



ASSISTIVE TECHNOLOGY LOAN FUND AUTHORITY

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS AS OF JULY 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA

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- TABLE OF CONTENTS -

	<u>Pages</u>
REVIEW LETTER	1-3
AGENCY RESPONSE	4



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Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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September 13, 2024

Sandra Prince Banker, Executive Director
Assistive Technology Loan Fund Authority
1602 Rolling Hills Drive
Suite 107
Richmond, Virginia 23229

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Assistive Technology Loan Fund Authority** (Authority). We completed the review on July 8, 2024. The purpose of this review was to evaluate if the Authority 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 the Authority 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 the Authority. 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 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; revenues; expenses; 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** - The Authority has formal, documented policies and procedures over many of its significant business processes. However, during our review, we identified several critical business areas where the Authority should develop or improve policies and procedures to maintain an effective control environment. Management should ensure detailed policies and procedures exist for all critical business areas.
- **Repeat** - The Authority relies on the Department for Aging and Rehabilitative Services (Aging) to provide information technology and security services; however, as these services do not cover all requirements in the Commonwealth's Information Security Standard, SEC530 (Security Standard), the Authority still has some responsibilities related to information security. While the Authority is not required to follow the Security Standard, it is still considered best practice to implement these requirements. During our review, we identified some weaknesses in information system security controls, including lack of annual systems access reviews and a formally documented Continuity of Operations Plan and Disaster Recovery Plan. The Authority currently has a project in progress to replace one system and is in the process of updating its Memorandum of Understanding (MOU) with Aging. The Authority should ensure the MOU includes all information security requirements for which the Authority is not responsible and continue working to ensure there are controls in place to address all requirements in the Security Standard. In addition, the Authority should create and implement policies and procedures for the Authority's information technology and security responsibilities.

- The Authority did not document its system logging and monitoring review procedures for one system. In addition, someone other than a critical user should perform the system logging and monitoring process. The Authority should maintain documentation of the completion of the appropriate logging and monitoring controls for its business environment to reduce the risk to data confidentiality, integrity, and availability. In addition, the Authority should ensure it is maintaining appropriate segregation of duties with this process.

We discussed these matters with management on July 23, 2024. Management's response to the findings identified in our review is included in the section titled "Agency Response." We did not validate 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 management. However, it is a public record, and its distribution is not limited.

Sincerely,

Staci A. Henshaw
Auditor of Public Accounts

JDE/clj



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September 24, 2024

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

Dear Ms. Henshaw:

Thank you for the opportunity to comment on the Auditor of Public Accounts Results letter dated September 13, 2024. The Assistive Technology Loan Fund Authority (ATLFA) appreciated the efforts and professionalism of your staff during the review process.

The ATLFA has already addressed two of the areas of concern outlined in the letter and plans on having the remaining concern fully addressed within the next year.

Sincerely,

A handwritten signature in black ink, reading "Sandra W. Banker".

Sandra W. Banker
Executive Director

"Affordable Loans for Assistive Technology"