

**OFFICE OF THE STATE INSPECTOR GENERAL**

**FISCAL YEAR 2024  
ANNUAL WORK PLAN**

**June 2023**



**Michael C. Westfall, CPA  
State Inspector General  
Report No. 2023-ADM-004**



*COMMONWEALTH OF VIRGINIA*  
*Office of the State Inspector General*

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June 26, 2023

The Honorable Glenn Youngkin  
Governor of Virginia  
P.O. Box 1475  
Richmond, VA 23218

Dear Governor Youngkin,

The Virginia Office of the State Inspector General has prepared the attached Fiscal Year 2024 Annual Work Plan to identify the agency's planned activities for the fiscal year ending June 30, 2024. The methodologies used to create this work plan varied between the divisions and units to allow for unique and specialized approaches within each program area.

This work plan will serve as a strategic road map for activities initiated during the fiscal year, and includes a selection of performance audits and inspections to maximize benefits to the citizens of the Commonwealth and those charged with its governance. The plan also provides for management requests and investigations of fraud, waste and abuse in executive branch state agencies. Depending on potential emerging issues, workload and other factors, OSIG may conduct projects not outlined in this plan or might have to postpone items included in this plan. Please contact me should you have any questions.

Sincerely,

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

Michael C. Westfall, CPA  
State Inspector General

cc: The Honorable Jeff Goettman, Chief of Staff to Governor Youngkin  
Isabella Warwick, Deputy Chief of Staff to Governor Youngkin

