

OFFICE OF THE STATE INSPECTOR GENERAL

Department of General Services
Facilities Maintenance
Performance Audit
February 2025



Michael C. Westfall, CPA
State Inspector General
Report No. 2025-PA-003



COMMONWEALTH OF VIRGINIA
Office of the State Inspector General

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February 4, 2025

The Honorable Glenn Youngkin
Governor of Virginia
P.O. Box 1475
Richmond, VA 23219

Dear Governor Youngkin,

The Office of the State Inspector General (OSIG) completed an audit of the Department of General Services Facilities Maintenance. The final report is attached.

OSIG would like to thank DGS Director Banci Tewolde and her staff for their cooperation and assistance during this audit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Corrine A. Loudon".

Corrine A. Loudon, CIA
Chief Deputy Inspector General

On behalf of State Inspector General Michael C. Westfall

cc: The Honorable John Littel, Chief of Staff to Governor Youngkin
Justin Vélez-Hagan, Deputy Chief of Staff to Governor Youngkin
Kate Stockhausen, Assistant Deputy Chief of Staff to Governor Youngkin
Margaret "Lyn" McDermid, Secretary of Administration
Bradley Philips, Deputy Secretary of Administration
Senator L. Louise Lucas, Chair of the Finance and Appropriations Committee
Delegate Vivian E. Watts, Chair of the Finance Committee
Banci Tewolde, DGS Director
Sandra L. Gill, DGS Deputy Director

Mike Bisogno, DGS Deputy Director

Charles Quagliato, DGS Director, Division of Government and Regulatory Affairs

Michael Gilbert, DGS Director, Division of Capital Square Services

Staci A. Henshaw, Auditor of Public Accounts

Facilities Maintenance

What OSIG Found

Insufficient Management of Deferred Preventative Maintenance Work Orders

Of the 70 work orders tested, none of the work orders had a reason documented in AiM, for why the work order was still open and/or deferred. DGS management was not able to subsequently provide an explanation. Work orders for assets being deferred multiple times could lead to increased maintenance costs for the asset. As maintenance issues compound over time, what may have initially required routine or minor repairs can escalate into larger structural problems, increasing both labor and material costs.

Special Work Order Payments Lack Proper Tracking and Follow-Up

DGS/FM was not performing follow up on accounts receivable for special work orders. OSIG selected a sample of 14 special work orders (10% of all special work orders closed for the audit period). There were six instances where invoices had not been issued at the time DGS projects occurred. The total for these six invoices was \$27,306. In addition, an aging report as of June 5, 2024, of all outstanding payments owed to DGS for special work order services that were provided was obtained. From the aging report we identified that there were 10 special work order projects that have been completed/invoiced between 2011 – 2019, totaling \$88,585; however, these funds have yet to be collected by DGS.

Management of Unscheduled Repairs Needs Improvement

A sample of 368 unscheduled repairs work orders was selected for testwork. Testing revealed there were 25 (7%) work orders with exceptions related to: not closed timely (within 72 hours), not marked complete, time charged was not reasonable, time not charged, and repair was a repeat issue. Based on a statistical analysis, an exceptions rate of 7% equates to a minimum of 376 exceptions and a maximum of 821 exceptions in the total populations of 8,554 unscheduled work orders.

Management concurred with all seven of the findings' conditions but had not provided a corrective action plan as of the report date.

February 2025

HIGHLIGHTS

Why OSIG Conducted This Audit

The Commonwealth owns 73 buildings within and around Capital Square. These buildings house approximately 75 state agencies that deliver essential services to Commonwealth citizens. Proper maintenance of these buildings ensures tenant safety, prevents costly repairs, reduces downtime, and extends building longevity. This audit was conducted to evaluate whether DGS's Facilities Maintenance (FM) effectively tracks and addresses preventative maintenance, repair requests, and special projects, while also ensuring the state is not paying for maintenance costs covered under warranty, and to identify any significant impacts or causes of failures in these areas.

What OSIG Recommends

- Implement regular monitoring and reporting on the status of open/deferred preventative maintenance activities.
- Develop a collection policy outlining specific steps for following up on overdue accounts for special work orders.
- Develop formal policies and procedures for the administration of unscheduled work order maintenance activities.
- Implement regular monitoring on the status of unscheduled work orders.



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.

