

OFFICE OF THE STATE INSPECTOR GENERAL

Annual Follow-up of Previous Findings

Performance Audit
Fiscal Year 2022



Michael C. Westfall, CPA
State Inspector General
Report No. 2022-PA-002



COMMONWEALTH OF VIRGINIA
Office of the State Inspector General

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January 13, 2022

The Honorable Ralph Northam
Governor of Virginia
P.O. Box 1475
Richmond, VA 23219

Dear Governor Northam,

Under § [2.2-309](#) [A](10) of the *Code of Virginia*, the Office of the State Inspector General is empowered to conduct performance reviews of state agencies to ensure that state funds are spent as intended and to evaluate the efficiency and effectiveness of programs in accomplishing their purposes. As part of carrying out those responsibilities, OSIG performs follow-up audits on significant items included in its reports to ensure agencies have taken corrective action. OSIG completed a follow-up audit of findings related to performance review and audit reports where agency management was to complete corrective action by June 30, 2021.

OSIG issued no additional findings following its review and recommends agencies continue to implement corrective actions agreed to by agency management. Review of corrective actions that agencies did not implement will be included in the next follow-up audit.

OSIG would like to thank all agencies and staff for their cooperation and assistance during the follow-up audit.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael C. Westfall".

Michael C. Westfall, CPA
State Inspector General

cc: The Honorable Clark Mercer, Chief of Staff to Governor Northam
The Honorable Grindly Johnson, Secretary of Administration
The Honorable Fran Bradford, Secretary of Education
The Honorable Vanessa Harris, Secretary of Health and Human Resources
The Honorable Ann Jennings, Secretary of Natural and Historic Resources
The Honorable Brian J. Moran, Secretary of Public Safety and Homeland Security
The Honorable Kathleen Jabs, Acting Secretary of Veterans and Defense Affairs
Mr. Raymond E. Hopkins, Commissioner, Department for the Blind and Vision Impaired
Mr. Clyde Cristman, Director, Department of Conservation and Recreation
Mr. Eric Surratt, Internal Audit Manager, Department of Conservation and Recreation
Mr. Harold W. Clarke, Director, Department of Corrections
Ms. Marie M. Vargo, Chief Executive Officer, Virginia Correctional Enterprises
Ms. Kathy Brown, Internal Audit Manager, Department of Corrections
Ms. Emily Elliott, Director, Department of Human Resource Management
Ms. Karen Kimsey, Director, Department of Medical Assistance Services
Ms. Susan Smith, Internal Audit Director, Department of Medical Assistance Services
Mr. S. Duke Storen, Commissioner, Department of Social Services
Ms. Gena Berger, Chief Deputy Commissioner, Department of Social Services
Mr. John Maxwell, Commissioner, Department of Veterans Services
Mr. Ryan Brown, Director, Department of Wildlife Resources
Mr. John R. Allen, Internal Audit Manager, Department of Wildlife Resources
Mr. Jonathan R. Alger, President, James Madison University
Ms. Rebecca Holmes, Chief Audit Executive, James Madison University
Mr. Steven G. Bowman, Commissioner, Marine Resources Commission
Ms. Carolyn Ringer Lepre, Interim President, Radford University
Ms. Margaret McManus, Chief Audit Executive, Radford University
Mr. Nelson P. Moe, Chief Information Officer, Virginia Information Technologies Agency

Annual Follow-up of Previous Findings

What OSIG Found

Agencies Have Implemented Most Corrective Actions or Have Made Advancements

Agencies implemented corrective action or were making sufficient progress on the implementation of corrective action for 60 of 83 findings. For 23 of the 83 findings, the Department of Conservation and Recreation and the Department of Social Services submitted new corrective action plans in response to findings in their performance audits.

OSIG provides additional details for the entities in the Audit Results section of the report.

For findings not corrected as of June 30, 2021, management has revised completion dates from August 2021 to December 2022. We encourage agencies to continue implementing corrective action on findings issued by OSIG.

