



AUDITOR OF PUBLIC ACCOUNTS

Commonwealth of Virginia

DEPARTMENT OF CONSERVATION AND RECREATION

Internal Control Questionnaire Review Results

As of July 2026

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TABLE OF CONTENTS

	Pages
REVIEW LETTER	1-4
AGENCY RESPONSE	5

Commonwealth of Virginia

Auditor of Public Accounts

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P.O. Box 1295
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September 14, 2026

The Honorable Abigail D. Spanberger
Governor of Virginia

Joint Legislative Audit
and Review Commission

Nikki Rovner
Director, Department of Conservation and Recreation

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Department of Conservation and Recreation** (Conservation and Recreation). We completed the review on July 13, 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 Conservation and Recreation 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 Conservation and Recreation. 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. 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 for Conservation and Recreation. Further, we evaluated Conservation and Recreation's process of completing and submitting attachments to 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** – Conservation and Recreation's information security policies and procedures continue to reference an outdated Commonwealth's Information Security Standard, SEC501, that is no longer valid. The Commonwealth's Information Security Standard, SEC530 (Security Standard) supersedes SEC 501. Additionally, Conservation and Recreation has not established a process to review its information security policies and procedures each year. As a result, it cannot ensure that these policies and procedures are updated to reflect its current information technology (IT) environment and support required security controls. The Security Standard requires that agencies perform a review of IT policies on an annual basis or more frequently if required to address environmental changes. Conservation and Recreation should revise and update all information security policies and procedures to align with the requirements in the current Security Standard version. Conservation and Recreation should also develop a process to annually review and update all information security policies and procedures and document the review to maintain a revision history.

- **Repeat** – Conservation and Recreation has formal, documented policies and procedures over some of its significant business processes. However, during our review we identified many critical business areas where Conservation and Recreation should develop or significantly improve policies and procedures to maintain an effective control environment. These areas include but are not limited to:

    - Capital assets accounting and reporting
    - Contract procurement and management
    - Expenses
    - Financial system reconciliations
    - Grants management
    - Payroll
    - Revenue

    Topic 20905 and other sections of the Commonwealth Accounting Policies and Procedures Manual require each agency to "publish its own policies and procedures documents, approved in writing by agency management." Management should continue working 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 maintain documentation of the process.

- Conservation and Recreation's Continuity Plan and Disaster Recovery Plan (DRP) did not contain sufficient documentation including all required elements. In addition, Conservation and Recreation has not updated these documents since 2022 and 2021, respectively. The 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. In addition, the Security Standard requires agencies to review the Continuity Plan on an annual basis ,or more frequently if required, to address an environmental change. Conservation and Recreation should regularly update the Continuity Plan and DRP to ensure compliance with the Security Standard.

- Conservation and Recreation does not ensure that employees who file Statement of Economic Interests forms complete the required training every two years. We noted several employees did not complete 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. Conservation and Recreation should develop policies and procedures to ensure that the employees who file Statement of Economic Interest forms complete the training biennially as required.

We discussed these matters with management on July 17, 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/clj

David L. Bulova
Secretary of Natural and Historic Resources

Nicole M. Rovner
Director

Sarah H. Spota
Deputy Director for Policy and Communications

Frank N. Stovall
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David L. Davis
Deputy Director for Flood Resilience

Laura H. Ellis
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COMMONWEALTH of VIRGINIA

DEPARTMENT OF CONSERVATION AND RECREATION

November 6, 2026

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

Dear Ms. Henshaw:

The Department of Conservation and Recreation (DCR) appreciates the opportunity to respond to the Results of the Internal Control Questionnaire Review performed by the Auditor of Public Accounts. Correcting these issues identified by your office will help strengthen the control environment at the agency. Each response below addresses, in order, the issues identified in your Results Letter.

- Conservation and Recreation has revised and updated all information security policies and procedures to align with the requirements in the current Security Standard. Additionally, Conservation and Recreation management will develop a process to review and update all information security policies and procedures on an annual basis and document the review through a revision history.
- Conservation and Recreation management will continue working to ensure detailed policies and procedures exist for all critical business areas. In addition, DCR management will develop a process to review and approve all policies and procedures either annually or as needed and will maintain documentation of the process.
- Conservation and Recreation management will develop a process to regularly review and update the Continuity of Operations Plan – and have currently updated the Disaster Recovery Plan as of April 2026 – in compliance with the Security Standard.
- Conservation and Recreation will ensure that the employees who file Statement of Economic Interest forms complete the training semi-annually as required and will develop policies and procedures over this process.

The DCR would like to thank you and your staff for their efforts and professionalism during this review. We look forward to working with your office again in the future.

Sincerely,

Nicole M. Rovner
Director

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