



# COMMONWEALTH'S ATTORNEYS' SERVICES COUNCIL

## INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS AS OF MAY 2021

Auditor of Public Accounts  
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Staci A. Henshaw, CPA  
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# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

June 17, 2021

Jane Chambers, Director  
Commonwealth's Attorneys' Services Council  
P.O. Box 3549  
Williamsburg, VA 23187

## INTERNAL CONTROL QUESTIONNAIRE REVIEW RESULTS

We have reviewed the Internal Control Questionnaire for the **Commonwealth's Attorneys' Services Council** (Council). We completed the review on May 6, 2021. 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 the Council 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 Council. 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 year that are not repeated in the "Review Results" section below.

We reviewed a selection of system and transaction reconciliations in order to gain assurance that the statewide accounting system contains accurate data. 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 at each agency. At some agencies only inquiry was necessary; while others included an in-depth analysis of the quality of the Stage 1 Agency-Level Internal Control Assessment Guide, or Stage 2 Process or Transaction-Level Control Assessment ARMICS processes. Our review of the Council's ARMICS program included a review of all current ARMICS documentation and a comparison to statewide guidelines established by Accounts. Further, we evaluated the agency'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 and expenses, capital assets, grants management and debt. These procedures included validating the existence of certain transactions; observing controls to determine if the controls are 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:

- **Partial Repeat** (with significant progress) - The Council is not fully compliant with ARMICS standards prescribed by Accounts. Management should re-evaluate its' current ARMICS process and ensure all significant business areas are identified and included in the ARMICS risk assessment. Further, management should ensure they are meeting the minimum requirements of Account's ARMICS standards prior to certifying ARMICS to Accounts.
- Management should expand upon existing policies and procedures to ensure formal up-to-date policies and procedures exist over all critical business areas. We noted some existing procedures did not cover all critical functions that are being performed. Management should ensure documented policies and procedures exist for all critical business processes in order to maintain an effective control environment.

- During fiscal year 2020, the Council confirmed contribution snapshots early for nine out of 12 months (75%). The Council should ensure snapshots are confirmed in accordance with the Commonwealth's Accounting Policies and Procedures Manual Topic 50410. The snapshot must be confirmed monthly by the 10<sup>th</sup> of the following month of the snapshot month, the earliest reasonable confirmation dates should not occur prior to the close of the current month's second pay period.

We discussed these matters with management on June 10, 2021. 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 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



# COMMONWEALTH of VIRGINIA

## Commonwealth's Attorneys' Services Council

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Ninth District  
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Tenth District  
Amy M. Ashworth

Eleventh District  
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June 23, 2021

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

Dear Ms. Henshaw:

I am writing in response to the recent audit of the Commonwealth's Attorneys' Services Council (CASC). Please find CASC's responses to the APA's review below.

### Policies and Procedures:

Management should expand upon existing policies and procedures to ensure formal up-to-date policies and procedures exist over all critical business areas. We noted some existing procedures did not cover all critical functions that are being performed. Management should ensure documented policies and procedures exist for all critical business processes in order to maintain an effective control environment.

*Corrective Action:* CASC management has reviewed the payroll reconciliation policy at issue and has made the necessary clarifications to the written policy.

### Agency Risk Management and Internal Control Standards (ARMICS):

CASC is not fully compliant with ARMICS standards prescribed by Accounts. Management should re-evaluate its current ARMICS process and ensure all significant business areas are identified and included in the ARMICS risk assessment. Further, management should ensure they are meeting the minimum requirements of Account's ARMICS standards prior to certifying ARMICS to Accounts.

*Corrective Action:* CASC will amend the current ARMICS plan to include the identification, documentation and assessment of fraud risk.

VRS Snapshot Confirmation:

During fiscal year 2020, CASC confirmed contribution snapshots early for nine out of twelve months (75%). CASC should ensure snapshots are confirmed in accordance with the Commonwealth's Accounting Policies and Procedures Manual Topic 50410. Snapshot must be confirmed monthly by the 10<sup>th</sup> of the following month of the snapshot month, the earliest reasonable confirmation dates should not occur prior to the close of the current month's second pay period.

*Corrective Action:* CASC has always submitted snapshots by the 10<sup>th</sup> of each month as advised by VRS. CASC now also will ensure that future snapshots will be submitted after the close of the current month's second pay period but before the 10<sup>th</sup> of the following month.

CASC appreciates the professionalism shown by APA auditing staff. We look forward to working with you in the future.

Sincerely,

*Jane S. Chambers*

Jane S. Chambers  
Director