January 2022

HIGHLIGHTS

Why OSIG Performed This Audit

OSIG conducted this audit to report on the status of agencies implementing recommendations from earlier audit reports.

Potential Impact of Audit

Much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. When OSIG completes audit work and issues recommendations, the aim is to improve the way the Commonwealth serves its citizens. The intention of OSIG's follow-up audits is to work with management to verify that their agencies have addressed identified issues.



For more information, please contact OSIG at 804-625-3255 or www.osig.virginia.gov.

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REPORT ACRONYMS

The following is an alphabetical list of acronyms used in the report.

CTE – Career and Technical Education
DBVI – Department for the Blind and Vision Impaired
DCR – Department of Conservation and Recreation
DEI – Diversity, Equity and Inclusion
DHRM – Department of Human Resource Management
DMAS – Department of Medical Assistance Services
DOC – Department of Corrections
DVS – Department of Veterans Services
DWR – Department of Wildlife Resources
ISAT – Integrated Science and Technology
JMU – James Madison University
MMIS – Medicaid Management Information System
MRC – Marine Resources Commission
OSIG – Office of the State Inspector General
RU – Radford University
TSM – Transitioning Service Member
VaCMS – Virginia Case Management System
VCE – Virginia Correctional Enterprises
VDSS – Virginia Department of Social Services
VITA – Virginia Information Technologies Agency

BACKGROUND

As part of the audit process, OSIG provides recommendations to state agencies to address risks identified during performance audits. OSIG offers audited agencies the opportunity to concur or not concur with its recommendations and provide a written response to the audit findings and recommendations prior to finalizing the audit report. Agencies have the responsibility to ensure timely implementation of audit recommendations through development of corrective action plans that address what OSIG recommends. In the audit process, OSIG uses audit recommendations tracking as an integral part of monitoring the implementation status of audit recommendations. This provides OSIG with a vehicle to communicate and gather feedback on the status of the audit recommendations with the Governor and the audited agencies.

SCOPE

This follow-up audit included outstanding review and audit findings for which management had planned to complete corrective action on or before June 30, 2021. The scope did not include all findings previously reported by OSIG. It includes those that OSIG identified as being of significant risk, where failure to implement corrective action would result in a failure of the process that would have an effect on or result in agency management not achieving goals.

OBJECTIVE

The objective of this follow-up audit was to report on the progress of agencies to ensure that management has effectively implemented corrective actions or that senior management has accepted the risk of not taking action.

METHODOLOGY

OSIG conducted this follow-up 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 a reasonable basis for the findings and conclusion based on the audit objective.

To accomplish the audit objective, OSIG performed the following:

- Obtained the population of corrective actions due to be completed on or before June 30, 2021.
- Assessed relevant corrective actions and selected those identified needing further evaluation.
- Notified agencies whose corrective actions would be included in the follow-up audit.
- Corresponded with agency points of contact by email, virtual meetings or telephone interviews to obtain the status of their corrective actions.

- Requested and obtained documentation in support of corrective action progress made by agencies.
- Evaluated information obtained related to the corrective action status and assigned a disposition of action in progress, action complete or action not implemented and obtained updated estimated completion dates where applicable.

AUDIT RESULTS

The tables in the exhibits below detail the status of outstanding audit findings and review recommendations with a corrective action completion date on or before June 30, 2021. The tables categorize corrective actions as either implemented, in progress or not implemented.

For entities that submitted a new corrective action plan, OSIG provides additional information as follows:

- DCR – In response to OSIG’s request for the status of DCR’s Natural Resources Law Enforcement Diversity Recruitment and Hiring audit corrective action plan, agency management submitted the status of actions related to their 2021 Diversity, Equity and Inclusion strategic plan. The actions reviewed by OSIG do not focus on the area of law enforcement as intended by the audit. DCR requested the opportunity to provide OSIG with a new plan by December 15, 2021. It would address OSIG’s findings and recommendations and reflect how the 2021 DCR DEI plan affects sworn law enforcement. OSIG agreed upon an updated due date and will review the new corrective action plan in subsequent follow-up.
- VDSS – In response to OSIG’s request for the status of corrective action for the Subrecipient Monitoring audit, VDSS had not progressed in its original corrective action plan due to turnover in personnel who developed the document. OSIG and VDSS agreed that VDSS needed a more current corrective action plan. VDSS developed and submitted a new plan on October 15, 2021. That plan has action items due during fiscal year 2022 that OSIG will review and communicate in next year’s annual follow-up report.

