



DEPARTMENT OF CORRECTIONS

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS AS OF DECEMBER 2025

Auditor of Public Accounts

Staci A. Henshaw, CPA

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 15, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Marcus Anderson
Secretary of Public Safety and Homeland Security

Chadwick S. Dotson
Department of Corrections

INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Department of Corrections** (Corrections). We completed the review on December 2, 2025. The purpose of this review was to evaluate if Corrections has developed adequate internal controls over certain financial areas and activities and not to express an opinion on the effectiveness of internal controls. Management of Corrections is responsible for establishing and maintaining an effective control environment.

The Auditor of Public Accounts has developed a new process for reviewing certain financial cycles that are not normally audited in support of our opinion on the Commonwealth's Annual Comprehensive Financial Report (ACFR) at agencies that are material to the ACFR. Our intent is to address additional areas of risk beyond the financial cycles we audit to support the audit of the ACFR, as deemed necessary. We apply a risk-based approach to determine which financial cycles to review, considering factors such as the cycle's significance to the agency and the time elapsed since the last review. This letter is to communicate the results of the Internal Control Questionnaire review.

Review Process

During the review, the agency completed an Internal Control Questionnaire that covered certain financial areas and activities including contract procurement, contract management, and expenses related to contractual services. 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 Corrections.

Review Procedures

We reviewed the Internal Control Questionnaire and supporting documentation detailing policies and procedures over contract procurement, contract management, and expenses related to contractual services. As a result of our review, we performed additional procedures over these areas including 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:

- For one sole source procurement reviewed, Corrections did not post the notice of the award for the sole source contract to the Commonwealth’s purchasing system. The Commonwealth’s Agency Procurement and Surplus Property Manual (Procurement Manual), Section 8.5 - Posting Requirements, requires that all sole source procurement award notices be posted to the Commonwealth’s purchasing system. Corrections should ensure that all sole source contract award notices are posted as required.
- Corrections did not complete a new Procurement Governance Request, as required by the Virginia Information Technologies Agency’s Buy IT: IT Procurement Manual, nor a new Procurement Approval Request, as required by the Procurement Manual, for the sole source

procurement reviewed. Corrections should ensure it submits all requests and obtains approvals, as required, for new procurements requiring additional authorization.

We discussed these matters with management on January 16, 2026. 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 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



COMMONWEALTH of VIRGINIA

Department of Corrections

JOSEPH W. WALTERS
DIRECTOR

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February 6, 2026

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

Dear Ms. Henshaw,

The Department of Corrections has reviewed the Auditor of Public Accounts (APA) internal control questionnaire review of contract procurement, contract management, and expenses related to contractual services completed on December 2, 2025. We understand the review results regarding failure to post a notice of award for one sole source procurement and failure to complete a new Procurement Governance Request for another sole source procurement.

The Department of Corrections identified a corrective action plan upon identification of the areas requiring management attention immediately upon notification during the review. The Department will continue to monitor procurements to ensure compliance with applicable laws and regulations to strengthen and control our operations and financial records.

Please let me know if you have questions regarding this response.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Walters", written over a light blue horizontal line.

Joseph W. Walters
Director

cc: Dean W. Ricks, Chief Financial Officer