



UNIVERSITY OF VIRGINIA

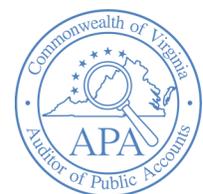
REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2025

Auditor of Public Accounts

Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

We have audited the basic financial statements of the University of Virginia as of and for the year ended June 30, 2025, and issued our report thereon, dated November 24, 2025. Our report, included in the University's Financial Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at the University's website at www.virginia.edu. Our audit found:

- the financial statements are presented fairly, in all material respects;
- one matter involving internal control and its operation requiring management's attention that also represents an instance of noncompliance with applicable laws and regulations required to be reported under Government Auditing Standards; however, we do not consider the matter to be a material weakness;
- one additional internal control finding requiring management's attention; however, we do not consider it to be a material weakness; and
- adequate corrective action with respect to prior audit findings identified as complete in the Findings Summary included in the Appendix.

We did not perform audit work on the prior audit finding titled "Improve Reporting to the National Student Loan Data System" as noted in the Findings Summary included in the Appendix because the University did not implement corrective action during our audit period. We will follow up on this finding during the fiscal year 2026 audit.

In the section titled "Internal Control and Compliance Findings and Recommendations," we have included our assessment of the conditions and causes resulting in the internal control and compliance findings identified through our audits as well as recommendations for addressing those findings. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the findings as required by the Department of Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendation.

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INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

Improve Year End Accounts Payable Process

Applicable: Academic Division

Responsible Department: UVA Finance

Type: Internal Control

Severity: Significant Deficiency

First Reported: 2024 as a component of the finding titled “Improve Governance Structure and Resources Surrounding Financial Reporting Process”

The University of Virginia’s (University) Academic Division Finance Department (UVA Finance) continues to improve its process for evaluating invoices paid after fiscal year end to determine the correct accounts payable accrual amount. However, during our review of unrecorded liabilities, we identified that UVA Finance did not accrue expenses payable in the correct fiscal year for six out of 45 (13.3%) expense vouchers sampled.

Per Governmental Accounting Standards Board (GASB) Concept Statement 4, obligations become liabilities and legally enforceable when the underlying exchange of goods and services take place. As part of its annual financial statement preparation, for goods or services the University receives on or before June 30, UVA Finance should record the expense in the outgoing fiscal year while UVA Finance should record the expense in the subsequent fiscal year for goods or services the University receives on or after July 1. While UVA Finance implemented a process to evaluate invoices received after fiscal year end through August 30, UVA Finance used incorrect report parameters because of inadequate procedures and a lack of review resulting in an incomplete evaluation of invoices and missed accounts payable accruals. Recording expenses in the incorrect fiscal year results in misstated liabilities in the financial statements, which could lead to a misrepresentation of the University’s financial position.

UVA Finance management should develop sufficient procedures including an adequate review process to evaluate invoices after year end and ensure staff include the correct parameters to accurately accrue accounts payable.

Improve Firewall Security

Applicable: Medical Center

Responsible Department: Health System Technology Services

Type: Internal Control and Compliance

Severity: Significant Deficiency

The University of Virginia Medical Center (Medical Center) does not secure a firewall that safeguards a portion of its secure internal network in accordance with the Medical Center’s adopted Information Security Standard, the National Institute of Standards and Technology Standard, 800-53 (NIST Standard) or the Medical Center’s internal standards.

We communicated the internal control weaknesses to management in a separate document marked Freedom of Information Act (FOIA) Exempt under § 2.2-3705.2 of the Code of Virginia, due to it containing descriptions of security mechanisms. The NIST Standard requires organizations to implement certain controls that reduce unnecessary risk to the confidentiality, integrity, and availability of the Medical Center's information systems and data.

Management did not ensure that staff administered the firewall in accordance with established standards, which resulted in the identified weakness. The Medical Center should improve its processes to administer the firewall and remediate the identified weaknesses to align with the Medical Center's internal standards and the NIST Standard. These improvements will help to safeguard the confidentiality, integrity, and availability of the Medical Center's sensitive networks and mission-critical data.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 24, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
University of Virginia

Paul G. Mahoney
Interim President, University of Virginia

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities, aggregate discretely presented component units, and remaining fund information of the **University of Virginia** (University) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated November 24, 2025. Our report includes a reference to other auditors who audited the financial statements of the component units of the University, as described in our report on the University's financial statements. The other auditors did not audit the financial statements of the component units of the University in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the component units of the University.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control titled "Improve Year End Accounts Payable Process" and "Improve Firewall Security," which are described in the section titled "Internal Control and Compliance Findings and Recommendations," that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards which is described in the section titled "Internal Control and Compliance Findings and Recommendations" in the finding titled "Improve Firewall Security."