OSIG would like to express its appreciation to all entities that have corrected all findings that have become due.

EXHIBIT 1 - Audit Reports with Corrective Actions Implemented

Agency	Report ID & Date	Observation/Finding Number & Title	Action Completed	Implementation Date
DCR	2021-PA-002 Natural Resources Law Enforcement Diversity in Hiring and Recruitment Performance Audit	3A.1 - Corrective Action for Establish and Improve Diversity and Inclusion Strategic Plans_DCR	✓	8/31/2021
		4A.1 - Corrective Action for Expand Recruitment to Reach Diverse Populations_DCR	✓	1/1/2021
DHRM	2020-PA-004 Employee Recruitment Management April 15, 2020	02.1 - Incomparable Time-to-Hire Metrics	✓	7/30/2020
		06.1 - Inconsistent Quality Review of Recruitment Activities	✓	12/31/2020
DMAS	2019-PA-002 Health and Human Resources Subrecipient Monitoring Performance Audit	05B.1 - DMAS Corrective Action to Cover Virginia/Central Processing Unit	✓	2/26/2021
DOC	2019-PA-003 Performance Audit of Virginia Correctional Enterprises Furniture Program July 11, 2019	01.1 - Management's Action Plan to Establish and Document a Formalized Pricing Policy	✓	9/9/2021
		01.2 - Management's Action Plan to ensure Management approval prior to Selling Goods below Cost	✓	9/9/2021
		02.1 - Management's Action Plan for Expediting the updates to the VCE Catalog Online	✓	9/9/2021
		02.2 - Management's Action Plan Improve Integration between Syteline and Magneto	✓	1/20/2021
		03.1 - Management's Action Plan to Expand Waiver Reporting for tracking Metrics and Trends	✓	1/20/2021
		03.2 - Management's Action Plan for the Customer Survey Process	✓	1/20/2021

		04.1 - Management's Action Plan to Ensure the Waiver Process Complies with the Code and VCE Policy	✓	1/20/2021
		05.1 - Management's Action Plan to Centralize Offender Job Certifications and Training Oversight	✓	1/20/2021
		05.2 - Management's Action Plan to Implement a VCE Training and skills file for each Offender	✓	1/20/2021
		05.3 - Management's Action Plan to Identify Areas for Shared Training with DOC CTE Certifications	✓	1/20/2021
		06.1 - Management's Action Plan to Identify and Report on Performance Measures which support VCE's Success	✓	1/20/2021
		06.2 - Management's Action Plan to Implement a Post Incarceration Survey for ex-VCE Offenders	✓	1/20/2021
DVS	2021-PA-001 Virginia Transition Assistance Program Performance Audit July 21, 2020	01.1 - Corrective Action for Overlapping Services to TSMs	✓	12/31/2020
		03.1 - Corrective Action for Performance Metric Not Meaningful	✓	1/31/2021
DWR	2021-PA-002 Natural Resources Law Enforcement Diversity in Hiring and Recruitment Performance Audit April 19, 2020	1B.1 - Corrective Action for Need for Legislative Change in Hiring Practices that Disallow Outside Hires_ DWR	✓	7/1/2020
		3A.1 - Corrective Action for Establish and Improve Diversity and Inclusion Strategic Plans_ DWR	✓	6/30/2021
JMU	2020-PA-003 Higher Education Institutions: Chemical Inventory Management Performance Audit March 25, 2020	02.1 - Chemical Hazards and University Contact Information is Not Posted on Laboratory Doors	✓	6/30/2021
		03.1 - Physical Chemical Inventory of the Integrated Science and Technology (ISAT) Department Does Not Match Inventory Records	✓	6/30/2021
		04.1 - Acceptance of Donated Chemicals from Entities Outside of the University is Not Formally Prohibited	✓	6/30/2021
		06.1 – CAS Numbers Are Not Entered Into Chemical Inventory Management System for Tracking	✓	6/30/2021

