Affairs	Certified Non-Compliant	Yes	Agency states internal control assessments will be completed by June 30, 2023. Quarterly status update received.
Frontier Culture Museum of Virginia	Certified Non-Compliant	Yes	Agency states internal control assessments will be completed by September 30, 2023. Quarterly status update received.

Agency Name	Reason for Non-Compliance	Initial Corrective Action Plan Received	Status of Corrective Action
Gunston Hall	Certified Non-Compliant	Yes	Agency states internal control assessments will be completed by March 31, 2023. Quarterly status update received.

The following agency **did not complete the ARMICS certification process**; therefore, were not in compliance with ARMICS in FY2022:

Virginia Commission for the Arts

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

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Compliance with Comptroller's Directives

Annually, all agencies and higher education institutions are required to submit information pursuant to the Comptroller's financial statement directives. This financial data is integral to the successful completion of the Commonwealth's Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA). Failure to receive accurate directive submissions timely jeopardizes both the Commonwealth's bond rating and compliance with federal reporting requirements. For the FY 2022 reporting period, the following issues were noted.

Comptroller's Directive 1-22, *Directive Compliance Guidelines for State Agencies*

Department of Health (VDH)

VDH provided delayed submissions and inadequate responses to repeated requests for accurate and detailed information from DOA staff for Attachment 15 – *Federal Schedules,* Attachment 21 - *Receivables as of June 30*, Attachment 27 – **GASBS No. 33** *Federal Fund Analysis – Nonreimbursement Grants*, and the supplemental payable submission.

Comptroller's Directive 2-22, *Directive Compliance Guidelines for Higher Education Institutions*

University of Virginia (UVA)

UVA failed to submit an accurate, complete, and timely Attachment HE 10 – *Financial Statement Template.* Additionally, the required corrections were not provided to DOA until very late in the ACFR preparation process.

Old Dominion University (ODU)

ODU failed to communicate corrections to the Attachment HE 10 – *Financial Statement Template* until very late in the ACFR preparation process.

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 October and November were due on 12/08/2022 and 01/06/2023, respectively.

Certifications Late or Outstanding
As of February 15, 2023

Agency	Oct	Nov
The Science Museum of Virginia	-	02/07/2023
Virginia Cannabis Control Authority	-	O/S

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

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 months of October and November, the following agencies failed to respond timely, make corrective action and/or provide additional information.

Trial Balance Review

As of February 15, 2023

Agency	Oct	Nov
Virginia Information Technologies Agency	X	X
Department of Conservation and Recreation	X	X
Department for the Blind and Vision Impaired	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 months of October and November, the following agencies failed to respond timely, make corrective action and/or provide additional information.

Credit Cash, Excess Expenditures, and Expenditure Credits

As of February 15, 2023

Agency	Oct	Nov
Blue Ridge Community College	X	-
Department of Wildlife Resources	X	-
Department of Environmental Quality	X	X
Department of Health	X	X

E-Commerce

Travel Check Charges

In accordance with Chapter 2, 2022 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 first quarter of FY 2023.

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

Agency Non-Compliance Travel Check Charges

Agency by Secretarial Area	Quarter Ended December 31, 2022	Fiscal Year 2023 To-date Charges
Education		
Virginia Military Institute	$30.00	$35.00
Cooperative Extension and Agricultural Research Services	$15.00	$15.00
Judicial		
General District Courts	$20.00	$20.00
Juvenile and Domestic Relations District Courts	$10.00	$10.00
Public Safety and Homeland Security		
Haynesville Correctional Center	$40.00	$60.00
Virginia Alcohlic Beverage Control Authority	$0.00	$5.00
Transportation		
Department of Motor Vehicles	$60.00	$70.00
Natural and Historic Resources		
Department of Conservation and Recreation	$0.00	$25.00

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Direct Deposit

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

Direct Deposit Performance by Secretarial Area
Quarter Ended December 31, 2022

Secretarial Area	Direct Deposit % of Salaried Employees	Direct Deposit % of Wage Employees
Administration	99.9%	78.6%
Agriculture and Forestry	100.0%	97.8%
Commerce and Trade	100.0%	100.0%
Education	99.9%	96.0%
Executive Offices	99.5%	97.2%
Finance	100.0%	100.0%
Health and Human Resources	99.6%	99.0%
Independent Agencies	100.0%	100.0%
Judicial	99.9%	99.0%
Legislative	99.9%	98.0%
Natural Resources	100.0%	99.8%
Public Safety and Homeland Security	99.8%	99.0%
Transportation	99.9%	99.0%
Veterans and Defense Affairs	99.9%	100.0%
Statewide	**99.8%**	**97.6%**

