

# **REPORT ON STATEWIDE COMPLIANCE**

**FOR THE QUARTER ENDED  
SEPTEMBER 30, 2023**



**OFFICE OF THE COMPTROLLER**

**DEPARTMENT OF ACCOUNTS**

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## STATEMENT OF PURPOSE

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

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

This *Quarterly Report* includes information for the quarter ended September 30, 2023, and comparative FY 2023 data.

Sharon H. Lawrence, CPA, CGMA  
Acting Comptroller



Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

## COMPLIANCE

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

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

Each agency must provide a written response that includes a Corrective Action Plan (CAP) to 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 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. Risk alerts 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 Risk Alerts section. The full text of these reports is available at [www.apa.virginia.gov](http://www.apa.virginia.gov).

### ***Audit Reports – Quarter Ended September 30, 2023***

The APA issued 7 reports covering 12 State Agencies for the Executive Branch and no reports for the Independent Agencies. The last column indicates whether the CAP has been received as of the date of this publication for each agency with audit findings. Note that in some cases, the CAP may not have been received because it is not yet due.

	New Findings	Repeat Findings	Total Findings	CAP Received
<b>Administration</b>				
None				
<b>Agriculture and Forestry</b>				
None				
<b>Commerce and Trade</b>				
None				
<b>Education</b>				
Longwood University	5	1	6	YES
Norfolk State University	2	2	4	YES
The College of William and Mary in Virginia <sup>(1)</sup>	0	0	0	N/A
Richard Bland College <sup>(1)</sup>	4	2	6	YES
Virginia Institute of Marine Science <sup>(1)</sup>	0	0	0	N/A

	New Findings	Repeat Findings	Total Findings	CAP Received
<b>Executive Offices</b>				
None				
<b>Finance</b>				
Board of Accountancy	0	0	0	N/A
<b>Health and Human Resources</b>				
Department of Aging and Rehabilitative Services <sup>(2)</sup>	1	2	3	YES
Department for the Blind and Vision Impaired <sup>(2)</sup>	0	6	6	YES
Department for the Deaf and Hard-of-Hearing <sup>(2)</sup>	0	0	0	N/A
Virginia Board for People with Disabilities <sup>(2)</sup>	0	0	0	N/A
<b>Independent Agencies</b>				
None				
<b>Labor</b>				
None				
<b>Natural Resources</b>				
None				
<b>Public Safety and Homeland Security</b>				
None				
<b>Technology</b>				
None				
<b>Transportation</b>				
Virginia Port Authority <sup>(3)</sup>	0	0	0	N/A
<b>Veterans and Defense Affairs</b>				
Department of Military Affairs	3	0	3	YES

<sup>(1)</sup> The APA issued one report titled, "The College of William & Mary in Virginia for the year ended June 30, 2022".

<sup>(2)</sup> The APA issued one report titled, "Disability Services Agencies for the period July 1, 2019 through March 31, 2022".

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



## ***Audit Findings - Quarter Ended September 30, 2023***

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

### **Education**

#### ***Longwood University***

- 2022-01: Improve Internal Controls over Reporting Leases. **This is a Material Weakness.**
- 2022-02: Improve Asset System Operating System Security. **This is a Partial Repeat Finding.**
- 2022-03: Conduct Information Technology Security Audits
- 2022-04: Perform and Document Commonwealth's Retirement Benefits System Reconciliations
- 2022-05: Improve Process for Timely Removal of Terminated Employee System Access
- 2022-06: Develop Position Descriptions

#### ***Norfolk State University***

- 2022-01: Remove System Access Timely. **This is a Repeat Finding.**
- 2022-02: Comply with Prompt Payment Provisions. **This is a Repeat Finding.**
- 2022-03: Improve Wireless Local Area Network Security
- 2022-04: Comply with Employment Eligibility Requirements

#### ***Richard Bland College***

- 2022-01: Improve Firewall Security. **This is a Repeat Finding.**
- 2022-02: Develop and Implement a Service Provider Oversight Process. **This is a Repeat Finding.**
- 2022-03: Improve Database Security
- 2022-04: Improve IT Risk Management Program
- 2022-05: Improve Controls over Contract Administration and Management
- 2022-06: Improve Federal Financial Aid Reconciliation Controls

### **Health and Human Resources**

#### ***Department for Aging and Rehabilitative Services***

- 2022-01: Improve Internal Controls Over Financial System Reconciliations. **This is a Partial Repeat Finding.**
- 2022-02: Improve Internal Controls Surrounding General Ledger Journal Transactions
- 2022-03: Monitor Small Purchase Charge Card Activity on a Monthly Basis. **This is a Partial Repeat Finding.**

### ***Department for the Blind and Vision Impaired***

2022-01: Improve Information Technology Governance. **This is a Partial Repeat Finding.**

2022-02: Develop and Implement Information Security Policies and Procedures. **This is a Partial Repeat Finding.**

2022-03: Improve Oversight over Third Party Providers. **This is a Partial Repeat Finding.**

2022-04: Improve Information Security for Point-of-Sale System. **This is a Repeat Finding.**

2022-05: Improve Controls over System Access. **This is a Partial Repeat Finding.**

2022-06: Upgrade Manufacturing System. **This is a Partial Repeat Finding.**

## **Veterans and Defense Affairs**

### ***Department of Military Affairs***

2022-01: Develop Procedures for Proper Accrual of Accounts Payable

2022-02: Ensure Proper Use of Expense Vouchers

2022-03: Improve Contract Administration





### ***Risk Alerts – Quarter Ended September 30, 2023***

No APA Reports containing “Risk Alerts” were received.

### ***Special Reports – Quarter Ended September 30, 2023***

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

Department of Human Resource Management Commonwealth of Virginia State Health Plans Program for Pre-Medicare Retirees for the fiscal year ended June 30, 2022

Virginia Retirement System GASB 68 and 75 Schedules:

#### ***Pension Plans:***

- Political Subdivision Retirement Plans for the year ended June 30, 2022
- State Employee Retirement Plan for the plan year ended June 30, 2022
- Teacher Retirement Plan for the plan year ended June 30, 2022

#### ***OPEB Plans:***

- Disability Insurance Program for the plan year ended June 30, 2022
- Group Life Insurance Plan for the plan year ended June 30, 2022
- Political Subdivision Health Insurance Credit Plans for the plan year ended June 30, 2022
- State Health Insurance Credit Plan for the plan year ended June 30, 2022
- Teacher Health Insurance Credit Plan for the plan year ended June 30, 2022
- Line of Duty Act Program for the plan year ended June 30, 2022

Virginia Retirement System Management’s Assertions Related to Census Data for OPEB Plans for the year ended June 30, 2021

Virginia Retirement System Management’s Assertions Related to Census Data for Pension Plans for the year ended June 30, 2021

### ***Other Audit Reports – Quarter Ended September 30, 2023***

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

Richard Bland College Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2020 and June 30, 2021

University of Virginia Intercollegiate Athletics Programs for the year ended June 30, 2022

Virginia Commonwealth University Intercollegiate Athletics Programs for the year ended June 30, 2022

Virginia Lottery – Reports on Applying Agreed-Upon Procedures for the period April 1, 2022 through March 31, 2023:

- Cash4Life
- Mega Millions
- Megaplier
- Powerball
- Power Play

Virginia Polytechnic Institute and State University Perkins Loan Program Liquidation

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

Review of the Rappahannock River Basin Commission’s (RRBC) financial information relating to fiscal year 2023

Virginia Commercial Space Flight Authority for the fiscal year ended June 30, 2023

Virginia Innovation Partnership Authority and Virginia Innovation Partnership Corporation for the year ended June 30, 2022

***Internal Control Questionnaire Reviews - Quarter Ended September 30, 2023***

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

Department of Housing and Community Development Internal Control Questionnaire Review Results as of April 2023

Department of Small Business and Supplier Diversity Internal Control Questionnaire Review Results as of January 31, 2023

Virginia Correctional Enterprises Internal Control Questionnaire Review Results as of February 2023

