



VIRGINIA INNOVATION PARTNERSHIP AUTHORITY  
AND  
VIRGINIA INNOVATION PARTNERSHIP  
CORPORATION

REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2022

Auditor of Public Accounts  
Staci A. Henshaw, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

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## AUDIT SUMMARY

We have audited the basic financial statements of the Virginia Innovation Partnership Authority (Authority), including its blended component unit, the Virginia Innovation Partnership Corporation, as of and for the year ended June 30, 2022, and issued our report thereon, dated June 9, 2023. Our report, included in the Authority's Annual Report, is available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov).

Our audit of the Authority for the year ended June 30, 2022, found:

- the financial statements are presented fairly, in all material respects;
- one internal control finding requiring management's attention; however, we do not consider it to be a material weakness; and
- no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

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## INTERNAL CONTROL FINDING AND RECOMMENDATION

### **Update Policies and Procedures to Ensure Timely Payment of Vendor Invoices**

**Type:** Internal Control

**Severity:** Significant Deficiency

**Repeat:** No

The Virginia Innovation Partnership Corporation (Corporation) Finance and Administration Division (Finance and Administration) did not pay invoices timely in accordance with internal policies and best practices. In our sample of thirty disbursements, we found that Finance and Administration paid five (16.7%) disbursements more than thirty days after the latter of receipt of an invoice or receipt of the ordered item or services. The Corporation's existing policies and procedures note that typical payment terms are net thirty, however, the policy does not specify a timeframe by which the Corporation should pay invoices. One exception occurred due to the delay in receipt of an invoice lost in transit, while the remaining exceptions occurred due to the Corporation's lack of defined payment terms required by internal policies.

As a best practice, Finance and Administration should pay invoices within thirty days after the latter of receipt of an invoice or receipt of items or services. The late payment of invoices may harm the Corporation's reputation as a buyer, damage relationships with vendors, and result in unnecessary late fees. Finance and Administration should update its policies and procedures to identify terms for timely payment of invoices and educate management and staff about this process.



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

June 9, 2023

The Honorable Glenn Youngkin  
Governor of Virginia

Joint Legislative Audit  
and Review Commission

Board of Directors  
Virginia Innovation Partnership Authority and  
Virginia Innovation Partnership Corporation

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the **Virginia Innovation Partnership Authority** (Authority), including its blended component unit, the Virginia Innovation Partnership Corporation, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 9, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control titled “Update Policies and Procedures to Ensure Timely Payment of Vendor Invoices,” which is described in the section titled “Internal Control Finding and Recommendation,” that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **The Authority’s Response to the Finding**

We discussed this report with management at an exit conference held on June 2, 2023. Management elected to not provide a response for inclusion in the audit report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

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**VIRGINIA INNOVATION PARTNERSHIP AUTHORITY  
AND  
VIRGINIA INNOVATION PARTNERSHIP CORPORATION**

As of June 30, 2022

**BOARD OF DIRECTORS**

Monique Adams  
Barbara Boyan  
Richard Hall  
Kurt John  
Andrew Ko  
Chris Long  
Caren Merrick  
Rob Quartel  
Paula Sorrell

**OFFICERS**

Bob Stolle, President and Chief Executive Officer, VIPC

Susan Aitcheson, Chief Financial Officer, VIPC