



AUDITOR OF PUBLIC ACCOUNTS

Commonwealth of Virginia

DEPARTMENT OF ELECTIONS

Internal Control Questionnaire Review Results As of August 2026

Staci A. Henshaw, CPA
Auditor of Public Accounts

(804) 225-3350
www.apa.virginia.gov

TABLE OF CONTENTS

	Pages
REVIEW LETTER	1-4
AGENCY RESPONSE	5-6

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 1, 2026

The Honorable Abigail D. Spanberger
Governor of Virginia

Joint Legislative Audit
and Review Commission

Steven Koski
Commissioner, Department of Elections

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Department of Elections** (Elections). We completed the review on August 10, 2026. The purpose of this review was to evaluate if the agency has developed adequate internal controls over significant organizational areas and activities and not to express an opinion on the effectiveness of internal controls. Management of Elections is responsible for establishing and maintaining an effective control environment.

Review Process

During the review, the agency completes an Internal Control Questionnaire that covers significant organizational areas and activities including payroll and human resources; revenues and expenses; procurement and contract management; capital assets; grants management; debt; and information technology and security. The questionnaire focuses on key controls over these areas and activities.

We review the agency responses and supporting documentation to determine the nature, timing, and extent of additional procedures. The nature, timing, and extent of the procedures selected depend on our judgment in assessing the likelihood that the controls may fail to prevent and/or detect events that could prevent the achievement of the control objectives. The procedures performed target risks or business functions deemed significant and involve reviewing internal policies and procedures. Depending on the results of our initial procedures, we may perform additional procedures including reviewing evidence to ascertain that select transactions are executed in accordance with the policies and procedures and conducting inquiries with management. The “Review Procedures” section below details the procedures performed for Elections. The results of this review will be included within our risk analysis process for the upcoming year in determining which agencies we will audit.

Review Procedures

We evaluated the agency's corrective action for all prior review findings. The agency has taken adequate corrective action with respect to review findings reported in the prior review that are not repeated in the "Review Results" section below.

We reviewed a selection of system and transaction reconciliations in order to gain assurance that the statewide accounting system contains accurate data. Further, we evaluated Elections' process of completing and submitting attachments to the Department of Accounts (Accounts).

We reviewed the Internal Control Questionnaire and supporting documentation detailing policies and procedures. As a result of our review, we performed additional procedures over the following areas: payroll and human resources; expenses; capital assets; grants management; and information technology and security. These procedures included validating the existence of certain transactions; observing controls to determine if the controls are effectively designed and implemented; reviewing transactions for compliance with internal and Commonwealth policies and procedures; and conducting further review over management's risk assessment process.

As a result of these procedures, we noted areas that require management's attention. These areas are detailed in the "Review Results" section below.

Review Results

We noted the following areas requiring management's attention resulting from our review:

- **Repeat** – Elections' Disaster Recovery Plan (DRP) did not include adequate documentation addressing all required elements. The Commonwealth's Information Security Standard, SEC530 (Security Standard) requires agencies to periodically review, reassess, test, and revise the DRP to reflect changes in mission-essential functions, services, information technology system hardware and software, and personnel. Elections should update and fully test the DRP to ensure compliance with the Security Standard.

- **Partial Repeat** – Elections has formal, documented policies and procedures over most of its significant business processes. However, during our review, we identified several critical business areas where Elections should develop or improve policies and procedures to maintain an effective control environment, including but not limited to the following areas:

    - Capital asset accounting and reporting
    - Compensated absences
    - Information systems security
    - Subscription-based information technology arrangement reporting

Topic 20905 and other sections of the Commonwealth Accounting Policies and Procedures (CAPP) Manual require each agency to "publish its own policies and procedures documents, approved in writing by agency management." Management should continue to ensure detailed policies and procedures exist for all critical business areas. In addition, management should continue to develop a process to review and approve all policies and procedures either annually or as needed and retain documentation of the process.

- **Partial Repeat** – Elections did not document an evaluation of the System and Organization Controls (SOC) report and the complementary user entity controls described within the report for third-party providers who process sensitive information. CAPP Manual Topic 10305 requires agencies to have an adequate level of interaction with third-party providers to give agencies an understanding of the providers' internal control environments and any complementary controls the agency should implement. Agencies must also maintain oversight of the provider to gain assurance over outsourced operations. Elections should comprehensively evaluate and document its review of SOC reports timely.

- Elections did not perform all processes for confirming the accuracy of information reported to the Commonwealth's retirement benefits system. Elections did not include a reconciliation of data elements between the Commonwealth's human resource system and the Commonwealth's retirement benefits system to ensure that employee retirement data is accurate before confirming the accuracy of data in the retirement benefits system. Elections also did not properly review all the necessary reports to support reconciliations between the Commonwealth's human resources system and retirement benefits system. Specifically, management did not provide documentation over the review of the Centralized State Systems – Cancelled Records Report. Elections should incorporate the data elements reconciliation into its retirement reconciliation procedures and document the review of all required reports detailed within CAPP Manual Topic 50470.