Virginia Healthy Workforce Development Authority Internal Control Questionnaire Review Results as of January 2023



## Auditor of Public Accounts Reports - Executive Branch Agencies

### *Summary of Prior Audit Findings*

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

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

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
<b>Administration</b>				
Department of General Services	0	2	0	0
Department of Human Resource Management	0	0	3	0
Virginia Information Technologies Agency	0	0	3	0
<b>Education</b>				
Christopher Newport University	3	0	0	0
Department of Education including Direct Aid to Public Education	1	1	0	0
Frontier Culture Museum of Virginia	0	4	0	0
Old Dominion University	3	3	2	0
Radford University	1	2	0	0
Richard Bland College	0	0	0	1
University of Mary Washington	1	1	0	0
University of Virginia	1	2	0	1
Virginia Community College System – Central Office	0	0	0	2
John Tyler Community College	0	1	0	0
Lord Fairfax Community College	0	1	0	0
Tidewater Community College	0	1	0	0
Virginia Military Institute	2	0	3	0
Virginia Museum of Fine Arts	2	0	0	0
Virginia Polytechnic Institute and State University	1	1	0	0
Virginia State University	1	3	1	0
<b>Executive Offices</b>				
Attorney General and Department of Law	0	4	0	0
Office of the Governor	1	0	0	0
<b>Finance</b>				
Department of Accounts	2	0	0	0
Department of Planning and Budget	0	1	0	0

	IN PROGRESS		COMPLETED	
	On Schedule	Delayed	On Schedule	Delayed
Department of the Treasury	0	0	1	0
<b>Health and Human Resources</b>				
Department of Behavioral Health and Developmental Services	16	0	0	0
Department of Health	0	6	1	1
Department of Medical Assistance Services	1	4	0	0
Department of Social Services	9	6	2	0
Department for the Blind and Vision Impaired	0	3	0	0
<b>Labor</b>				
Virginia Employment Commission	0	2	3	0
<b>Natural and Historical Resources</b>				
Department of Wildlife Resources	2	0	0	0
<b>Public Safety and Homeland Security</b>				
Department of Fire Programs	0	1	0	0
Department of State Police	0	8	0	2
Virginia Alcoholic Beverage Control Authority	0	1	0	0
<b>Transportation</b>				
Department of Motor Vehicles	1	0	0	0
Department of Transportation	1	5	0	0
<b>TOTALS</b>	49	63	19	7



## *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: 2022**

**Finding 22-01:** Improve Internal Controls over Financial Reporting of Leases under GASB Statement No. 87. **This is a Material Weakness.**

**Status:** Phase I complete. Phase II in progress which entails updating policies and procedures and implementing new ones as needed.

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

**Audit Year: 2020**

**Finding 20-02:** Develop and Implement Surplus Tracking System

**Status:** DGS Surplus has hired a consultant to assist with the analysis of determining the feasibility of an inventory tracking system. This effort is currently underway.

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

#### Department of Human Resource Management (DHRM)

**Audit Year: 2022**

**Finding 22-01:** Strengthen Controls over Financial Reporting. **This is a Material Weakness.**

**Status:** Finance has hired staff.

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

**Finding 22-02:** Improve Database Governance and Security

**Status:** The Office of the Chief Information Officer has drafted a plan to have all findings resolved by the end of this fiscal year. DHRM is meeting regularly to ensure the agency stays on target.

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

**Finding 22-03:** Implement Policies and Procedures Related to Conflict of Interests Requirements

**Status:** DHRM has completed the plan to fulfill the requirements to develop a written Statement of Economic Interest (SOEI). Administrative Procedures to document the agency's process for determining which agency positions require incumbents to submit a SOEI; provide information to SOEI filers on related training requirements; and provide agency Human Resources staff with guidance on the inclusion of the SOEI requirements in job announcements. The Agency Director approved the SOEI Administrative Procedures on January 20, 2023. The inclusion of the agency's SOEI procedures

have also been added to the agency's onboarding/transfer Standard Operating Procedures (SOP).  
**Status Summary:** Completed (On Schedule)

**Virginia Information Technologies Agency (VITA)**  
**Audit Year: 2022**

**Finding 22-01:** Improve Controls over Identifying, Tracking, Recording, and Reporting Leased Assets. **This is a Material Weakness.**

**Status:** As a result of the consultation with KPMG all initial corrective action items have been completed and all applicable deliverables have been created and implemented: 1. the population of leases has been identified; the lease term and asset grouping across contracts has been determined; 2. the agency's incremental borrowing rate has been determined for leased assets; 3. the reconciliation process for verifying and ensuring the completeness and accuracy of leased asset data as used to value VITA's leased assets has been documented and retained; 4. implementation policies and procedures have been drafted; 5. utilized KPMG to assess any contracts that needed to be reviewed and reported in compliance with GASB 87.

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

**Finding 22-02:** Continue to Ensure ITISP Suppliers Meet all Contractual Requirements. **This is a Repeat Finding.**

**Status:** 1. VITA, working with multi-sourcing services integrator (MSI), opened a multi-supplier project to reduce and eliminate un-remediated vulnerabilities. 2. Effective April 1, 2023, SLA began to measure the IT infrastructure suppliers against a requirement that 97% of vulnerabilities with a CVSS of 7.0 or higher are remediated within 60 days. 3. With respect to agency access to security log information, all logs are being monitored. VITA and the suppliers monitor and review enterprise level logs and security events on behalf of customer agencies through the enterprise managed detect and response (MDR) system and a 24x7 Security Operations Center. VITA intends to further enhance services during the remainder of calendar year 2023. (1) The main technical hurdle to agency access to the MDR dashboard has been overcome; once access is rolled out to agencies in Q3, they will have real time drill-down insight into enterprise security alerts and events in their environment. (2) VITA is sending enterprise logs to cloud containers that allow agencies to review and query their own data. VITA is also working on additional tools and implementation of zero trust. Security compliance of enterprise IT services overall is assessed on an ongoing basis through System Security Plan (SSP) submission and review. As of September 30, 2023: Previously, agencies had access to dashboards through the system to inform them on their security and event logs. Now, platform security information and event management (SIEM) will be available to agencies beginning in October to facilitate their access and review of their security and event logs. Additionally, platform vulnerability management software will be available to agencies at the end of October to enable them to review and access the vulnerability patches applied, which ones are the agencies responsibility, and which ones are VITA's purview.

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

**Finding 22-03:** Conduct Audits of Agency Sensitive Systems Timely

**Status:** 1. Audit workplan is being monitored.

2. IT Audit Manager started in July and two additional staff started in August and September. Automated audit software implementation underway.

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

## Education

**Christopher Newport University (CNU)**  
**Audit Year: 2022**

**Finding 22-01:** Improve Operating System Security

**Status:** 1. Monitoring high risk system events or system administrator activity in real-time is still budget and/or open-source solution dependent, research project is ongoing

2. Low risk items were remediated and baseline documents updated September 2023

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

**Finding 22-02:** Improve Database Audit Logging and Monitoring

**Status:** 1. The baseline documentation and review are complete as of September 2023 including the permissions review and modifications  
2. Monitoring high risk system events or system administrator activity in real-time is still budget and/or open-source solution dependent, research project is ongoing

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

**Finding 22-03:** Improve Internal Controls Over Terminated Employees

**Status:** 1. Upon identification of the issue with leave payouts in April 2023, the Human Resources Office immediately reviewed the current process and established updated internal controls to verify accuracy of all leave payouts. The processing form was updated to include a second level of verification. This review will take place with Human Resources prior to the form being submitted to the payroll department for processing. (This portion is completed)

2. The Human Resource Office has continued meeting with IT Services to work on improvements to the Employee Resource System. Enhancements to the system that are currently being implemented and tested include improved reporting/dashboard, email reminders, and an automatic integration with the Human Resources Information System as an additional control to initiate terminations. Human Resources has also reviewed their internal procedures for efficiencies as well.