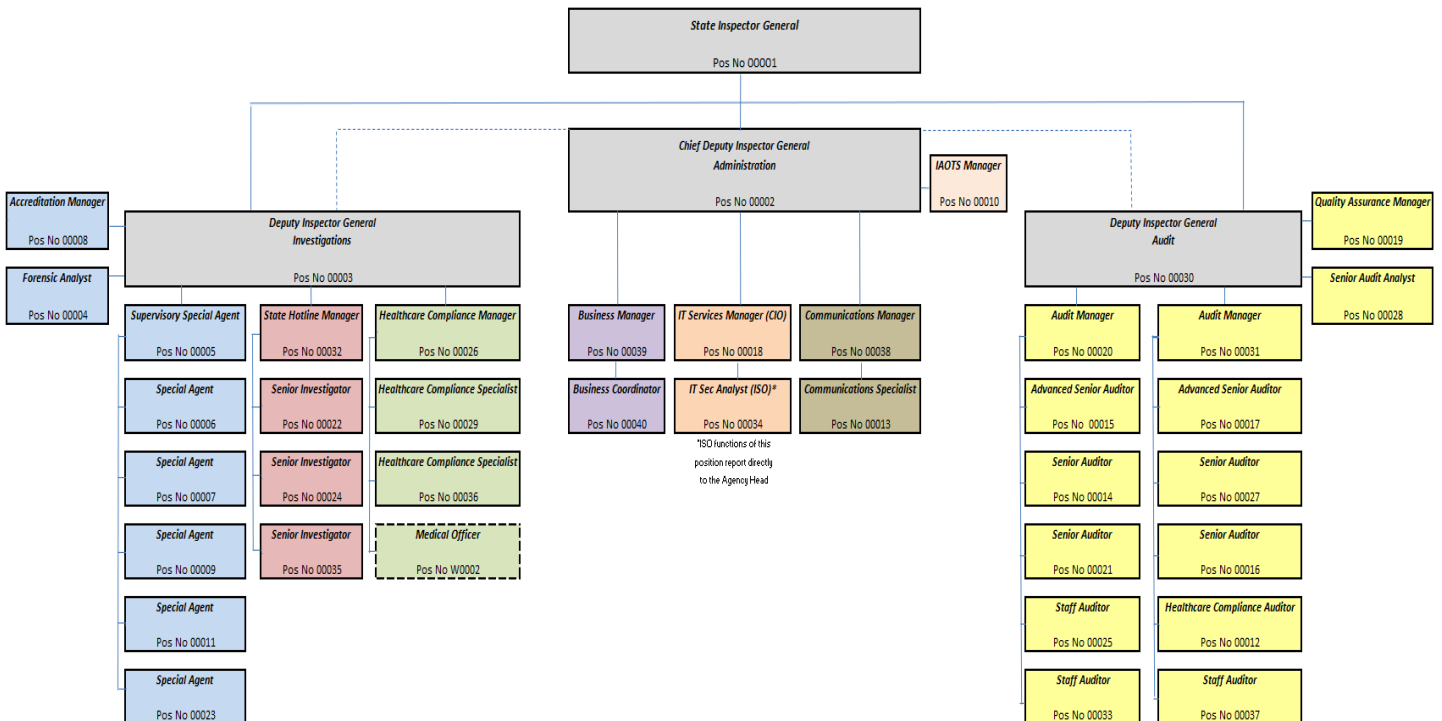
# Introduction

OSIG’s Fiscal Year 2024 Annual Work Plan describes the work the agency plans to undertake during the upcoming fiscal year. To ensure the most efficient and effective use of staff resources, areas selected for review are carefully considered. OSIG conducts reviews that are timely and will have the greatest impact and benefit for its stakeholders, the citizens of the Commonwealth. Because there are a vast number of potential areas for review and limited staff resources to conduct these studies, a careful selection process has resulted in this work plan. OSIG has incorporated the methodologies used to select areas for review in the appropriate sections of the plan.

OSIG presents this plan in sections covering work its divisions and units will perform. The plan is agile, and work described in the plan may change as the year progresses due to events that require modifications. Because of differences in legislative requirements and the nature of projects performed by each of OSIG’s program areas, each division follows a slightly different presentation format to best present its work.

The organizational structure of OSIG consists of three divisions to accomplish its statutory mandates: the Audit Division, the Investigations Division, and the Administration Division.

## Office of the State Inspector General



# ***Audit Division***

## ***Background***

The Audit Division operates to fulfill its obligations as defined by *Code* § 2.2-309 by:

1. Conducting performance audits of state agencies to assess the efficiency, effectiveness or economy of programs and to ascertain, among other things that sums appropriated have been or are being expended for the purposes for which the appropriation was made.
2. Preparing a report for each performance audit detailing any findings or recommendations for improving the efficiency, effectiveness or economy of state agencies, including recommending changes in the law to the Governor and the General Assembly that are necessary to such findings.
3. Assessing, as deemed necessary, the condition of the accounting, financial and administrative controls of state agencies and nonstate agencies, and making recommendations to protect the Commonwealth's assets.

In accordance with *Code* § 2.2-309.2, the Audit Division is also responsible for:

1. Reviewing the condition of the Tobacco Region Revitalization Commission's accounting, financial and administrative controls to ensure that the purposes set forth in Chapter 31 (*Code* § 3.2-3100 et seq.) are lawfully achieved.
2. Investigating allegations of fraudulent, illegal or inappropriate activities concerning disbursements from the Tobacco Indemnification and Community Revitalization Endowment created pursuant to *Code* § 3.2-3104 and distributions from the Tobacco Indemnification and Community Revitalization Fund created pursuant to *Code* § 3.2-3106.
3. Detecting fraud, waste and abuse and taking actions to prevent the same.

## ***Criteria for Identifying and Assessing Major Program and Mission Areas***

The duties and responsibilities of the Audit Division include conducting performance audits; performing special project work requested by the Governor's Office, the Governor's Cabinet secretaries and agency heads; and complying with General Assembly mandates.

The Audit Division's primary responsibility is to conduct performance audits. Staff have identified potential audit subjects and conducted research to create audit proposals. Using information from Cabinet secretaries, agency management, the Joint Legislative Audit and Review Commission and the Auditor of Public Accounts, the Audit Division condensed the list of potential audit subjects. In addition to the audits in process, the Audit Division has selected new areas for fiscal year 2024, in addition to the annual Follow-up of Previous Findings audit.