		08.1 - Separated Employees Are Still Listed As Chemical Owner	✓	6/30/2021
		09 .1 - Process To Remove Chemicals From Inventory Is Ineffective	✓	6/30/2021
		11A.1 - Prudent Practices In Chemical Hygiene Plan Are Not Complete	✓	6/30/2021
		13A.1 - Environmental Health And Safety Is Not Notified Of New Hires And Separated Employees	✓	6/30/2021
		14.1 - Laboratory Safety Inspection Deficiencies are Not Followed-Up	✓	6/30/2021
MRC	2021-PA-002 Natural Resources Law Enforcement Diversity in Hiring and Recruitment Performance Audit April 19, 2020	1A.2 - Corrective Action for Need for A Collaborative Diversity Strategy_MRC	✓	6/25/2021
		1A.3 - Corrective Action for Need for A Collaborative Diversity Strategy_MRC	✓	6/25/2021
		1A.4 - Corrective Action for Need for A Collaborative Diversity Strategy_MRC	✓	6/25/2021
		2A.1 - Corrective Action for Prioritize Investments in Community Engagement_MRC	✓	6/30/2021
		2B.1 - Corrective Action for Involve NRLE Officers More to Enhance Community Engagement_MRC	✓	8/26/2021
		2C.1 - Corrective Action for Better Involvement of External Partners_MRC	✓	8/26/2021
		3A.1 - Corrective Action for Establish and Improve Diversity and Inclusion Strategic Plans_MRC	✓	6/30/2021
		3B.1 - Corrective Action for Collect Evidence on Outreach Events to Enhance Future Programming_MRC	✓	6/30/2021
		3C.1 - Corrective Action for Focus on Future Interest in NRLE Careers_MRC	✓	6/25/2021
		3C.2 - Corrective Action for Focus on Future Interest in NRLE Careers_MRC	✓	6/30/2021
		4B.1 - Corrective Action for Evaluate and Modify Hiring Practices_MRC	✓	6/30/2021

		5A.1 - Corrective Action for Collect and Analyze NRLE Employment Data_MRC	✓	10/13/2021
		5A.2 - Corrective Action for Collect and Analyze NRLE Employment Data_MRC	✓	9/1/2021
RU	2020-PA-003 Higher Education Institutions: Chemical Inventory Management Performance Audit March 25, 2020	12.1 - University Has Multiple Chemical Inventory Management Systems	✓	5/16/2019
		13B.1 - Environmental Health And Safety is Not Notified Of New Hires And Separated Employees	✓	3/1/2019

EXHIBIT 2 - Audit Reports with Corrective Actions in Progress

Agency	Report ID & Date	Observation/Finding Number & Title	Action In Progress	Updated Completion Date
DBVI	2021-PA-004 Virginia Enterprise Business Program Performance Audit February 24, 2021	02.1 - Oversight of Vendor Operator Financials Was Not Provided	✓	12/31/2021
		03.1 - Documentation to Support the Determination of Set-Aside is Not Maintained	✓	12/31/2021
		04.1 - Contract with Nominee Does Not Include all Services Performed	✓	12/31/2021
DCR	2021-PA-002 Natural Resources Law Enforcement Diversity in Hiring and Recruitment Performance Audit August 19, 2020	1A.1 - Corrective Action for Need for A Collaborative Diversity Strategy_DCR	✓	12/15/2021
		1A.2 - Corrective Action for Need for A Collaborative Diversity Strategy_DCR	✓	12/15/2021
		1A.3 - Corrective Action for Need for A Collaborative Diversity Strategy_DCR	✓	12/15/2021
		2A.1 - Corrective Action for Prioritize Investments in Community Engagement_DCR	✓	12/15/2021
		2B.1 - Corrective Action for Involve NRLE Officers More to Enhance Community Engagement_DCR	✓	12/15/2021
		2C.1 - Corrective Action for Better Involvement of External Partners to Enhance Community Engagement_DCR	✓	12/15/2021
		2D.1 - Corrective Action for Better Coordinate Community Engagement Events_DCR	✓	12/15/2021
		3A.2 - Corrective Action for Establish and Improve Diversity and Inclusion Strategic Plans_DCR	✓	12/15/2021
		3B.1 - Corrective Action for Collect Evidence on Outreach Events to Enhance Future Programming_DCR	✓	12/15/2021