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

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

**Audit Year: 2022**

**Finding 22-01:** Ensure the Correct Award Year is Applied to Federal Reports

**Status:** Staff are continuously reviewing data for FFATA Reporting to ensure that what is being reported is correct and working with subrecipients to ensure their information is set up correctly in SAM.gov.

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

**Audit Year: 2019**

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

**Status:** CISO has been working with VITA/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)

**Frontier Culture Museum of Virginia (FCMV)**

**Audit Year: 2021**

**Finding 21-01:** Continue to Develop and Implement an Information Security Program. **This is a Partial Repeat Finding.**

**Status:** Agency staff continue to work with VITA Commonwealth Security Risk Management analysts to help develop and implement an information security program. Agency will complete risk assessment with VITA ISO services and will update progress once those findings are reported. Long-term, Agency is hoping to hire a dedicated IT staff member.

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

**Finding 21-02:** Improve Oversight of Third-Party Providers. **This is a Repeat Finding.**

**Status:** Currently working with VITA Commonwealth Security Risk Management to complete risk assessment of lone third-party program deemed sensitive. Issues discovered can then be fully addressed. Replacement of said system expected when the software is up for renewal in Fall 2024. Working with VITA to follow proper procurement and assessment procedures. Previously indicated "complete," but now have a better understanding of what is required.

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

**Finding 21-03:** Continue to Improve Policies and Procedures. **This is a Partial Repeat Finding.**

**Status:** The new Finance Director started in mid-August and is continuing to onboard with State systems, state finance procedures, and acclimate to Museum's fiscal operations. The workplan

includes policy and procedure documentation as the Director learns, shadows, and performs fiscal functions especially those related to Capital Outlay and Assets, Payroll, and COVA financial system reconciliations. When risk assessment with VITA ISO services is completed, and its findings made available, should assist Agency staff in developing Information System Security policy. Estimated completion date revised.

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

**Finding 21-04:** Properly Perform Reconciliation of Retirement Benefits System Information. **This is a Partial Repeat Finding.**

**Status:** The new Finance Director will be documenting procedures as part of his work plan. Efforts related to Payroll, Benefits, and Employee Information will be coordinated with the Agency's Human Resources to update all procedures in accordance with the new Financial System. CAPP Manuals were updated and published recently, and DOE will be using these for guidance and foundation. Estimated completion date revised.

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

### **Old Dominion University (ODU)**

#### **Audit Year 2022**

**Finding 22-01/21-01:** Continue to Improve the Financial Reporting Process. **This is a Material Weakness and a Repeat Finding.**

**Status:**

1. Develop a review control checklist to enhance high-level review. (In Progress)
2. Conduct periodic analytical reviews to identify:
  - a. Unusual or unexpected financial correlations (reasonableness analysis), (In Progress), and
  - b. Material variances in activities from year to year. (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 System functionality, efficiency, and financial reporting process. (Complete)
7. Conduct SWOT Analysis, evaluate organizational structure and allocate resources to realign responsibility, accountability and professional skill set of the Office of Finance. (Complete)

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

**Finding 22-02:** Improve Controls over Financial Reconciliations

**Status:**

1. Management of the Office of Finance is developing monthly close schedules to ensure timely review and action on outstanding items.
  - a. Capital Asset Reconciliation - Implementation of process improvements and controls, including timely and accurate reconciliations is on-going and projected by September 30, 2023. (In Progress)
  - b. Non-capital Asset Reconciliation - This project is ongoing with a completion goal date of September 30, 2023. (In Progress)
2. Management is actively researching reconciling items in two of the accounts between the University's accounting system and bank balances that have existed since fiscal year 2001 when the University upgraded its accounting system, including the modification of system coding for university bank accounts. Analysis of process changes to eliminate realignment entries is underway. The completion goal date for reconciliation of prior entries and process updates is September 30, 2023. (In Progress)

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



**Finding 22-03: Improve Accounting for Accounts Payable**

**Status:**

1. Implement an invoice fiscal year identification procedure for each invoice entered by Accounts Payable. (Complete)
2. Develop a report which utilize the invoice fiscal year identification data in System to account for invoice payment by its correct fiscal year. Reports will be generated monthly beginning July 31 through the end of audit fieldwork to ensure accurate reporting. (In Progress)
3. Perform sampling review to ensure proper fiscal year assignment from the population of:
  - a. All invoices greater than \$20,000 between May and June (In Progress)
  - b. All invoices greater than \$50,000 between July and December (In Progress).

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

**Finding 22-04: Improve Controls over Capital Asset Inventory**

**Status:**

1. The Office of Finance contracted with an outside consultant to review accounting and reporting processes and procedures specific to capital assets management in September 2022. (Complete)
2. The Office of Finance contracted with the same outside consultant for a second engagement in January 2023. The engagement focused on implementation of process improvements and controls, including completion of the biennial inventory timely for the preparation of the annual financial statements. (Complete)

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

**Finding 22-05/21-05: Promptly Return Unearned Title IV Funds to Department of Education. This is a Repeat Finding.**

**Status:**

1. SFA management engaged the vendor in 2023 to ensure all available system resources have been applied to the Return of Title IV Funds processing.
2. SFA management has counseled responsible staff and clarified expectations of duties surrounding the critical nature to process assigned "R2T4" duties promptly and timely. (Complete)
3. SFA management plans to conduct periodic internal analytical reviews and testing to monitor timely return of unearned Title IV funds to Department of Education. (Complete)

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

**Audit Year 2021**

**Finding 21-02: Strengthen Policies and Procedures Related to Terminated Employees**

**Status:** 1. The Department of Human Resources (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. The policy is pending for the final approval by the University President in September 2023. (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 (Delayed)

**Finding 21-04: Promptly Return Unclaimed Aid to the Department of Education**

**Status:** The Information Technology Services (ITS) is currently testing a revised aging report to further improve monitoring effectiveness. Testing has begun but not ready to put into production. (In Progress)

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

**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 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, (Complete)

- b. Implementation stage - Use the on-the-fly time status calculation to update enrollment status effective dates as registration activity takes place. (Complete)
  - c. The University (Office of the Registrar) is waiting for the vendor to address 'defect' identified and reported by the University. (In Process)
  - 3. The Office of Registrar has implemented a stricter quality control process over enrollment reporting. (Complete)
- Status Summary:** In Progress (Delayed)

**Radford University (RU)**  
**Audit Year 2022**

**Finding 22-01:** Improve Financial Reporting Review Process

**Status:** Updated procedures have been completed and reviewed. Implementation of revised procedures is estimated to be completed on schedule at the conclusion of the financial statement reporting cycle.

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

**Audit Year 2021**

**Finding 21-01:** Improve Compliance over Enrollment Reporting. **This is a Repeat Finding.**

**Status:** Testing of Spring 2023 unofficial withdrawals discovered one exception related to timing due to an extenuating staff illness and training and one exception related to the process provided by ED for student name changes not working consistently. Additional test work for Fall 2023 unofficial withdrawals will occur in Spring 2024.

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

**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 have been reviewed and are currently being validated. Staffing transitions has delayed the completion of this item.

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

**Richard Bland College (RBC)**  
**Audit Year 2021**

**Finding 21-01:** Develop and Implement a Service Provider Oversight Process

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

**Status Summary:** Completed (Delayed)

**University of Mary Washington (UMW)**  
**Audit Year 2022**

**Finding 22-01:** Continue to Improve Internal Controls over Capital Outlay Procurement and Management. **This is a Repeat Finding.**

**Status:** Due to retirement and turnover, UMW has restarted the search for a new Assistant Director for Capital Outlay and started recruitment for a Capital Outlay Business Manager. Interim procedures and mitigating controls have been reviewed and implemented. Testing of procedures and controls, will continue into the next quarter.

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

**Finding 22-02:** Improve Financial Reporting Process. **This is a Material Weakness and a Partial Repeat Finding.**

**Status:** Lease procedures have been updated and are under review. Initial GASB 96 training has been completed, additional training as necessary.