### ***Audit Projects for Fiscal Year 2024***

- Follow-up of Previous Findings: From previously issued performance reviews and performance audits, determine if agencies and institutions took actions they committed to take and if actions implemented corrected identified problems.
- Unannounced Inspections 2024: Conduct unannounced inspections of the Department of Behavioral Health and Developmental Services' facilities to review the quality of services provided and make policy and operational recommendations to prevent problems, abuses and deficiencies, as well as improve the effectiveness of programs and services.
- DOLI Oversight: Evaluate the Department of Labor and Industry's administration of the Registered Apprenticeship and Boiler and Vessel Safety programs.
- HEI Cybersecurity: Determine if Higher Education Institutions are monitoring their security programs to ensure they are capable of responding to cyber-attacks.
- VRC Oversight: Evaluate the operating effectiveness of the Virginia Racing Commission.
- Aging Oversight: Determine whether the oversight and technical assistance provided by the Virginia Department for Aging and Rehabilitative Services and the Virginia Department of Social Services to the local departments of social services for adult protective services is sufficient to ensure that elder abuse complaints are investigated adequately. (This audit was on the FY 2022 audit plan but moved to the FY 2024 audit plan to avoid overlap with another audit.)
- Building Maintenance: Determine if the Department of General Services provides a quality environment and effective and timely operational, maintenance, and repair services. (This audit was on the FY 2022 audit plan but moved to the FY 2024 audit plan due to another audit in progress at the same agency.)

### ***Audit Projects in Progress as of Fiscal Year 2024***

- Commonwealth Overtime Analysis: Evaluate how state agencies are monitoring and managing overtime usage.
- Tobacco Region Revitalization Commission Grants & Loans: Determine whether grant and loan programs administered by TRRC are producing their intended outputs and if the intended inputs are properly measured and reported by TRRC.
- Electronic Health Records: Evaluate DBHDS' new electronic health record system to evaluate the impact on patient care.
- State Park Safety and Maintenance: Determine whether state parks are adequately maintained and kept safe for visitors.
- Unannounced Inspections 2023: Conduct unannounced inspections of DBHDS facilities to review the quality of services provided and make policy and operational recommendations to prevent problems, abuses, and deficiencies, as well as improve the effectiveness of programs and services.

## ***Investigations Division***

### ***Background***

The Investigations Division operates to fulfill its obligations as defined by *Code of Virginia* § 2.2-309 by:

1. Receiving complaints from whatever sources that allege fraud, waste (including task or program duplication), abuse or corruption by a state agency or nonstate agency or by any officer or employee of the foregoing and determining whether the complaints give reasonable cause to investigate.
2. Investigating the management and operations of state agencies, nonstate agencies and independent contractors of state agencies to determine whether acts of fraud, waste, abuse or corruption have been committed or are being committed by state officers or employees or independent contractors of a state agency or any officers or employees of a nonstate agency, including any allegations of criminal acts affecting the operations of state agencies or nonstate agencies. However, no investigation of an elected official of the Commonwealth to determine whether a criminal violation has occurred, is occurring or is about to occur under the provisions of *Code* § 52-8.1 shall be initiated, undertaken or continued except upon the request of the Governor, the Attorney General or a grand jury.
3. Preparing a detailed report of each investigation stating whether fraud, waste, abuse or corruption has been detected. If fraud, waste, abuse or corruption is detected, the report shall: (i) identify the person committing the wrongful act or omission; (ii) describe the wrongful act or omission; and (iii) describe any corrective measures taken by the state agency or nonstate agency in which the wrongful act or omission was committed to prevent recurrences of similar actions.
4. Providing timely notification to the appropriate attorney for the Commonwealth and law enforcement agencies whenever the State Inspector General has reasonable grounds to believe there has been a violation of state criminal law.

A Deputy Inspector General, who also serves as the Chief, leads the Investigations Division. The Chief oversees a supervisory special agent, five special agents, a forensic analyst, an Accreditation Manager, a State Hotline Manager, three senior investigators, a Healthcare Compliance Manager and two healthcare compliance specialists.

The Chief and/or his/her designee regularly attend local and regional meetings with other law enforcement agencies and financial institutions. These meetings include, but are not limited to, the Central Virginia Chiefs of Police Association, the Bank Secrecy Act, the Newport News Financial Crimes Task Force, the Public Corruption Workgroup, the Central Virginia Financial Crimes Task Force and the Crater Criminal Justice Training Academy Board of Directors. The purpose of these meetings is to share information and offer assistance.