The University's Response to Findings

We discussed this report with management at an exit conference held on December 2, 2025. Government Auditing Standards require the auditor to perform limited procedures on the University's response to the findings identified in our audit, which is included in the accompanying section titled "University Response." The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Status of Prior Findings

We did not perform audit work on the audit finding included in our report dated December 13, 2024, titled "Improve Reporting to the National Student Loan Data System" because the University did not implement corrective action during our audit period. We will follow up on this finding during the fiscal year 2026 audit. The University has not taken adequate corrective action with respect

to the prior reported findings identified as ongoing in the [Findings Summary](#) included in the Appendix. The University has taken adequate corrective action with respect to prior audit findings identified as complete in the [Findings Summary](#) included in the Appendix.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/cj

FINDINGS SUMMARY

Finding Title	Applicable Division	Status of Corrective Action*	Fiscal Year First Reported
Improve Firewall Security	Academic	Complete	2024
Improve IT Service Provider Oversight	Medical Center	Complete	2024
Improve Oversight of Administrative Service Providers	Medical Center	Complete	2024
Strengthen Interdepartmental Communications Related to Terminated Employees	Medical Center	Complete	2024
Improve Year End Accounts Payable Process**	Academic	Ongoing	2024
Improve Firewall Security	Medical Center	Ongoing	2025
Improve Reporting to the National Student Loan Data System***	Academic	Ongoing	2024

* A status of **Complete** indicates management has taken adequate corrective action. A status of **Ongoing** indicates new and/or existing findings that require management's corrective action as of fiscal year end.

** This finding was previously a component of the prior finding titled "Improve Governance Structure and Resources Surrounding Financial Reporting Process."

*** The prior audit finding was not included in the scope of our audit. Per inquiry with management, we determined that corrective action was ongoing as of June 30, 2025.



November 25, 2025

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

Dear Ms. Henshaw,

We have received the Internal Control and Compliance Findings and Recommendations from the Auditor of Public Accounts. Accordingly, we respond to that report with the following comments:

Improve Year End Accounts Payable Process

Management Response: UVA concurs with the APA's finding.

Responsible for Corrective Action: Financial Reporting

Anticipated Completion Date: June 30, 2026

UVA concurs with the finding with no required adjustment to the financial statements, and the University will employ corrective action by June 30, 2026.

Improve Firewall Patch Management

Management Response: UVA concurs with the APA's finding.

Responsible for Corrective Action: Health System Technology Services

Anticipated Completion Date: June 30, 2026

UVA Medical Center has begun corrective action and those steps have been communicated in a separate memo marked Freedom of Information Exempt, due to the sensitivity of the information.

Improve Reporting to National Student Loan Data System

Management Response: UVA concurs with the APA's finding.

Responsible for Corrective Action: Associate Vice Provost for Enrollment and University Registrar

Anticipated Completion Date: June 30, 2026

UVA acknowledges remediation efforts underway for the FY2024 finding for which the Auditor of Public Accounts did not test in FY2025.

UVA Finance is the valued and trusted financial partner that the University community turns to first.
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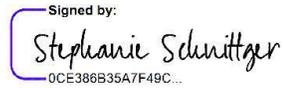
Staci Henshaw – Auditor of Public Accounts
November 21, 2025
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Sincerely,

Signed by:

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Augie Maurelli
Vice President for Finance, Chief Financial Officer

Signed by:

0CE386B35A7F49C...

Stephanie Schnittger
Chief Financial Officer, UVA Medical
Center

cc: Jennifer "J.J." Davis
Olga Weider
Kelly Doney
Michael Grinnell
Brad Sanford
Laura Hawthorne
John Kosky

Mitchell Rosner
Sami Kaur
Erin Trost
Robin Parkin
Mike Marquardt

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