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

**University of Virginia (UVA/AD)**  
**Audit Year 2022**

**Finding 22-07: Continue to Improve Security Awareness Training. This is a Repeat Finding.**

**Status:** Annual Mandatory training (that includes privacy and security training) is expected to be assigned the week of July 17th and completed prior to September 1st. The first escalation to leadership for non-compliance is expected to take place in early September. Significant progress has been made with respect to the assignment of training as well as procedures for manager/supervisor follow up/monitoring of training completion.

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

**Finding 22-08: Improve Payroll Accounting and Financial Reporting Processes**

**Status:** UVA Management began investigating the payroll account balances in February 2023 to determine the appropriate adjustments, if any, that are referenced in this finding. UVA has performed walkthroughs with staff at all levels of payroll processing, journal entry samples and reviews, and started drafting an accounting white paper for all aspects of general payroll processing. UVA has identified certain adjustments needed and potential recommendations regarding improving internal controls as part of these procedures, however work is currently ongoing.

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

**Finding 22-10: Complete Annual User Access Reviews**

**Status:** An attestation campaign for User Security Roles in the finance and HR system was completed across grounds on 6/15/23. A pilot attestation campaign for Student Information System (SIS) roles was completed in October 2022, with another scheduled for October 2023.

**Status Summary:** Completed (Delayed)

**Finding 22-11: Complete a System Security Plan for Each Sensitive System**

**Status:** Each year, controls are evaluated for critical systems as part of UVA's annual HIPAA Risk Assessment Process. That work is completed but pending final leadership review later this month. Data that would be incorporated into a System Security Plan for those systems is captured as part of that effort. The goal is to leverage that effort and data to establish the required system security plan information in a single repository. UVA is on track to complete the work by November 30, 2023, as planned.

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

**Virginia Community College System – Central Office (VCCS-CO)**  
**Audit Year: 2021**

**Finding 21-01: Provide Oversight and Guidance Related to College Financial Reporting**

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

**Status Summary:** Completed (Delayed)

**Finding 21-04/20-02/19-01: Ensure Consistency in the Handling and Financial Reporting of Dual Enrollment Tuition. This is a Repeat Finding.**

**Status:** The System Office will continue to work with the colleges to improve Dual Enrollment accounting. Dual Enrollment accounting guidance was provided to the colleges in the Spring of 2023, and year-end entries were made for FY2023 to include a full gross-up of dual enrollment in the VCCS consolidated statements. Beginning in FY2024, the colleges will be recording dual enrollment activity in accordance with the guidance established at the System Office using the new account structure that was established. The System Office will continue to monitor this activity throughout the fiscal year.

**Status Summary:** Completed (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:** Corrective action is on target for completion by June 30, 2024.

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

**Lord Fairfax Community College (LFCC)**

**Audit Year: 2021**

**Finding 21-27:** Continue to Ensure Proper Capitalization and Retention of Records for Capital Assets. **This is a Repeat Finding.**

**Status:** Corrective action is on target for completion by December 31, 2023.

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

**Tidewater Community College (TCC)**

**Audit Year: 2021**

**Finding 21-18:** Report Student Status Enrollment Changes Accurately and Timely to National Student Loan Data System. **This is a Repeat Finding.**

**Status:** Additional corrective action is on target for completion by October 2023.

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

**Virginia Military Institute (VMI)**

**Audit Year: 2022**

**Finding 22-01:** Ensure Proper Documentation of Bank Reconciliations. **This is a Repeat Finding.**

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

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

**Finding 22-02:** Improve Controls over Terminated Employees. **This is a Repeat Finding.**

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

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

**Finding 22-03:** Ensure Compliance with Conflict of Interests Act. **This is a Repeat Finding.**

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

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

**Finding 22-04:** Conduct Information Technology Security Audits

**Status:** VMI IT department is currently reviewing two potential third party vendors to perform the security audits. Once a selection is made and a contract is signed, VMI will have a date for when the audit can be performed. VMI's goal remains to have the audit complete by the end of the March quarter.

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

**Finding 22-05:** Develop a Baseline Configuration for the Operating System Server Environment

**Status:** Work is continuing on the documentation of VMI's server baseline configuration. Currently, VMI is around the 90% completion mark on this task and should not have any issues with meeting the December quarter end finalization date.

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

**Virginia Museum of Fine Arts (VMFA)**

**Audit Year: 2021**

**Finding 21-05:** Improve Review Process over Small Purchase Charge Card Reconciliations

**Status:** VMFA completed scheduling and are currently conducting training sessions for cardholders and supervisors to review responsibilities in the reconciliation process.

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

**Finding 21-07:** Continue to Improve Management of the Change Fund. **This is a Partial Repeat Finding.**

**Status:** VMFA has revised existing Petty Cash Policy and Procedure with support and guidance from DOA and has submitted it to DOA for final approval.

**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:** Changes to enrollment reporting files are now in production and being sent to the National Student Clearinghouse. Errors are currently being corrected directly with NSC and needed adjustments are being made to the files themselves to reduce the number of errors in future loads. NSLDS report is once again available – testing between VPISU/ID's SIS and NSLDS will begin again during next quarter.

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

**Virginia State University (VSU)**

**Audit Year: 2021**

**Finding 21-03:** Improve the Management and Recording of Receivables

**Status:** Student Accounts office has analyzed all student accounts and appropriately placed holds on accounts with past due balances. In addition, a review was completed on allowance methodology and allowance percentages will be implemented for FY24.

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

**Finding 21-09/20-08\*:** Improve Access and Account Management Controls. **This is a Repeat Finding.**

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

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

**Finding 21-10:** Continue to Implement Procedures to Review and Document System and Organization Control Reports of Third-Party Service Providers. **This is a Repeat Finding.**

**Status:** VSU staff have been working together to further consolidate the gathering and reviews of SOC reports. In addition, a draft policy has been created to help reviewers better understand what they need to obtain and review as well as the Type of SOC report to obtain (Type 2). The University is seeking to use its intranet to obtain and consolidate all reports and will also utilize its Internal Audit department to assist in the review of reports obtained from VITA.

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

**Finding 21-15/20-11:** Properly Reconcile Student Account Collections. **This is a Repeat Finding.**

**Status:** The Senior Accounting role was fulfilled in March 2023 and quarterly reconciliations have been completed for FY23 through December 31, 2022.

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

**Finding 21-16/21-01:** Report Student Status Enrollment Changes Accurately and Timely to National Student Loan Data System. **This is a Repeat Finding.**

**Status:** Monthly meetings continue to be held with Office of Financial Aid. However, the NSLDS outage from July 2022 - February 2023 has delayed progress and the ability to validate data as originally planned leading to an extended timeframe to complete the full corrective action.

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

## Executive Offices

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

**Audit Year: 2021**

**Finding 21-01:** Improve Information Security Program and IT Governance

**Status:** 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 in the coming weeks 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 (Delayed)

**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 in the coming weeks. IT continues to work with Application team and Contractors to address and correct findings.

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

**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. IT continues to work internally and Contractors to remediate finding.

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

### Office of the Governor (GOV)

**Audit Year: 2022**

**Finding 22-01:** Improve Policies and Procedures over Expenses

**Status:** Processes are being written and some completed. All AP items are being date stamped. Agencies are reminded to submit invoices as soon as they receive them. More supporting documentation is being added to AP vouchers.

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

## Finance

### Department of Accounts (DOA)

**Audit Year: 2022**

**Finding 22-01:** Ensure Adequate Resources are Available to Maintain Compliance with the Security Standard

**Status:** Since the last annual security review was completed in August 2022, and the next annual review is scheduled for October 2023 (more than 12-month gap), DOA requested an exception from VITA. VITA responded (April 26, 2023 email from VITA to DOA) that since there was a review done in 2022, and one was planned for 2023, there was no need to request an exception (VITA only looks at compliance on the calendar year basis, there is no 12-month requirement). DOA is still on target to complete the annual security review in October 2023.