## ***Criminal Investigations Unit***

### ***Cases and Collaboration with Other Agencies***

The Criminal Investigations Unit operates under the *Code* to investigate allegations of fraud, waste, abuse, corruption or other administrative and criminal matters affecting the operations of the Commonwealth's executive branch agencies and certain nonstate agencies as defined in OSIG's enabling legislation (*Code* § 2.2-311). Occasionally, the Criminal Investigations Unit collaborates with local, state and federal agencies to investigate cases. OSIG also operates under the guidelines outlined in a November 2022 joint Memorandum of Understanding with the Virginia State Police. Both VSP and OSIG have appointed senior staff to serve as liaisons between the agencies to coordinate investigative and operational matters.

### ***Critical Incident Review***

The Criminal Investigations Unit is also responsible for reviewing and providing comments and recommendations, as appropriate, on reports prepared by the Virginia Department of Corrections and the Virginia Department of Juvenile Justice. That also includes critical incident data collected by DOC and DJJ in accordance with regulations adopted to identify issues related to quality of care, seclusion and restraint, medication usage, abuse and neglect, staff recruitment and training, and other systemic issues (*Code* § 2.2-309.3 and 2.2-309.4).

### ***Point-of-Contact Initiative***

The OSIG Point-of-Contact initiative seeks to promote collaborative and professional relationships between OSIG and appropriate managers within executive branch agencies. For most agencies, the chief audit executive, police chief or other senior executive serves as the agency POC counterpart.

The POC initiative has been in place since January 2014. OSIG assigns its special agents and senior investigators to serve as points of contact with various executive branch agencies and meet with respective agency POC counterparts on at least an annual basis.

Through the POC initiative, OSIG aims to share information that fosters proactive steps to enhance efficiency and effectiveness of operations within executive branch agencies. OSIG tasks each of its special agents and senior investigators with providing agency counterparts with updates on pertinent activities within OSIG and relevant information regarding control and oversight of financial resources and procurement practices.

The POC initiative provides an opportunity for agency counterparts to share information about activities within their respective agencies and identify areas that might benefit from independent review by OSIG, as well as information that might be indicative of fraud, waste or abuse of state resources.

## ***Accreditation***

OSIG's Accreditation Manager is continuing work towards having the agency accredited by both the Virginia Law Enforcement Professional Standards Commission and the Commission on Accreditation for Law Enforcement Agencies. Both of these designations will assist OSIG in maintaining its high level of integrity, accountability and transparency among not only other law enforcement agencies, but with the citizens of the Commonwealth as well.

## ***Hotline Unit***

### ***State Fraud, Waste and Abuse Hotline***

The State Fraud, Waste and Abuse Hotline receives allegations of misconduct and state policy violations from various sources throughout the year. The Hotline Unit's objective is to respond promptly to allegations of fraud, waste and abuse and to ensure that OSIG investigates matters timely and adequately. Hotline investigations focus on allegations related to conflicts of interest; misappropriation of state funds; leave abuse; property and equipment misuse; theft of property; misuse of state-issued computers and telecommunication equipment; and misconduct and ethics violations by agency heads, at-will employees and chief audit executives. Hotline staff collaborate with other OSIG units where appropriate to assist with these investigations.

OSIG will continue to promote its online, interactive Hotline training course to state employees. This training has the most up-to-date guidance about Hotline investigations and provides additional assistance if needed. Additionally, the Hotline Unit will be offering a training course to its investigative counterparts at other agencies. The training will highlight common questions that OSIG staff frequently address and provide pertinent skills to ensure investigations are productive and complete.

To encourage efficient and effective government practices in the Commonwealth's executive branch agencies, OSIG will continue to remind state employees and Commonwealth citizens that the Hotline is a means of anonymously reporting instances of fraud, waste and abuse by:

- Distributing an annual news release to Virginia's media outlets.
- Posting information on the agency's social media accounts, to include Twitter and LinkedIn.
- Expanding the visibility of the Hotline on OSIG's website.
- Participating at area conferences and training events.
- Encouraging participation in one of several training sessions that will be offered.
- Distributing Hotline marketing materials.