AiM – Asset Intelligence Management System

DEB – Division of Engineering and Buildings

DGS – Department of General Services

FY – Fiscal Year

HVAC – Heating, Ventilation, and Air Conditioning

FM – Facilities Maintenance

OSIG – Office of the State Inspector General

PM – Preventative Maintenance

PMMO – Preventative Maintenance Monthlies Orders

BACKGROUND

The Department of General Services' Facilities Maintenance (FM) is a customer-focused organization whose primary function is to provide a quality environment for the approximately 75 state agencies that occupy the facilities overseen by DGS. FM provides its customers with effective and timely operational, maintenance, and repair services, as well as manages capital outlay projects and provides professional services contracts. FM is responsible for 46 buildings and 27 parking facilities and operates and maintains about 6.45 million square feet of buildings and grounds at the seat of government to include the Governor's Mansion, the Virginia Capitol, and Capitol Square.

FM strives to ensure tenants enjoy a clean, safe, efficient, and comfortable environment in and around the buildings it manages. FM provides routine maintenance in DGS-maintained facilities through its 1stService program, where tenants submit service requests online and are put in direct contact with DGS maintenance staff to be kept apprised of project progress.

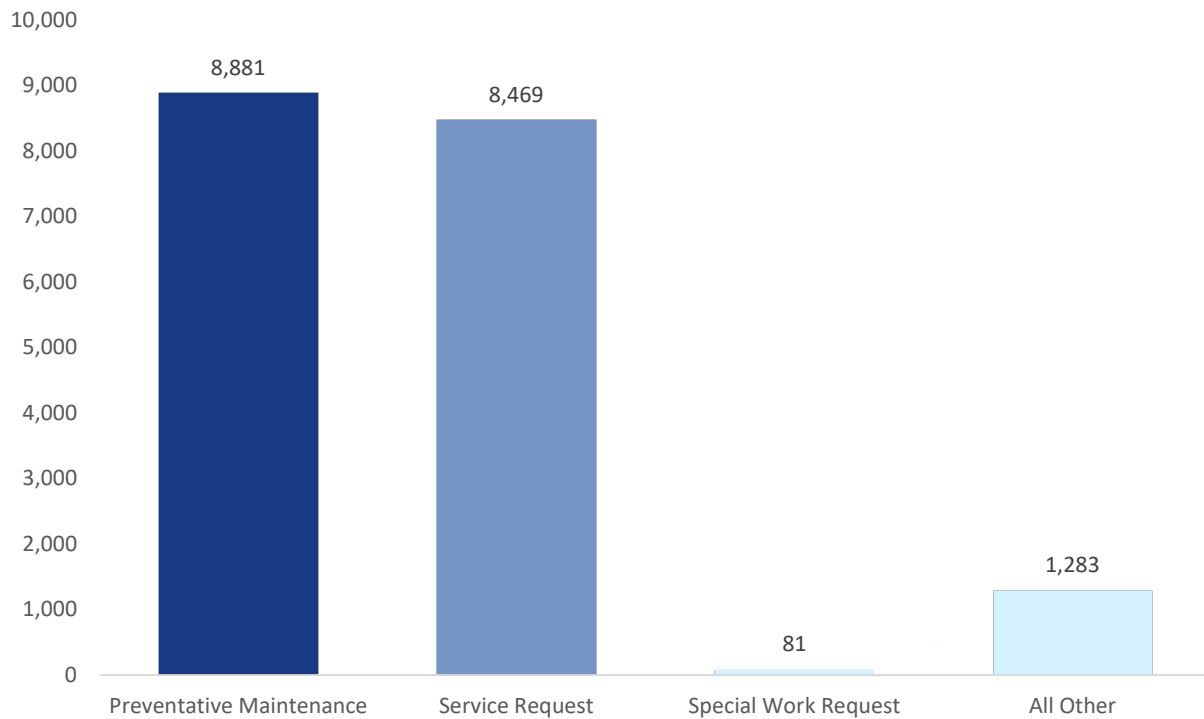
In addition to the routine requests mentioned, FM also delivers services using a diverse combination of contract and in-house resources for preventative maintenance activities, as well as for tenant submitted requests. These services consist of the following: custodial, security, plumbing, electrical, carpentry, painting, masonry, plastering, roofing, HVAC, fire and mechanical systems monitoring and maintenance, elevator, utility, grounds, stock room, procurement, planning, project management, inspection, estimating, professional architect/engineering services, construction, facilities work order management software (AiM system), and construction contract administration for special work order projects.