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

**Finding 22-04:** Conduct Timely IT Security Audits

**Status:** VITA Audit Services informed DOA that since accounting system was not included in the last audit that it would not be audited until the next three-year audit cycle. This is tentatively scheduled for March 2025. DOA is investigating the use of a third-party auditor via VITA's CAI contract to fulfill the outstanding audit obligation. The next steps are to select a vendor and to begin the procurement process.

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

### Department of Planning and Budget (DPB)

**Audit Year: 2022**

**Finding 22-01/21-01:** Continue to Improve IT Change and Configuration Management Policy and Process. **This is a Repeat Finding.**

**Status:** Agency has not had sufficient resources to fully remediate the finding. Agency is working with VITA for additional technical assistance as VITA has indicated that it would offer solutions.

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

### Department of the Treasury (TD)

**Audit Year 2022**

**Finding 22-01:** Properly Perform and Document Retirement Benefits System Reconciliations

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

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

## Health and Human Resources

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

**Audit Year: 2022**

**Finding 22-02:** Improve Vulnerability Management Process

**Status:** The Security team has implemented a vulnerability patching exception procedure and continues to monitor vulnerabilities that are the responsibility of DBHDS. DBHDS is working with the Facility IT Directors and CO IT to ensure that proper patching is occurring within specified timelines.

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

**Finding 22-03:** Conduct Information Technology Security Audits over Sensitive Systems

**Status:** The position has been filled as of August 10th. DBHDS is currently working on re-scoping these audits and also working with IT on updating the system records.

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

**Finding 22-04:** Complete FFATA Reporting for First Tier SABG Subawards

**Status:** Still meeting to automate the FFATA process. The DBHDS estimate is to have it running by second quarter of FY2024.

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

**Finding 22-05:** Continue to Improve Off-Boarding Procedures. **This is a Repeat Finding.**

**Status:** DBHDS continues to have issues collecting badges, keys, building access, systems access, and other property.

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

**Finding 22-06:** Improve Controls over Processing Capital Outlay Voucher Processing

**Status:** There has been substantial improvement in the exception rate and DBHDS is continuously monitoring.

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

**Finding 22-07:** Continue to Improve Controls over the Retirement Benefits System Reconciliation. **This is a Repeat Finding.**

**Status:** DOA has now updated the CAPP manual so information on new reports for this process needs to be distributed to the facilities. Will be a topic at the October 2023 HR Forum.

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

**Finding 22-08:** Improve Management of Access to the Retirement Benefits System

**Status:** Central Office HR will poll all HRDs to ensure this has occurred for 2023 in Sept 2023.

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

**Finding 22-09:** Continue Dedicating Resources to Support Information Security Program. **This is a Repeat Finding.**

**Status:** DBHDS Security Office has submitted for 2 additional FTEs for consideration in the current GA session. Additionally, the Security Office has hired 2 additional full time contract employees.

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

**Finding 22-10/21-09/20-10/19-02/18-02/17-02:** Improve IT Contingency Management Program. **This is a Repeat Finding.**

**Status:** The Security Office in collaboration with Emergency Services and the Facility IT team have developed and implemented a COOP/DR template for all facilities to complete. Once all facilities have completed the template and provided it back to CO and consolidated, an enterprise-wide COOP/DR program will be established. Current progress; 4/12 facilities.

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

**Finding 22-11/21-10/20-11/19-04/18-04:** Develop Baseline Configurations for Information Systems. **This is a Repeat Finding.**

**Status:** The Security Business Impact Analysis (BIA) will establish the base lines for all the respective applications. The overall BIA process will span 3 years and will depend on how many applications DBHDS can sunset to make the overall work effort smaller. DBHDS is still working through these.

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

**Finding 22-12:** Continue to Improve Database Security. **This is a Repeat Finding.**

**Status:** The SQL migration project will be completed at the end of 2023. This will ensure all SQL servers are on 2016 or above.

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



**Finding 22-13:** Continue to Improve Risk Assessment Process. **This is a Repeat Finding.**

**Status:** The Security Office has developed an inclusive SSP/Risk Assessment program referred to as the BIA Process for all applications. This process includes a comprehensive review of all applications in the DBHDS portfolio to review, document, and complete all security and risk related items in an annual review process. Currently the initial BIA review has begun on the application. Once initial lessons learned have been gathered and the process is refined, it will be rolled out systematically to all applications on an annual schedule.

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

**Finding 22-14:** Continue to Improve Controls over the Calculation of Contractual Commitments. **This is a Repeat Finding.**

**Status:** The current methodology is a work around until payment system is updated.

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

**Finding 22-15/21-11/20-13:** Continue to Implement Compliant Application Access Management Procedures. **This is a Repeat Finding.**

**Status:** The application reduction effort continues to remove applications that are not Dual authentication system compliant.

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

**Finding 22-16/21-06:** Ensure Compliance with the Conflict of Interests Act. **This is a Repeat Finding.**

**Status:** Still monitoring to ensure 2-year requirement is met.

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

**Finding 22-17/21-13/20-06:** Continue to Improve Controls over Payroll Reconciliations. **This is a Repeat Finding.**

**Status:** Still in progress as DBHDS is still in the stages of transition.

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

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

**Audit Year: 2022**

**Finding 22-01:** Properly Prepare the Schedule of Expenditures of Federal Awards. **This is a Material Weakness.**

**Status:** Developed a remediation plan, interviewed key stakeholders, reviewed policies, and job aids, developed current state process flow.

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

**Finding 22-02:** Improve Controls over Journal Entries

**Status:** Developed a remediation plan, interviewed key stakeholders, reviewed policies, and job aids, developed current state process flows, developed future state process flows, drafted new VDH journal entry policy.

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

**Finding 22-03:** Strengthen Controls over Overtime Payments

**Status:** Developed a remediation plan, interviewed key stakeholders, reviewed policies and job aids, developed current state process flow. Draft overtime policy has been recreated and in the review process.

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

**Finding 22-05/21-01:** Strengthen Controls over Financial Reporting. **This is a Material Weakness and a Partial Repeat Finding.**

**Status:** Progressing in the remediation of Strengthen Controls over Overtime payments, improve controls over journal entries, and properly prepare the Schedule of Expenditures of Federal Award audit findings; additional positions have been filled including a fiscal tech and CHS accountant.

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

**Finding 22-06:** Follow Eligibility Documentation Requirements for Women, Infants and Children Program. **This is a Repeat Finding.**

**Status:** Beginning on August 10, 2023, the normal policies and procedures that govern affidavits will resume. WIC participants and applicants will have to present themselves in-person to certify for the WIC Program. Moreover, USDA has closed this finding.

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

**Finding 22-07:** Continue Improving the Disaster Recovery Plan. **This is a Partial Repeat Finding.**

**Status:** Completed the VITA IT DR annual testing on September 5th - 8th. VDH has updated the DR tracker and supporting documentation for IT applications using VITA IT DR Services.

**Status Summary:** Completed (Delayed)

**Finding 22-09:** Continue Strengthening the System Access Removal Process. **This is a Repeat Finding.**

**Status:** OHR updated the communication distribution list for separation notification (Who has the need to know for each work unit) – Completed April 30, 2023. OIM is continuing to make improvements and seeking additional funding.

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

**Finding 22-10:** Continue Strengthening the Termination Process. **This is a Repeat Finding.**

**Status:** New Separation Process training for Supervisors is in development and separation process was reviewed by HR staff on June 21, 2023 HR Network. Complete Training will be recorded and updated in system. – Due by July 10, 2023. Complete Communication is set to go to Supervisors with details on the training middle of October.

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

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

**Audit Year: 2022**

**Finding 22-01:** Improve Third-Party Oversight Process

**Status:** The ISO drafted an overarching procedure for the agency for the third-party management oversight and will need to socialize it for acceptance with Internal Audit, Information Management and the Procurement and Contract Divisions.

