



# VIRGINIA TOURISM CORPORATION

## INTERNAL CONTROL QUESTIONNAIRE

### REVIEW RESULTS

AS OF

JUNE 2024

Auditor of Public Accounts

Staci A. Henshaw, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

(804) 225-3350



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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

July 22, 2024

Rita McClenny  
Virginia Tourism Corporation  
901 E. Cary St., Suite 900  
Richmond, VA 23219

## INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Virginia Tourism Corporation** (Tourism). We completed the review on June 12, 2024. The purpose of this review was to evaluate if Tourism 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 Tourism 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's 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 Tourism. 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 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; revenues; expenses; procurement and contract management; capital assets; grants management; 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:

- Tourism has established a memorandum of understanding (MOU) with the Virginia Economic Development Partnership Authority (Partnership). Under this MOU, the Partnership performs many administrative functions on behalf of Tourism. While the MOU outlines the business functions that the Partnership is responsible for, it does not specify the portions of these functions for which Tourism is responsible. Tourism has formal, documented policies and procedures over many of its significant business processes. However, during our review, we identified some business areas where Tourism should develop or expand the policies and procedures to maintain an effective control environment. Management should ensure detailed policies and procedures exist for all critical business areas and processes and should ensure that policies and procedures delineate which portions of the process are the responsibility of Tourism or the Partnership. 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.

We discussed these matters with management on June 24, 2024. Management’s response to the finding 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 or not 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/vks

# VIRGINIA IS FOR LOVERS

August 22, 2024

Staci Henshaw  
Auditor of Public Accounts  
PO Box 1295  
Richmond, VA 23218

Dear Ms. Henshaw,

Thank you for the opportunity to comment on the Auditor of Public Accounts Results letter dated June 24, 2024. The Virginia Tourism Authority (VTA) appreciated the efforts of your staff during the review process.

VTA has begun to address expanding the written procedures related to some administrative practices. VTA intends to have these concerns addressed soon.

Please do not hesitate to contact me with any questions you may have. You may reach me directly at (804) 869-5781 or at the email above.

Very truly yours,



Michael E. McMahon  
Vice President, Operations & Finance

**Virginia Tourism Corporation**  
901 East Cary Street, Suite 900  
Richmond, VA 23219-4048 USA

**TEL** (804) 545-5500  
**FAX** (804) 545-5501

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