		3C.1 - Corrective Action for Focus on Future Interest in NRLE Careers_DCR	✓	12/15/2021
		4B.1 - Corrective Action for Evaluate and Modify Hiring Practices_DCR	✓	12/15/2021
		5A.1 - Corrective Action for Collect and Analyze NRLE Employment Data_DCR	✓	12/15/2021
DHRM	2020-PA-004 Employee Recruitment Management April 15, 2020	01.1 - Inaccurate Time-to-Hire Metrics	✓	12/30/2022
		03.1 - Detailed Procedures Needed	✓	12/30/2022
		04.1 - Users Not Proficient with Systems	✓	12/30/2022
		05.1 - Inadequate Retention of Data Used to Calculate Recruitment Performance Measures	✓	12/30/2022
DMAS	2019-PA-002 Health and Human Resources Subrecipient Monitoring Performance Audit April 30, 2019	03B.1 - DMAS Corrective Action to Medicaid Program Performance Metrics	✓	12/31/2021
		07B.1 - DMAS Corrective Action to Subrecipient Monitoring Results	✓	12/31/2021
VDSS	2019-PA-002 Health and Human Resources Subrecipient Monitoring Performance Audit April 30, 2019	01.1 - Corrective Action for Medicaid Subrecipient Monitoring Process Oversight	✓	10/15/2021
		02.1 - Corrective Action for Locality Corrective Plans	✓	10/15/2021
		03A.1 - VDSS Corrective Action to Medicaid Program Performance Metrics	✓	10/15/2021
		04.1 - Corrective Action to Job Transition	✓	12/31/2021
		05A.1 - VDSS Corrective Action to Cover Virginia/Central Processing Unit	✓	10/15/2021
		06.1 - Corrective Action for Information Bridging Between VaCMS and MMIS	✓	10/15/2021
		07A.1 - VDSS Corrective Action to Subrecipient Monitoring Results	✓	12/31/2021
		08.1 - Corrective Action for Medicaid Subrecipient Monitoring Process Methodology	✓	12/31/2021

		09.1 - Corrective Action for Coordination with Other State Agencies	✓	12/31/2021
DWR	2021-PA-002 Natural Resources Law Enforcement Diversity in Hiring and Recruitment Performance Audit April 19, 2020	1A.1 - Corrective Action for Need for A Collaborative Diversity Strategy_DWR	✓	10/31/2021
		2D.1 - Corrective Action for Better Coordinate Community Engagement Events_DWR	✓	12/31/2021
		3B.1 - Corrective Action for Collect Evidence on Outreach Events to Enhance Future Programming_DWR	✓	6/30/2022
		4A.1 - Corrective Action for Expand Recruitment to Reach Diverse Populations_DWR	✓	12/31/2021
		4B.1 - Corrective Action for Evaluate and Modify Hiring Practices_DWR	✓	12/31/2021
		5A.1 - Corrective Action for Collect and Analyze NRLE Employment Data_DWR	✓	12/31/2021
MRC	2021-PA-002 Natural Resources Law Enforcement Diversity in Hiring and Recruitment Performance Audit April 19, 2020	1A.1 - Corrective Action for Need for A Collaborative Diversity Strategy_MRC	✓	12/31/2021
		5A.3 - Corrective Action for Collect and Analyze Employment Data_MRC	✓	12/31/2021
VITA	2018-PA-003 The Commonwealth of Virginia's Cybersecurity Program Performance Audit June 29, 2018	03.1 - Funding for Security Audits	✓	8/31/2021