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

**Finding 22-02/21-02/20-02:** Improve Information Security Program and Controls. **This is a Material Weakness and a Repeat finding.**

**Status:** The ISO hired a resource to redraft policies. Four policies have been signed, 3 are under secondary review and 15 are ready for review. Required procedure documents have been started. Five System Security Plans and Risk Assessments have been completed, 2 are in review, and 3 are ready for review. The Incident Response Policy has been completed and the ISO is working on the Incident Plan with the IM division. DMAS is still waiting to hear from VITA on the penetration testing and may have to seek budget funds to conduct the testing within the agency. The ISO drafted an overarching procedure for the agency for the third-party management oversight and will need to socialize it for acceptance with Internal Audit, Information Management and the Procurement and Contract Divisions.

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

**Finding 22-03:** Continue Strengthening Process over Medicaid Coverage Cancellations. **This is a Repeat Finding.**

**Status:** DMAS is pleased to report that the Eligibility and Enrollment Services staff assigned to the Out of State Address Data Match Report has completed their reviews of all 4,844 outstanding cases. For the period July 1, 2023, through August 31, 2023, the team reviewed and completed the appropriate actions to close 1,554 cases. Many of the remaining cases were acted upon by the local agency worker and others, as reported earlier had an out of state address of the authorized representative but the member remains a resident of Virginia. DMAS Healthcare Analytics Division will run the next quarters report to identify any remaining closures, however as previously stated DMAS does anticipate a significant decline in these cases due to the ending of the Public Health Emergency

(PHE). DMAS anticipates this to be an ongoing process to ensure the issue is resolved or quickly addressed.

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

**Finding 22-04:** Improve Timely Removal of Critical System Access. **This is a Repeat Finding.**

**Status:** The ISO put in a change request to automate the provisioning and deprovisioning system access. The change request should be implemented at the end of November.

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

#### **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 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: 2022**

**Finding 22-01:** Improve Information Security Program and IT Governance. **This is a Material Weakness.**

**Status:** ISRM has a draft Risk Register developed using the system and Internal resources. Providing an initial viewpoint to the Executive Team on June 27, 2023.

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

**Finding 22-02/21-03/20-10:** Perform Responsibilities Outlined in the Agency Monitoring Plan. **This is a Material Weakness and a Repeat Finding.**

**Status:** A new budget request has been submitted for funding of a contingent Subrecipient Monitoring System solution. This will help bridge the deficiencies noted until an integrated permanent solution is implemented.

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

**Finding 22-03:** Implement Internal Controls over TANF Federal Performance Reporting. **This is a Material Weakness.**

**Status:** A Change Request has been submitted to address these findings. The results of the implementation and effectiveness of the implemented changes will be analyzed.

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

**Finding 22-04/21-17/20-14/19-12:** Improving Web Application Security. **This is a Repeat Finding.**

**Status:** Various work tickets have been submitted and work has begun in this area. Work continues in this area.

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

**Finding 22-05:** Upgrade End-of-Life Technology

**Status:** Work continues in this area.

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

**Finding 22-07/21-10/20-16:** Monitor Internal Controls to Ensure Timely Removal of System Access. **This is Repeat Finding.**

**Status:** HR and ISRM have identified the need for new reporting and interfaces to regain compliance. DSS had deployed DOA accounting system and an internal HRIS that will need to have interfaces developed.

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

**Finding 22-09/21-16/20-02:** Finalize the Agency Monitoring Plan and Communicate Responsibilities to Subrecipient Monitoring Coordinators. **This is a Repeat Finding.**

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

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

**Finding 22-10/21-04/20-11:** Review Non-Locality Subrecipient Audit Reports. **This is a Repeat Finding.**

**Status:** Multiple Budget requests have been submitted to purchase a Subrecipient Monitoring System but have not been approved.

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

**Finding 22-14/21-15/20-07/19-02/18-01:** Comply with TANF Requirement to Participate in the Income Eligibility and Verification System. **This is a Repeat Finding.**

**Status:** Requests for modifications to the Code of Virginia will be submitted for consideration by the General Assembly with an effective date of July 1, 2024.

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

**Finding 22-15:** Strengthen Internal Controls over FFATA Reporting

**Status:** Additional time may be needed to fully implement and automated solution.

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

**Finding 22-16:** Perform Analysis to Identify Service Provider Agencies That Perform Significant Fiscal Processes

**Status:** ARMICS will develop a plan and cost estimate for performing ARMICS over a broader scope that meets the intent of APA. VDSS does not have an Internal Audit Department and ARMICS is staffed with one person. After further examining the issue, it was determined that additional time is needed for analysis with program staff. The expected completion date is March 2024.

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

**Finding 22-18:** Monitor Internal Procedures to Ensure Compliance with the Conflict of Interests Act. **This is a Repeat Finding.**

**Status:** A new HR Information System is being developed with some functionality.

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

**Finding 22-19:** Reconcile the Commonwealth's Retirement Benefits System

**Status:** The completion of the corrective action and deliverables is contingent upon Payroll Service Bureau (PSB) updating the Scope of Services Manual. DSS will be contacting PSB to inquire if there is a known timeframe for the updates to be complete.

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

**Finding 22-21/21-08/20-13/19-10/18-10:** Continue Developing Record Retention Requirements and Processes for Electronic Records. **This is a Repeat Finding.**

**Status:** The Change Request (CR435) has now been prioritized for completion.

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

**Finding 22-22:** Continue Improving IT Risk Management Program. **This is a Repeat Finding.**

**Status:** VITA's system has been augmented with additional information to help track compliance in this area.

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

**Finding 22-23/21-06/20-15/19-13:** Continue Improving IT Change and Configuration Management Process. **This is a Repeat Finding.**

**Status:** Through DSS Network Operations Security Center (NOSC), IT patch and vulnerability process has been implemented.

**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:** The completion of the corrective action and deliverables is contingent upon Payroll Service Bureau (PSB) updating the Scope of Services Manual. DSS will be contacting PSB to inquire if there is a known timeframe for the updates to be complete.

**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:** VITA is currently reviewing the exceptions before they are approved by the Agency Head.

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

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

**Status:** VITA is currently reviewing the exceptions before they are approved by the Agency Head.

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

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

**Status:** The DARS ISO has been provided SOC 2 Type 2's for the hosting vendors database and infrastructure provider. The Hosting Provider's SOC 2 Type 2 is not completed yet but is expected before the end of the calendar year.

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

## Labor

## Virginia Employment Commission (VEC)

### Audit Year: 2022

**Finding 22-01:** Comply with Federal Requirements for Review of the Tax Performance system. **This is a Material Weakness and a Partial Repeat Finding.**

**Status:** This finding has been completed. The Quality Control Manager developed and implemented the TPS Desk Reference Guide and is spot checking samples of all TPS review areas to ensure accuracy of findings and results. In addition, the Quality Assurance Manager met with Chief of Tax to review all Acceptance Sample Questionnaires to make a record of correct system source data. This will ensure consistency in the process and documentation in case files.

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

**Finding 22-02/21-06:** Submit Required Reports Timely. **This is a Repeat Finding.**

**Status:** This finding has been completed. The Data Collection Unit (DCU) monthly reporting schedule has been continuously improved and used as a tracking system to log the transmission of all reports. Along with Outlook calendar reminders, emails go to responsible parties in advance of due dates. Collaboration between VEC units continues to improve and other policies and procedures are continuously being updated as needed to improve efficiency and quality control. Better and more frequent communication with ETA national and regional offices has resulted in past "missing" reporting being filed and solved IT issues with current reports. Delinquency reports are received by the national office monthly. DCU is now receiving a monthly communication from the regional office providing actual delinquent reports.

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

**Finding 22-05:** Improve Database Security

**Status:** This finding has been completed. Processes and documentation were put in place to address the issues identified.

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

**Finding 22-06:** Properly Update and Review System Access

**Status:** The CY2023 access reviews are in progress. The ISO is working with system owners to finish this annual review process. UI Management has been trained to deactivate separating employees. Finance Management has strengthened existing processes especially for removing terminated employees' access from the internal financial system.