In addition, OSIG will email state employees:

- Information about the Hotline.
- A link to online interactive State Fraud, Waste and Abuse Hotline training.



- Hotline brochures and flyers.

### ***Fraud and Abuse Whistle Blower Protection Act Program***

OSIG administers the Fraud and Abuse Whistle Blower Protection Act program. State employees and citizens of the Commonwealth who report allegations of fraud, abuse and corruption through the WBPA in good faith are protected against retaliation. OSIG thoroughly investigates all credible complaints of violations reported through this program.

OSIG will continue to publicize the WBPA program through:

- An annual news release distributed to Virginia's media outlets.
- Social media postings on the agency's Twitter and LinkedIn accounts.
- An annual message to state employees sent via the state email network.
- Information presented at area conferences and training events.

In the annual email, OSIG explains the requirements for allegations reported to the agency under the WBPA. The email clarifies differences between the WBPA and the Hotline regarding rules that govern anonymity and confidentiality.

### ***Policies and Procedures Manual Updates***

OSIG is updating the policy and procedures manuals for both Hotline operations and Whistle Blower Protection Act operations. The revision of these manuals for fiscal year 2024 is a large undertaking, but necessary to reflect changes in the laws, streamline processes and increase productivity.

### ***Follow-Up Reviews of Hotline Investigations***

In fiscal year 2024, the Hotline Unit will continue the Investigation Follow-up Review Program. Following up on significant, previous investigations is an essential activity that helps ensure agency management is addressing issues and recommendations included in Hotline investigative reports.

### ***Workpaper Review Program***

In fiscal year 2024, the Hotline Unit will continue its Workpaper Review Program. On an annual basis, the Hotline Unit reviews the investigative work of the internal audit programs that complete Hotline investigations on OSIG's behalf to determine the quality and appropriateness of investigative work and provide suggestions for improvement in future investigations, if necessary. The scope of the reviews is limited to determining if the investigative workpapers and subsequent reports were appropriately prepared in compliance with the State Fraud, Waste and Abuse Hotline Policies and Procedures Manual. Therefore, review procedures are limited to interviews with personnel and to the review of relevant policies, procedures and documentation.

Planned workpaper reviews include:

- Virginia Department of Agriculture and Consumer Services.
- Christopher Newport University.
- The College of William and Mary.
- Department of Recreation and Conservation.

## ***Healthcare Compliance Unit***

### ***Background***

The Healthcare Compliance Unit (HCU) operates to fulfill its obligations as defined by *Code* § 2.2-309 through policy and operational recommendations for state-operated facilities serving individuals with behavioral health, substance use and developmental disabilities. In addition, HCU:

1. Inspects, monitors and reviews the quality of services provided in state facilities and providers as defined in *Code* § 37.2-403, including licensed mental health treatment units in state correctional facilities, in order to prevent problems, abuses and deficiencies and improve effectiveness.
2. Informs the General Assembly and the Joint Commission on Health Care by means of reports as required by *Code* § 2.2-313. Reports will include issues concerning significant problems, abuses and deficiencies relating to the administration of programs and services, recommendations and progress reports.
3. Reviews and provides comments and recommendations as appropriate on any reports prepared by the DBHDS and critical incident data collected by DBHDS in accordance with regulations adopted under *Code* § 37.2-400 to identify issues related to quality of care, seclusion and restraint, medication usage, abuse and neglect, staff recruitment and training and other systemic issues.
4. Monitors, reviews and comments on regulations adopted by the Virginia Board of Behavioral Health and Developmental Services as indicated.
5. Receives reports, data, information and complaints from the Commonwealth's designated protection and advocacy system, as well as other sources concerning quality of care provided in state facilities, and by other providers as defined below, and conducts independent reviews and investigations as indicated.
6. Provides oversight of DBHDS and community-based providers to identify system-level issues and conditions affecting quality of care and safety and provides recommendations to alleviate such issues and conditions.
7. Implements a program to promote awareness of the Complaint Line operated by OSIG among residents of facilities operated by the DBHDS and persons receiving services from community-based providers regulated by DBHDS.

