OFFICE OF THE STATE INSPECTOR GENERAL

Virginia Transition Assistance Program

Performance Audit
July 2020

Michael C. Westfall, CPA
State Inspector General
Report No. 2021-PA-001

July 21, 2020

The Honorable Ralph Northam
Governor of Virginia
P.O. Box 1475
Richmond, VA 23218

Dear Governor Northam,

The Office of the State Inspector General (OSIG) completed an audit of the Virginia Transition Assistance Program. The final report is attached.

OSIG would like to thank Department of Veterans Services (DVS) Commissioner John Maxwell, former DVS Acting Commissioner Steven Combs and Virginia Employment Commissioner Ellen Marie Hess and their staff for their cooperation and assistance during this audit.

Sincerely,

7/21/2020

X Michael C. Westfall
_____

Michael C. Westfall, CPA
State Inspector General
Signed by: Westfall Michael wzg39453

CC: The Honorable Clark Mercer, Chief of Staff to Governor Northam
        The Honorable Carlos Hopkins, Secretary of Veterans and Defense Affairs
        The Honorable Brian Ball, Secretary of Commerce and Trade
        The Honorable Richard L. Saslaw, Chair, Commerce and Labor Committee
        The Honorable Jeion A. Ward, Chair, Labor and Commerce Committee
        John Maxwell, Commissioner, Department of Veterans Services
        Ellen Marie Hess, Commissioner, Virginia Employment Commission

Virginia Transition Assistance Program

What OSIG Found

VTAP and VEC Overlap Services to TSMs

The Department of Veterans Services (DVS) and the Virginia Employment Commission (VEC) provide overlapping employment services to transitioning service members (TSMs) and do not have a formalized process to collaborate on their efforts. This creates confusion amongst the TSM community and military installations, but allows Virginia to serve more TSMs than either agency could on their own.

Outdated Performance Metric Methodology

As the DVS Virginia Transition Assistance Program's (VTAP) performance metrics have changed over the life of the program, DVS has not updated the methods and the information system (Zoho) used to calculate VTAP's performance measures. Methods should be effective and efficient to allow for the accurate and timely calculation of VTAP performance measures.

Performance Metric Not Meaningful

The number of attendees at events reported through VTAP's Veterans/TSMs reached through outreach performance metric is not meaningful. The number of attendee's field is VTAP staff's best guess as to how many people attended an event and does not reflect the number of VTAP contacts. The accuracy also depends on whether VTAP hosted the program or participated in another group's program.

Management concurred with three of three recommendations and plans to implement corrective actions from December 2020 to June 2022.

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REPORT ACRONYMS

The following is an alphabetical list of acronyms used in the report. This page should be helpful in identifying what each acronym stands for.

DVOPS – Disabled Veteran Outreach Program Specialist
DVS – Department of Veterans Services
OSIG – Office of the State Inspector General
RTC – Regional Transition Coordinator
SBE – Significant Barrier to Employment
TSM – Transitioning Service Member
VEC – Virginia Employment Commission
VES – Veteran Employment Specialist
VTAP – Virginia Transition Assistance Program

BACKGROUND

The Department of Veterans Services (DVS) started the Virginia Transition Assistance Program (VTAP) in late 2012 with one individual assisting veterans. The program has since expanded its services with five staff and increased access to Virginia's military installations to serve transitioning service members (TSMs). VTAP defines a TSM as "an individual in active duty status (including separation leave) and is within 24 months of retirement or 12 months of separation and up to three years removed from active duty service of any discharge status."

VTAP's regional transition coordinators (RTC) provide three categories of services to their clients: employment, educational and entrepreneurial. The majority of services are employment related and include résumé review, interview preparation and referrals to employers. Education related services include but are not limited to finding opportunities for the TSM to pursue college or obtain other credentials. Entrepreneurial services include but are not limited to assisting with a business plan and obtaining necessary financing.

As the Commonwealth's employment expert, the Virginia Employment Commission (VEC) provides similar employment services to veterans. VEC works with different veteran populations through a variety of positions, but the types included in the scope of this audit are the Disabled Veteran Outreach Program Specialist (DVOPS) and the Veteran Employment Specialist (VES). Restrictions on who VEC staff can assist are based on the source of funding for that position. For example, DVOPSs can work with veterans, including TSMs, who have a significant barrier to employment (SBE). SBE is a requirement of funding from the U.S. Department of Labor's Jobs for Veterans State Grants program. VESs can work with any veteran, but their focus is on serving TSMs.

VEC initiated a time-limited demonstration grant to show how it could provide services to individuals beyond those who have SBE. The result of the demonstration grant are VEC's VESs who can serve TSMs regardless of whether they have SBEs. These VES positions, funded from VEC's use of the Wagner-Peyser Act, are not subject to the same restrictions as the funding used for DVOPSs.

SCOPE

The audit scope covered VTAP and VEC operations related to veteran workforce services from January 2017 through September 2019.

