



CENTRAL VIRGINIA COMMUNITY COLLEGE

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS AS OF JULY 2024

Auditor of Public Accounts

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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

John Capps
President, Central Virginia Community College

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for **Central Virginia Community College** (Central Virginia). We completed the review on July 2, 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 Central Virginia 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 Central Virginia'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 Central Virginia. 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 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 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 Central Virginia. Our review of Central Virginia'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; expenses; 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:

- **Repeat** – Central Virginia did not perform a physical inventory over its capital assets within the past two years as required by Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 30505, which requires agencies to perform a physical inventory of capital assets at least once every two years to properly safeguard assets and maintain fiscal accountability. Management should allocate resources to perform a physical asset inventory over capital assets at least once every two years and review current procedures to ensure the proper monitoring and disposal of assets.
- Central Virginia has formal, documented policies and procedures over many of its significant business processes. However, during our review, we identified several business areas where Central Virginia should expand the policies and procedures to maintain an effective control environment. 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.
- Central Virginia did not perform an annual review of user access within the System’s accounting information system, student information system, or human resources system. Not performing a review of user access could result in employees retaining access to roles that are not in alignment with their job duties. The System’s Information Technology Security Standard, based on ISO 27002:2013, Section 9.2.5 – Review of User Access Rights, requires colleges to review user access rights at regular intervals; at least annually and after changes, such as promotion, demotion, or termination of employment. Central Virginia should perform an annual review of all user access for the System’s accounting information system, student information system, and human resource system.
- Central Virginia did not remove system access timely for terminated employees. By not removing system access timely, Central Virginia increases the risk that terminated employees may retain unauthorized access to state systems and sensitive information. Management should ensure the timely removal of system access for all terminated employees.

We discussed these matters with management on September 6, 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/ clj

**VICE PRESIDENT OF
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April, 11, 2025

Staci Henshaw
Auditor of Public Accounts
PO Box 1295
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Dear Ms. Henshaw,

Thank you for the opportunity to comment regarding the ICQ Results letter dated April 8, 2025. Central Virginia Community College (CVCC) has already taken steps to address many of the items identified in your report, and will continue to take the opportunity to further strengthen these processes in the future. I would like to add the following specific responses:

- Physical Inventory – CVCC initiated a physical inventory during Fall 2024. Additionally, resources and new personnel have been allocated and cross trained to complete these responsibilities who have familiarity and experience with these duties from past roles.
- Procedure manuals are living documents that should be continually updated. The college accepts and recognizes the challenge of keeping these procedure documents updated as processes change. Specifically, the process that was cited as requiring updated documentation related to system access monitoring. Additionally, feedback was provided to the Information Technology (IT) Department reminding of the requirement to complete an annual review of user system access and to receive prompt requests for system access changes due to changes in personnel and roles. Teams are currently working together to improve performance with these processes.

Sincerely,

A handwritten signature in black ink that reads "Lewis A. Bryant III".

Lewis A. Bryant III