Comparative *Quarter Ended December 31, 2021*		
Statewide	**99.2%**	**98.0%**

Statewide Salaried Direct Deposit Performance
Quarter Ended December 31, 2022

Salaried Direct Deposit Participation	99.8%

Salaried Direct Deposit Below 98 Percent

Agency	Percent	Number of Employees
Education		
Virginia Center for Behavioral Rehabilitation	96.0%	523

Statewide Wage Direct Deposit Performance
Quarter Ended December 31, 2022

Wage Direct Deposit Participation	98.0%

Wage Direct Deposit Below 90 Percent

Agency	Percent	Number of Employees
Adminisrartion		
Department of Human Resources Management	64.0%	25
Education		
Longwood University	64.4%	306
Virginia Cooperative Extension And Agricultural Experiment Station	83.9%	62
Virginia State University	85.5%	117

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Payroll Controls

Benefit Participation by HCM Payroll Agencies

The Commonwealth offers a variety of benefits to state employees, including health care, optional retirement plans, deferred compensation, and flexible reimbursement programs.

Benefit Participation
Number of Participating Employees

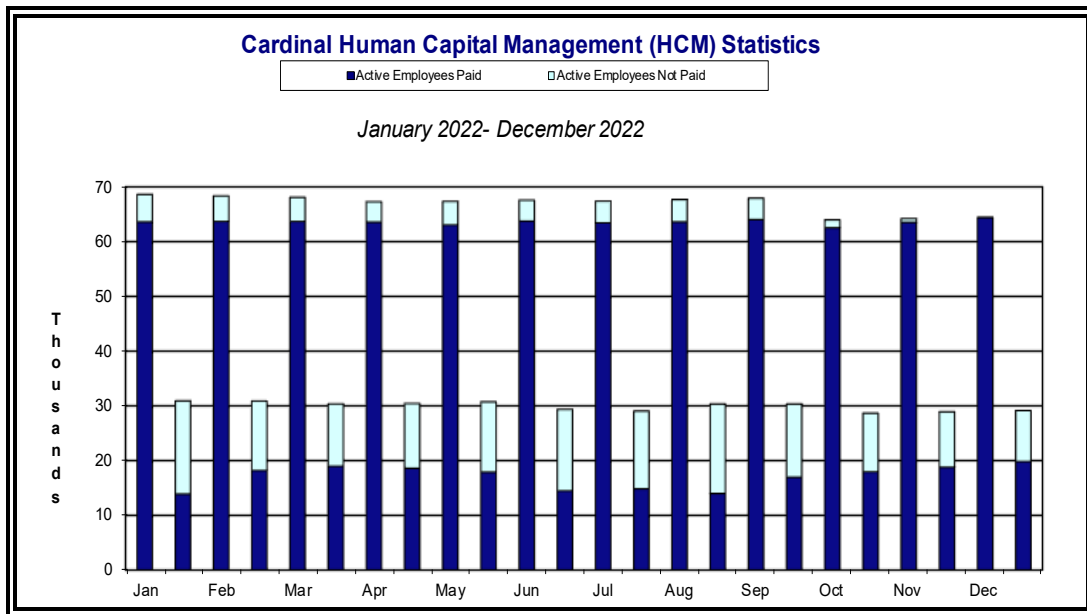| Benefit	As of 12/31/2022	Comparative	
		As of 12/31/2021	As of 12/31/2020
Health Care			
COVA Care	46,564	38,893	50,218
COVA HDP	542		
COVA Health Aware	5,676	4,404	5,469
Kaiser	1,140	908	1,223
Optima Health	1,201	902	964
Tricare	54	58	69
Optional Retirement Plans			
Political Appointee - ORP	181	107	124
TIAA/CREF	1,363	1,193	1,709
VRS Higher Ed - ORP	406		
Deferred Compensation			
Commonwealth of Virginia 457 D/C Plan	29,392	32,128	33,406
Commonwealth of Virginia 457 Roth Plan	1,627	4,970	4,238
Hybrid Mandatory	24,736	23,050	20,765
Hybrid 457 Voluntary D/C Plan	19,351	14,772	15,775
Flexible Reimbursement			
Dependent Care	815	862	782
Medical Care	9,773	10,565	10,788

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

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Payroll Statistics

The central payroll system for State government is the largest payroll operation in the Commonwealth, serving 100,788 employees. Payroll services are also provided through nine decentralized higher education institutions.

On average, 82,275 employees were paid each month, of which 63,450 were salaried employees.

Cardinal Human Capital Management (HCM) Statistics

■ Active Employees Paid   □ Active Employees Not Paid

January 2022- December 2022

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

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