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

**Finding 22-07:** Notify Finance of System Adjustments Affecting Benefit Payments

**Status:** Although a report has not been created, UI was able to provide a query from VUIS that instructed Finance of the necessary moves for unemployment insurance payments. The query is run ad hoc, and adjustments are made as necessary. UI provided Finance with the adjustment data in order to post adjustments to the financial system. These results were reviewed by IT, UI, and Internal Audit prior to Finance making the adjustments. An application ticket is being worked on by IT to create a VUIS generated report that can be run ad-hoc.

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

## Natural and Historical Resources

### Department of Wildlife Resources (DWR)

**Audit Year: 2021**

**Finding 22-02:** Deactivate Inactive Small Purchase Charge Cards Timely. **This is a Repeat Finding.**

**Status:** DWR has added training, backup support, and automated reports for the new Program Administrator to ensure that DWR is performing ongoing reviews of card usage, including but not limited to inactive cards, and responds according to the Commonwealth Accounting Policies and Procedures (CAPP) Topic 20355 and internal processes. DWR acknowledges that the one small purchase card in question was not suspended or deactivated as required, and that it took being notified by DOA to ultimately make this change. Since realizing this, and as part of DWR's continuing transition of the SPCC Program Administrator responsibilities, DWR has restored this internal review process and implemented additional monitoring efforts to prevent this type of oversight in the future.

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

**Finding 22-03:** Improve Documentation Surrounding Reconciliations of Capital Assets. **This is a Repeat Finding.**

**Status:** DWR's new process will include a new cover/routing sheet to more adequately document the review and approval, and any questions and resolutions, for every Construction in Progress (CIP) reconciliation, which is consistent with how DWR already documents reconciliations for accounts payables and receivables. This new reconciliation/review form will reflect what is also already covered in internal policies and procedures.

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

## Public Safety and Homeland Security

### Department of Fire Programs (DFP)

**Audit Year: 2020**

**Finding 20-01:** Update End-Of-Life Technology

**Status:** DFP has improved its end-of-life technology. The only current end of life item is a Microsoft 2010 application; this is still needed for testing of a new application that will be migrated to the cloud. DFP has submitted a security exception to VITA advising of this instance. The Microsoft application is still needed for the new application because of an error preventing the new application (requiring access to the 2010 application) from going live. For upcoming end of life items, DFP is following its established process for migrating. DFP submitted an updated exception to VITA end of June 2023 for VITA's approval. The exception was previously submitted in January 2023 but not reviewed by VITA and had to be resubmitted.

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

**Department of State Police (VSP)**  
**Audit Year: 2020**

**Finding 20-02:** Improve Backup and Recovery Policies and Procedures

**Status:** IT has identified and procured an additional software package: "IT Analytics for enhanced reporting" for the tape back infrastructure. Procurement is underway. This will address short term issues until VSP is transformed into a new system.

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

**Finding 20-04:** Ensure Reconciliation Policies and Procedures Meet CAPP Manual Requirements. **This is a Repeat Finding.**

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

**Status Summary:** Completed (Delayed)

**Finding 20-05:** Align Capital Asset Accounting Policies with Code of Virginia and CAPP Manual. **This is a Partial Repeat Finding.**

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

**Status Summary:** Completed (Delayed)

**Finding 20-06:** Complete Capital Asset Physical Inventories in Accordance with CAPP Manual Guidelines. **This is a Partial Repeat Finding.**

**Status:** Consolidation and analysis of reported results of physical inventory counts is nearly complete, including comparison and reconciliation with accounting system audit results. Summary analysis and corrective action plans are being completed for P&F Management. 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:** OEBS team is in the last process to establish the system connection which VSP can upload files to collection company.

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

**Audit Year: 2019**

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

**Status:** The system is still using payment and accounting system workbooks to generate an accounting system quarterly report. VSP is working to clear all outstanding invoices and update the desk procedures accordingly with the enhancement of the payment system.

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

**Audit Year: 2017**

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

**Status:** VSP is currently in the process of bringing a contractor onboard to address complete the risk assessments for all sensitive systems and assist in establishing an ongoing application risk assessment and security plan program.

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

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

**Status:** Progress continues on the creation of the DRP. Impact Makers has server to application mapping complete.

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

**Finding 17-35/14-08:** Improve Processes over Work Zone Project Billings. **This is a Repeat Finding.**  
**Status:** "Outstanding timesheet" in the system is up to date. However, the system platform is incompatible with payment system. Accounting system is working with the system Administrator to make it sufficient for Billing process. In the meantime, Billing Accountant is still using the data from the division and area offices to create invoices.

**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. With the implementation of accounting system, PSB has delayed the sending of this reconciliation.

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

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

**Audit Year: 2022**

**Finding 22-03/21-03/20-03:** Continue Improving Oversight of Third-Party Service Providers. **This is a Repeat Finding.**

**Status:** The responsible team continues to work through establishing a risk assessment process for existing Third-party vendors as well as potential new third-party vendor procurements.

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

### **Transportation**

#### **Department of Motor Vehicles (DMV)**

**Audit Year: 2022**

**Finding 22-03/21-01:** Continue to Update End-of-Life Technology. **This is a Repeat Finding.**

**Status:** 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 working through replacements and data migrations. Migration effort was stalled while bandwidth issues were being addresses but has now resumed.

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

#### **Department of Transportation (VDOT)**

**Audit Year: 2022**

**Finding 22-01:** Ensure Timely Removal of Access to the Commonwealth's Accounting and Financial Reporting System

**Status:** Expectations of managers and supervisors regarding removal of accounting system access continue to be communicated through training. A Weekly report within the system showing the status of each separation notification has been developed and HR completed a validation process. A few issues were noted, and HR is in the process of addressing those issues. The information generated from that report will be used to build a dashboard to communicate to all stakeholders the status of terminations and all tasks associated with timely removal of both physical and system access. This dashboard is currently under development with an estimated completion date of August 11, 2023. Recently, APA retested this issue. While improvement was noted, the recommendation will be reissued. APA's review identified some necessary adjustments to this process. HR updated the weekly report based on the updated recommendation. As of September 29, 2023, a demonstration of the new dashboard will be provided. To ensure adequate time for VDOT's ARMICS team to review the operational effectiveness of the new controls in place, VDOT will be adjusting VDOT's estimated completion date to December 30, 2023.

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



**Finding 22-02: Improve Access Controls to the Commonwealth's Purchasing System**

**Status:** Upon completion of the separation notice by the supervisor and HR, ASD receives an automated separation notification in system. During the audit, it was discovered that the employee required to act on the notification was not doing so as stated in the policy. VDOT has addressed this with the employee and implemented a QA/QC process to ensure this is occurring. Existing procedures included a review of an employee's job responsibilities compared to the access level requested for reasonableness. It was discovered that this was not occurring consistently as stated in the policy and the issue has been addressed with the employee. The Division responsible for the corrective action has indicated that their plan is complete. Please note that on the last status VDOT noted this as complete. However, to ensure agreement with the revised CAPP Topic 10205, the VDOT ARMICS team will need to review the operational effectiveness of the related controls. Therefore, VDOT has revised the estimated completion date. A task related to this review was added to the ARMICS workplan as of June 27, 2023. However, the current 2023 ARMICS project scope was increased by DOA. The completion of that project is VDOT's priority therefore, VDOT has determined to shift its review to November 2023. VDOT will report on the results of the review in the next CAP update, December 30, 2023.

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

**Finding 22-03: Improve Internal Controls Surrounding Granting and Removing Access for Equipment Systems**

**Status:** In addition to improving communication when users require a role change or removal of access, VDOT Fiscal is working on an analysis of both system users to ensure no terminated employees continue to have access to either system. A preliminary analysis was completed in April of 2023 and any exceptions were shared with the system owner for further research to validate. Based on that initial analysis, VDOT is continuing to refine and document the process. VDOT presentation to management and other stakeholders with the intent to add this analysis to a semi-annual or quarterly review process is still under review. Once approved and the first official review is completed, the ARMICS team will ensure the operational effectiveness of this new monitoring control. It is VDOT's intention to report on that review by December 30, 2023.

