



AUDITOR OF PUBLIC ACCOUNTS

Commonwealth of Virginia

VIRGINIA BOARD OF ACCOUNTANCY

Internal Control Questionnaire Review Results As of July 2026

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Commonwealth of Virginia

Auditor of Public Accounts

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Auditor of Public Accounts

P.O. Box 1295
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August 28, 2026

The Honorable Abigail D. Spanberger
Governor of Virginia

Joint Legislative Audit
and Review Commission

Nancy Glynn
Executive Director, Virginia Board of Accountancy

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Virginia Board of Accountancy** (Accountancy). 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 Accountancy is responsible for establishing and maintaining an effective control environment.

Section 54.1-4420 of the Code of Virginia historically required Accountancy to prepare and the Auditor of Public Accounts to audit annual financial statements. Chapter 677 of the 2024 Acts of Assembly, effective July 1, 2024, repealed the annual financial statement audit requirement. The Auditor of Public Accounts uses a risk-based approach for auditing cycled agencies, the agencies that do not have a mandated annual audit requirement, which now include Accountancy. Annually, we perform a risk analysis for all cycled agencies considering certain criteria and divide the agencies into two pools based on the resulting risk rating. Depending on the agency's assigned pool, the agency will be subject to either a financial-related audit or a review of internal controls in the form of a questionnaire. This letter communicates the results of the review of Accountancy's Internal Control Questionnaire.

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 Accountancy. 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

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 Accountancy. Further, we evaluated Accountancy'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; revenues; 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:

General Internal Controls

- Accountancy has formal, documented policies and procedures over most of its significant business processes. However, during our review, we identified the following critical business areas where Accountancy should develop or improve policies and procedures to maintain an effective control environment:

    - Contract procurement and management
    - Review of Department of Accounts' attachment submissions

- Review of financial system reconciliations

  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.

We discussed this matter with management on July 14, 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

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November 17, 2026

Staci Henshaw
Auditor of Public Accounts
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Richmond VA, 23219

Dear Ms. Henshaw,

Thank you for the opportunity to respond to the Auditor of Public Accounts' Internal Control Questionnaire Results Letter dated August 28, 2026. The Board of Accountancy appreciates the professionalism displayed by your staff during this review.

The Board has already begun the process of reviewing the policies and procedures related to the areas of concern outlined in the results letter. All fiscal policies and procedures will be reviewed to ensure critical business areas are documented.

Sincerely,

Nancy Glynn
Executive Director

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