OBJECTIVES

Objectives of this audit were to:

- Determine if there is duplication between VTAP's direct services related to employment and the employment services offered to TSMs by VEC. If there is duplication, attempt to quantify and determine the effect the duplication has on TSMs and the Commonwealth. If the effect is significant, determine the cause of the duplication.

- Determine if VTAP's direct services result in measurable units that improve service members' transition from active duty. If not, determine the effect of VTAP being unable to measure what value it brings to TSMs. If the effect is significant, determine the cause.

- Determine if internal controls around data from Zoho used to calculate VTAP's existing performance measures (Inquiries/Client Service Appointments, Referrals to Partners and Veterans/TSMs Reached Through Outreach) are effective to ensure the accuracy of performance metrics calculated from that data. If not, determine if controls in their current state would allow VTAP to produce inaccurate performance measures. If they could, determine the cause for VTAP's inadequate controls.

METHODOLOGY

OSIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that OSIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. OSIG believes that the evidence obtained provides reasonable basis for the findings and conclusions based on the audit objectives.

OSIG applied various methodologies during the audit process to gather and analyze information pertinent to the audit scope and to assist with developing and testing the audit objectives. The methodologies included the following:
- Conducting interviews of personnel.
- Conducting a survey of current and former VTAP clients.
- Reviewing policies and procedures.

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- Benchmarking performance metrics against similar activities in other states.
- Collecting and performing analysis of data from key information systems.
- Selecting and reviewing a sample of documentation supporting VTAP's performance metrics.
- Reviewing additional documentation.

To select OSIG's sample of documentation supporting VTAP's performance metrics, OSIG obtained a list of all these items as they exist in Zoho. OSIG filtered all items that were outside of the audit scope and used Microsoft Excel to select randomly the sample used for testing. OSIG used this sample and the testing performed from it to gain a better understanding of the process and its internal controls. OSIG did not use the sample to extrapolate conclusions to the entire population.

FINDINGS

OBSERVATION 1 - VTAP AND VEC OVERLAP SERVICES TO TSMs

DVS and VEC provide overlapping employment services to TSMs and do not have a formalized process to collaborate on their efforts. For example, both visit military installations offering to provide employment related services. Both entities provide résumé assistance and interview preparation as well as regularly advertising their services at job fairs, hiring events and other gatherings on military installations. At some job fairs and hiring events, both agencies will attend as employment services provided by the Commonwealth. This creates confusion amongst the TSM community and military installations, but allows Virginia to serve more TSMs than either agency could on their own.

VEC initiated a time-limited demonstration grant that allows VEC services to extend to TSMs. Prior to VEC being able to act upon the lessons learned from the demonstration grant, DVS had focused VTAP towards serving TSMs and their spouses. Programs can enhance and sustain their collaborative efforts by engaging in key practices such as defining and articulating a common outcome and agreeing on roles and responsibilities.

As noted in the DVS response to this finding, the agencies have begun working on a memorandum of understanding to improve collaboration.

Recommendation:

DVS and VEC need to continue improving collaboration to serve TSMs better by implementing processes from the Government Accountability Office's "Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide" (Publication GAO-15-49SP). These processes include the following:

- Define and articulate a common outcome.
- Establish mutually reinforcing or joint strategies.
- Identify and address needs by leveraging resources.
- Agree on roles and responsibilities.
- Establish compatible policies, procedures and other means to operate across agency boundaries.
- Develop mechanisms to monitor, evaluate and report on results.
- Reinforce agency accountability for collaborative efforts through agency plans and reports.
- Reinforce individual accountability for collaborative efforts through performance management systems.

VEC Response:

VEC concurs with observation and recommendations.

DVS Response:

DVS concurs with observation and recommendations.

OBSERVATION 2 – OUTDATED PERFORMANCE METRIC METHODOLOGY

Methods should provide accurate and timely calculation of VTAP performance measures. As VTAP's performance metrics have changed, DVS has not updated Zoho and the methods used to calculate VTAP's performance measures.

OSIG noted the following about VTAP's performance measure calculations:
- Multiple Zoho reports are required to compile the Inquiries/Client Service Appointments metric.
- The report returned by Zoho for the Referrals to Partners metric occasionally counts a single referral more than once.
- VTAP has to access multiple information systems, including Zoho, to calculate the Veterans/Transitioning Service Members reached through outreach metric.
- Zoho fields critical to producing VTAP performance measure data cannot be required fields based on the needs of other DVS programs using Zoho.
- There is no accessible edit history to see what records Zoho deletes or when, or who modifies them.

The performance measure calculation process has become more burdensome to staff with a greater chance of calculation errors. Additionally, recalculation of VTAP metrics produces inconsistent results because the data used for calculations is live and changes after calculations are made.

