



PAUL D. CAMP  
COMMUNITY COLLEGE

INTERNAL CONTROL QUESTIONNAIRE  
REVIEW RESULTS  
AS OF JULY 2024

Auditor of Public Accounts  
Staci A. Henshaw, CPA

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Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

April 8, 2025

The Honorable Glenn Youngkin  
Governor of Virginia

Joint Legislative Audit  
and Review Commission

State Board for Community Colleges  
Virginia Community College System

David Doré  
Chancellor, Virginia Community College System

Corey McCray  
President, Paul D. Camp Community College

## INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for **Paul D. Camp Community College** (Paul D. Camp). We completed the review on July 25, 2024. The purpose of this review was to evaluate if the college 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 Paul D. Camp is responsible for establishing and maintaining an effective control environment.

The Auditor of Public Accounts has developed a new process for reviewing internal controls at colleges within the Virginia Community College System (System). Traditionally, we audited colleges within the System on a cycled basis based on relative financial size. Under the new process, we will annually audit material financial activity reported in the System's financial statements and employ a risk-based approach for reviewing the remaining colleges within the System, which will be subject to a review of internal controls in the form of a questionnaire. We will perform an annual risk analysis to determine which colleges will receive an Internal Control Questionnaire review. This letter communicates the results of Paul D. Camp's Internal Control Questionnaire review.

## **Review Process**

During the review, the college 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 college's 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 Paul D. Camp. The results of this review will be factored into our annual risk assessment performed as part of the System's annual financial statement audit which is used to determine the nature, timing, and extent of the audit procedures we will perform.

## **Review Procedures**

We evaluated the college's corrective action for findings from the college's previous audit except for findings related to student financial aid. We will evaluate the college's corrective action for student financial aid findings the next time the college participates in the reaffirmation of accreditation process. The college has taken adequate corrective action with respect to all other audit findings reported in the previous audit.

We reviewed a selection of system and transaction reconciliations in order to gain assurance that the System's accounting system contains accurate data for the college. The definitive source for internal control in the Commonwealth is the Agency Risk Management and Internal Control Standards (ARMICS) issued by the Department of Accounts (Accounts); therefore, we also included a review of ARMICS. The level of ARMICS review performed was based on judgment and the risk assessment at Paul D. Camp. Our review of Paul D. Camp's ARMICS program included a review of all current ARMICS documentation and a comparison to statewide guidelines established by 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; capital assets; 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:

- Paul D. Camp has formal, documented policies and procedures over many of its significant business processes. However, given recent turnover in key fiscal and administrative positions, we identified several business areas where Paul D. Camp should develop policies and procedures to maintain an effective control environment. Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 20905 and other CAPP Manual sections require each agency to “publish its own policies and procedures documents, approved in writing by agency management.” The CAPP Manual cannot take the place of the college’s own documented policies and procedures. Management should ensure detailed policies and procedures exist for all critical business areas. Consistently maintaining documented policies and procedures will allow operations to continue in the event of turnover and ensure consistency with the processing of transactions across the organization. In addition, management should continue to develop a process to review and approve all policies and procedures either annually or as needed and maintain documentation of the process.
- Paul D. Camp’s ARMICS process does not meet the minimum requirements set by Accounts. Specifically, Paul D. Camp did not perform an agency-level risk assessment and test all agency-level and transaction-level controls and control activities. CAPP Manual Topic 10305 requires agencies to document, evaluate, and test all agency-level controls to assess each element of the control environment. Management should ensure ARMICS documentation meets the minimum requirements issued by Accounts.
- Paul D. Camp did not retain termination checklists for terminated employees. Not retaining the termination checklists can cause discrepancies in the timely and accurate return of college property and prevent timely removal of system access in accordance with the System’s Information Technology Security Standard, based on ISO 27002:2013. Additionally, the college did not retain support to document that it properly calculated and paid leave payouts for terminated employees. Management should ensure it completes and retains termination checklists and leave payout calculations for all terminated employees.
- Paul D. Camp did not maintain documentation to show timely preparation and approval of reconciliations between the accounting information system and the Commonwealth’s accounting and financial reporting system. Paul D. Camp should update its procedures to require documented evidence showing timely completion and management approval of its reconciliations.

- Paul D. Camp did not retain documentation for the reconciliations between the System’s human resources system and the Commonwealth’s retirement benefits system to confirm the accuracy of retirement benefits data. CAPP Manual Topic 50470 details the requirements for reconciling retirement data before the agency confirms the data. Paul D. Camp should update policies and procedures in this area and perform and retain all required reconciliations detailed within CAPP Manual Topic 50470. Additionally, Paul D. Camp should ensure that a second individual is available to perform reconciliations when the primary individual is not available and that appropriate members of management have access to the completed reconciliations.
- Paul D. Camp did not ensure segregation of duties for employees with access to the student information system and the System’s human resources system. Without segregation of duties, there is an increased risk of the occurrence of negligent or deliberate system misuse, and that users can circumvent other compensating controls and perform unauthorized transactions. Management should evaluate and review the procedures for granting, monitoring, and removing critical system access and ensure that the college is assigning roles and privileges appropriately or documenting exceptions to segregation of duties issues.

We discussed these matters with management on August 29, 2024. Management’s response to the findings identified in our review is included in the section titled “College Response.” We did not validate management’s response and, accordingly, cannot take a position on whether or not 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

MBR/vks



April 10, 2025

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

Dear Ms. Henshaw,

Thank you for the opportunity to comment on the Auditor of Public Accounts ICQ results letter dated April 8, 2025. Paul D Camp very much appreciates the efforts and professionalism of your staff during the review process.

Paul D Camp has started the process of addressing the areas of concern outlined in the letter and will have all the concerns fully addressed by June 30, 2025. We are fully compliant with CAPP Topic 50470 to maintain documentation for all reconciliations between the college and VRS.

With regards to the areas of concern noted in your letter, Paul D Camp is in the process of developing detailed policies and procedures for every position and process as addressed in CAPPS Topic 20905. The College's ARMICS process has been reviewed and updated to ensure compliance with CAPP Manual 10305. Risk assessment and testing will be performed during the 2025 ARMICS cycle. We will ensure we comply according to ISO Standard 27002:2013 regarding the termination of employees. The College has an MOU with VCCS IT for security of all IT processes and systems.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip A. Bradshaw", written over a white background.

Phillip A. Bradshaw  
CFO & Operations Manager