### ***Complaint Line***

The Complaint Line receives allegations of abuse, neglect or inadequate care from patients, staff, providers and family members throughout the year. HCU's objective is to respond promptly to these allegations and to ensure that OSIG reviews matters timely and adequately. HCU staff collaborate with other OSIG units where appropriate to assist with these reviews.

OSIG reminds citizens of the Commonwealth that the Complaint Line is a means of reporting instances of abuse, neglect and inadequate care by:

- Social media postings on the agency's Twitter and LinkedIn accounts.
- An annual message to DBHDS employees sent via the state email network.
- Flyers posted within DBHDS facilities.
- Information presented at area conferences and training events.

### ***Critical Incident Review***

The Healthcare Compliance Unit is also responsible for reviewing and providing comments and recommendations, as appropriate, on reports prepared by DBHDS. That includes critical incident data collected by DBHDS in accordance with regulations adopted to identify issues related to quality of care, seclusion and restraint, medication usage, abuse and neglect, staff recruitment and training, and other systemic issues (*Code § 2.2-309.1*).

## ***Administration Division***

### ***Internal Audit Oversight and Training Services Unit***

#### ***Quality Assurance Reviews***

To ensure compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, OSIG oversees the Quality Assurance Review program for the Commonwealth. In fiscal year 2024, OSIG has scheduled a quality assurance review for Christopher Newport University.

#### ***Training Course Offerings***

OSIG has planned the following training opportunities for the Commonwealth's internal audit programs during fiscal year 2024:

- State updates.
- Chief Audit Executive Roundtable.
- Nine additional classes, four in the fall and five in the spring.

#### ***Collection and Analysis of Documents Submitted by Internal Audit Programs***

OSIG Directive 001 sets out the mandatory reporting requirements for executive branch agency internal audit programs. The Internal Audit Oversight and Training Services Unit reviews internal audit program performance and provides internal audit programs with information that agencies use for future audit planning and improvement of internal audit processes. OSIG publishes an annual Audit Directive Compliance Report, which shows whether internal audit programs are in compliance with OSIG Directive 001.

#### ***Agency Risk Management and Internal Control Standards***

Each year, the Department of Accounts requires OSIG to complete an internal Agency Risk Management and Internal Control Standards review and certification process. The objective of ARMICS is to ensure fiscal accountability and safeguard the Commonwealth's assets by providing reasonable assurance of the integrity of all fiscal processes related to:

- Submission of transactions to the Commonwealth's general ledger.
- Submission of deliverables required by financial statement directives.
- Compliance with laws and regulations.
- Stewardship over and safeguarding the Commonwealth's assets.

#### ***Information Technology Services Unit***

The Information Technology Services Unit supports agency use of technologies that empower business activities and implements any future technologies. ITS also oversees the governance of the agency's technological systems, maintenance of the infrastructure, and the hardware and software, in addition to the functionality of its systems.

ITS will continue to transition, with other executive branch agencies, to enterprise platforms provided by VITA-sponsored providers:

- ITS will continue upgrading to the latest version of the Microsoft Office Suite.
- ITS will continue implementing security controls to enhance information security and cyber awareness.
- ITS will implement Microsoft PowerPlatforms to provide cloud computing and process automation.
- ITS will transition to Global Protect VPN.
- ITS also continues to assist with the utilization of applications such as Power BI, Pentana, Caliber, and Power DMS that improve the agency's project management, reporting, and business analytics.

### ***Communications Unit***

The Communications Unit manages and coordinates all public relations and serves as the primary point of contact for all FOIA and media inquiries. The Unit also promotes the vision, mission, and values of the agency through social media, news releases and other professional publications and communications. In addition, Communications works with OSIG staff to develop high quality reports, presentations, speeches, talking points and briefing papers for the Governor, General Assembly, agency heads, the media and the public. It also plans activities and programs during the year.

### ***Projects for Fiscal Year 2024***

- Continue OSIG's website redesign.
- Shadow each OSIG unit to establish better communication with them, further understand their daily duties and pitch their stories to media.
- Establish relationships with the media and conduct more outreach about OSIG's mission and work.