- Elections does not have formal, centralized documentation demonstrating actions associated with employee termination such as system access termination and return of state property. Formalizing and documenting the employee off-boarding process will reduce the risk of unauthorized access to agency systems and the misappropriation of Commonwealth assets. Elections should implement, complete, and retain formal employee off-boarding documentation to ensure compliance with the Security Standard.

- Elections did not timely submit all attachments as required by Accounts for fiscal year 2025. Elections submitted three out of 16 required attachments between one and 12 days late. In addition, Elections made four significant revisions to one submission after the due date. Elections should submit required attachments to Accounts timely and accurately and update its policies and procedures over the preparation and submission of attachments.

- For both federal subawards reviewed, Elections did not properly communicate the federal nature of the award to subrecipients as required by Title 2 Code of Federal Regulations § 200.332. Because Elections did not properly communicate the federal nature of the subawards, subrecipients may be unaware that they are receiving federal funds and therefore, may not comply with applicable federal requirements, such as determining whether a Single Audit is required or implementing necessary federal grant controls. Elections should communicate necessary federal grant award information to subrecipients as required.

- Elections did not ensure that employees who file Statement of Economic Interests forms take the required training every two years. We noted that no employees completed the required training within the two-year timeframe. Section 2.2-3128 of the Code of Virginia requires state filers to complete an orientation ethics course every two calendar years. Elections should ensure that employees who file Statement of Economic Interests forms complete the training biennially as required.

We discussed these matters with management on August 12, 2026. Management's response to the findings identified in our review is included in the section titled "Agency Response." We did not validate the accuracy of management's response, and accordingly, cannot take a position on whether it adequately addresses the issues in this report.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

Sincerely,

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

JDE/vks

COMMONWEALTH of VIRGINIA
DEPARTMENT OF ELECTIONS

Steven Koski
Commissioner

November 4, 2026

Staci A. Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw,

Thank you for the opportunity to respond to your most recent review of the Internal Control Questionnaire (ICQ) and results letter dated September 1, 2026, for the Department of Elections (ELECT).

ELECT recognizes the importance of internal controls and compliance with internal and Commonwealth policies and procedures. The agency concurs with some of the findings and, based on initial feedback, has taken immediate steps to correct the following:

- Conflicts of Interests Act: Employees required to file Statements of Economic Interest have completed the required training. The training has now been added to the Training Department's schedule for these employees to take the training every two years as required in Va. Code 2.2-3128. Employees will receive automatic reminders to take the training as required.
- Information System Security (User Access): ELECT has deleted access for an employee who had incorrect access.
- Payroll and Human Resources: ELECT has changed its offboarding procedures to formalize the process and to improve documentation. These changes will make the process more transparent and efficient.

ELECT recently reorganized the agency to separate the Business Division into an Administration Division and a Fiscal Division. This exercise required both teams to review reporting requirements and policies and procedures to ensure each is assigned, updated, and tracked. The findings of the APA's review will be incorporated into reviews and updates over the coming year. More specific actions are listed below.

Disaster Recovery Plan (DRP)
VITA develops compliance requirements for agencies for DRPs. VITA is developing those standards. ELECT will need to refine and rebuild a DRP when the new standards are completed.

Washington Building, 1100 Bank Street, First Floor, Richmond, VA 23219
Toll-Free: (800) 552-9745 TTY: (800) 260-3466 elections.virginia.gov

Policies and Procedures
ELECT will review the ICQ survey to compare the identified critical business areas in the survey against ELECT's policies to identify gaps and document the additional policies and procedures needed or improvements to be made.

Third Party Service Provider
While it has policies, ELECT will improve the procedures for documentation of reviews conducted of third-party provider SOCs with standardized form.

Payroll and Human Resources
ELECT will work with central agencies to identify additional information and changes required in ELECT's process to ensure the accuracy of its reconciliations, mainly between the Commonwealth's human resources system and retirement benefits system. Currently ELECT performs monthly reconciliations of compensation and deductions prior to confirming via monthly VRS report.

Reporting Required Financial Information
Planning was not done to ensure timely filing, and tracking was informal. Position descriptions will be updated to clarify the responsibilities for each of the fiscal and administration division staff members. A process will be created to organize the required financial information reporting attachments, track, and ensure completion.

Grants
ELECT will review the reporting requirements of each federal grant as those grants are awarded in the future.

ELECT appreciates this most recent review. We will ensure your recommendations are used as necessary to strengthen internal controls at ELECT and maintain an effective control environment.

Please feel free to contact Kevin A Hill, Director of Finance, if you have any additional questions or concerns.

Sincerely,

Steven Koski
Commissioner

cc. DJ Geiger, Director of Operations
Kevin A Hill, Director of Finance