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

**Finding 22-04: Improve Change Control Process**

**Status:** VDOT's Information Technology Division has completed 6 of 7 action steps identified for this corrective action plan. Remaining action item is incorporating VDOT's established baseline and processes into agency security policy documentation. ITD is on track with their plan and schedule. VDOT will share the status of the remaining tasks within the next status update.

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

**Finding 22-05: Ensure Supervisors are Completing the Separating Employee Checklist. This is a Repeat Finding.**

**Status:** Expectations of managers and supervisors regarding removal of accounting system access continue to be communicated through training. A Weekly report within the system showing the status of each separation notification has been developed and HR completed a validation process. A few issues were noted, and HR is in the process of addressing those issues. The information generated from that report will be used to build a dashboard to communicate to all stakeholders the status of terminations and all tasks associated with timely removal of both physical and system access. This dashboard is currently under development with an estimated completion date of August 11, 2023. Recently, APA retested this issue. While improvement was noted, the recommendation will be reissued. APA's review identified some necessary adjustments to this process. HR updated the weekly report based on the updated recommendation. As of September 29, 2023, a demonstration of the new dashboard will be provided. To ensure adequate time for VDOT's ARMICS team to review the operational effectiveness of the new controls in place, VDOT will be adjusting the estimated completion date to December 30, 2023.

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

**Finding 22-06:** Continue Improving Service Provider Oversight. **This is a Repeat Finding.**

**Status:** Monthly ECOS Compliance Status Reports are being generated monthly and distributed to all stake holders to communicate the outcomes of compliance reviews. The Division responsible for the corrective action has indicated that their plan is complete. Please note that on the last status VDOT noted this as complete. However, to ensure agreement with the revised CAPP Topic 10205, the VDOT ARMICS team will need to review the operational effectiveness of the related controls. Therefore, VDOT has revised the estimated completion date. A task related to this review was added to the ARMICS workplan as of June 27, 2023. However, the current 2023 ARMICS project scope was increased by DOA. The completion of that project is VDOT's priority therefore, VDOT has determined to shift review to November 2023. VDOT will report on the results of the review in the next CAP update, December 30, 2023.

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



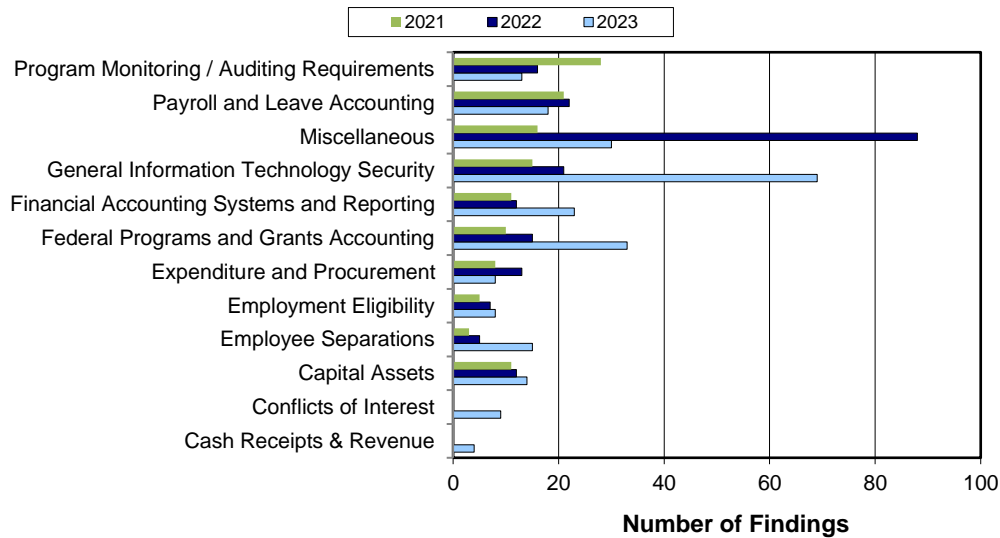
## *Annual Summary of APA Audit Findings*

As of September 30, 2023, the Auditor of Public Accounts issued 34 audit reports in the fiscal year ended 2023. These 34 audits covered 66 Executive Branch and Independent agencies. Of these reports, 8 reflected no internal control weaknesses or compliance findings. The APA identified 244 audit findings that cited internal control weaknesses and instances of noncompliance. For the fiscal year ending 2022, 32 of 43 reports contained findings and 297 total findings were reported.

<b>Category</b>	<b>New Findings</b>	<b>Repeat Findings</b>	<b>Total Findings</b>
Capital Assets	11	3	14
Cash Receipts & Revenue	3	1	4
Conflicts of Interest	5	4	9
Employee Separations	7	8	15
Employment Eligibility	1	7	8
Expenditure and Procurement	3	5	8
Federal Programs and Grants Accounting	22	11	33
Financial Accounting Systems and Reporting	17	6	23
General Information and Technology Security	38	31	69
Miscellaneous	12	18	30
Payroll and Leave Accounting	13	5	18
Program Monitoring / Auditing Requirements	6	7	13
	<b>138</b>	<b>106</b>	<b>244</b>

### **Statewide Findings by Category**

*FY 2021 - FY 2023 Comparison*



## **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 12/31 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 September 30, 2023, 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**:

<b>Agency Name</b>	<b>Reason for Non-Compliance</b>	<b>Initial Corrective Action Plan Received</b>	<b>Status of Corrective Action</b>
Department of Criminal Justice Services	Certified Non-Compliant	Yes	Agency stated internal control assessments would be completed by June 30, 2023. <b>Quarterly status update was not received.</b>
Department of Emergency Management	Certified Non-Compliant	Yes	Agency stated internal control assessments will be completed by December 31, 2023.
Department of Environmental Quality	Certified Non-Compliant	Yes	<b>Quarterly status update was not received.</b>
Department of Military Affairs	Certified Non-Compliant	Yes	Agency stated internal control assessments will be completed by December 31, 2023.
Frontier Culture Museum of Virginia	Certified Non-Compliant	Yes	Agency stated internal control assessments will be completed by June 30, 2024.

<b>Agency Name</b>	<b>Reason for Non-Compliance</b>	<b>Initial Corrective Action Plan Received</b>	<b>Status of Corrective Action</b>
Gunston Hall	Certified Non-Compliant	Yes	Agency stated it is uncertain when internal control assessments will be completed as processes have been put in place but have not yet been tested.

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

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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.

## **Compliance Monitoring**

### **Certification of Agency Reconciliation to Cardinal Reports**

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

DOA closely monitors Certification status, evaluates exceptions, and posts correcting entries in Cardinal. Certifications for July and August were due on 08/31/2023 and 09/29/2023, respectively.

### **Certifications Late or Outstanding**

*As of November 3, 2023*

<b>Agency</b>	<b>Jul</b>	<b>Aug</b>
The Science Museum of Virginia	10/31/2023	10/31/2023
University of Virginia Medical Center	10/31/2023	10/31/2023

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 July and August, the following agencies failed to respond timely, make corrective action and/or provide additional information.

### **Trial Balance Review**

*As of November 3, 2023*

<b>Agency</b>	<b>Jul</b>	<b>Aug</b>
Virginia Information Technologies Agency	<b>X</b>	<b>X</b>



## *E-Commerce*

### *Travel Check Charges*

In accordance with Chapter 1, 2023 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 2024.

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

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

<b>Agency by Secretarial Area</b>	<b>Quarter Ended September 30, 2023</b>	<b>Fiscal Year 2024 To-date Charges</b>
<b>Education</b>		
Cooperative Extension and Agricultural Research Services	\$10.00	\$10.00
<b>Public Safety and Homeland Security</b>		
Department of State Police	\$5.00	\$5.00
<b>Judicial</b>		
General District Courts	\$5.00	\$5.00
<b>Transportation</b>		
Department of Motor Vehicles	\$10.00	\$10.00