Recommendation:

VTAP should examine and update the methods and systems used to calculate its performance measures to make the process faster, more accurate and require less staff time. Examples of such modification may include:
- Creating a single Zoho report to calculate performance measures instead of manually compiling multiple reports.
- Modifying existing Zoho reports to compute VTAP's Referrals to Partners metric without the need for manual review.
- Requiring Zoho fields used in calculating performance measures to contain data.
- Compensating controls for the lack of edit history in Zoho.
- Replacing Zoho with a system that better fits the program's needs.

Management Response(s):

DVS concurs with the observation and recommendation as presented.

VTAP will continue to work with Zoho to fix or enhance reports that are not working as designed. All of VETE and VVFS (programs that share Zoho) are in the middle of a "deduplicating" process, this is a result of Zoho being unable to differentiate POCs for multiple programs. This has caused confusion and duplicate records. This is an ongoing process. As we work with Zoho, we will research new applications that may address some of the functionalities that Zoho cannot provide.

OBSERVATION 3 - PERFORMANCE METRIC NOT MEANINGFUL

Data captured and reported should be consistent and accurate. The number of attendees at events reported through VTAP's Veterans/TSMs reached through outreach performance metric is not meaningful. The number of attendee's field is VTAP staff's best guess as to how many people attended an event and does not reflect the number of VTAP contacts. The accuracy also depends on whether VTAP hosted the program or participated in another group's program. This causes questionable data for the Veterans/TSMs reached through outreach performance metric.

Recommendation:

VTAP should use the number of actual contacts and not the number of event attendees when calculating the number of veterans and TSMs reached through the outreach performance metric.

Management Response(s):

DVS concurs with this recommendation. VTAP will record outreach numbers for actual Veteran interactions during events and only count all attendees in instances when VTAP presents to the entire event. VTAP will continue to work towards metrics that are reliable and verifiable.

AUDIT RESULTS

This report presents the results of our VTAP audit. OSIG performed the following audit testing with immaterial, if any, discrepancies noted:

- Reviewed VTAP and VEC policies and procedures, and interviewed personnel to determine that VTAP and VEC reported activities conducted by their programs.
- Conducted a survey of 1,500 current and former VTAP clients to determine that TSMs benefited from the services VTAP provided.
- Compared VTAP performance measures with similar programs in other states to determine that VTAP's metrics are appropriate for its unique program.
- Reviewed provided documentation to determine that services reported by VTAP took place.

Based on the results and findings of the audit test work conducted, OSIG concluded that internal controls related to the audit objectives were operating properly, except as identified in the report findings.

APPENDIX I – DVS CORRECTIVE ACTION PLAN

RECOMMENDATION NO.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Observation 1 VTAP and VEC overlap services to TSMs	DVS and VEC need to continue improving collaboration to serve TSMs better by implementing processes from the Government Accountability Office's "Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide" (Publication GAO-15-49SP).	DVS will continue working on a memorandum of understanding to improve collaboration with VEC to ensure the overlap of services does not impact the delivery of services to TSM's, Veterans, and Spouses.	Memorandum of Understanding	Estimated completion December 31, 2020	DVS Commissioner/ VEC Commissioner
Observation 2 Outdated Performance Metric Methodology	VTAP should examine and update the methods and systems used to calculate its performance measures to make the process faster, more accurate and require less staff time	VTAP will continue to work with Zoho Developer to fix or enhance reports that are not working as designed. All of VETE and VVFS (programs that share Zoho) are in the middle of a "deduplicating" process, this is a result of Zoho being unable to differentiate POCs for multiple programs. This has caused confusion and duplicate records. This is an ongoing process. As we work	Internal fixes to Zoho. Alternative CRM option proposals.	FY2022	Director T&E VTAP PM

		with Zoho, VTAP will research new applications that may address some of the functionalities that Zoho cannot provide. Zoho is currently funded through FY21.			
Observation 3 Performance Metric Not Meaningful	VTAP should use the number of actual contacts and not the number of event attendees when calculating the number of veterans and TSMs reached through the outreach performance metric.	VTAP will: -Ensure only actual sign-ins are counted as attendance numbers -Count the entire event as attendees if VTAP addresses the event as a whole. -Develop additional metrics that accurately reflect the services provided by VTAP.	More meaningful metrics	January 2021	Director of T&E and VTAP PM

APPENDIX II – VEC CORRECTIVE ACTION PLAN

RECOMMENDATION NO.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
1	DVS and VEC need to continue improving collaboration to serve TSMs better by implementing processes from the Government Accountability Office's "Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide" (Publication GAO-15-49SP).	VEC Veteran Leadership will continue meeting with DVS leadership to address the duplication of services and will seek to develop a Memorandum of Understanding to improve collaboration to better serve the TSM community. This memorandum of understanding will incorporate processes from the OSIG's recommended GAO 15- 49-SP	Memorandum of Understanding	December 2020 (Pending adjudication of COV-ID 19 limitations)	Chief Veteran Services