FM classifies scheduled maintenance for buildings that they service as preventative maintenance work orders. FM has a defined schedule for when certain preventative maintenance work orders will be completed throughout the year to ensure that buildings are adequately maintained/serviced to prevent costly repairs, to prevent quicker wear and tear of buildings, and to preserve the longevity of Commonwealth owned buildings.

Additionally, as mentioned above, FM performs ad hoc repair requests, which are defined as Service Requests within the system of record (AiM). These types of work orders come from agency tenants that reside within the buildings that are serviced by FM.

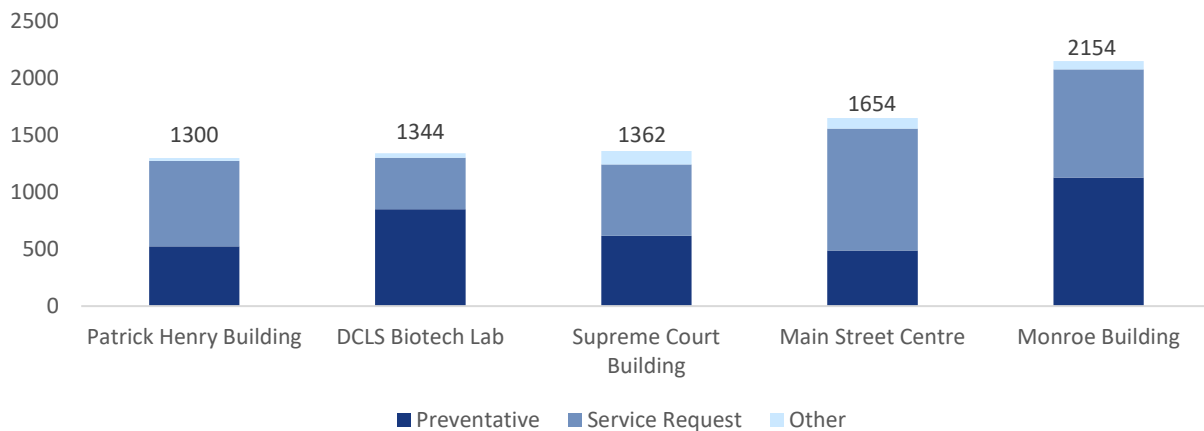
Below is a snapshot of the number of work orders and their associated type closed in FY2024 by FM per data in AiM:

Closed Work Orders by Type for Work Orders Created in FY2024



Below are the top five buildings that are serviced by FM that had the highest number of work orders closed during FY2024.

Closed Work Orders by Building and Type for Work Orders Created in FY2024



SCOPE

The audit scope covered FM's processing and management of unscheduled work orders, preventative maintenance work orders, special work orders, and the application of warranties for large mechanical assets such as HVAC systems, chillers, boilers, and generators, from July 1, 2023, through June 30, 2024.

OBJECTIVES

Objectives of this audit were to:

- Determine if DGS Facilities Maintenance identifies and tracks preventative maintenance, to ensure state facilities are properly maintained.
- Determine if DGS Facilities Maintenance responds to unscheduled repair requests timely and properly completes the request.
- Determine if DGS Facilities Maintenance tracks special project requests from agencies to ensure they are completed properly and timely.
- Ensure the Commonwealth is not paying for maintenance costs that should have been covered under a warranty.

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 conclusion 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:

- Conducted interviews with FM staff and management to gain an understanding of the areas that were audited.
- Reviewed and evaluated policies and procedures that govern the processes that are conducted by FM.
- Analyzed data from the AiM system, identifying 9,583 closed preventative maintenance work orders for FY2024, and tested a statistical sample of 370 (4%) preventative maintenance work orders with a 95% confidence level and 5% margin of error.
- Analyzed data from the AiM system, identifying 1,649 open preventative maintenance work orders as of June 30, 2024, that were past due their scheduled work order date, and reviewed all open preventative work orders from July 1, 2023 – December 31, 2023, as these were deemed to be opened for six months or longer.

- Analyzed data from the AiM system, identifying a total of 8,554 unscheduled repair requests (i.e., work orders) that were opened and closed from July 1, 2023 – June 30, 2024, and tested a statistical sample of 368 (4%) unscheduled repair requests with a 95% confidence level and 5% margin of error.
- From the closed unscheduled maintenance samples selected, OSIG performed a statistical sample of completed work orders from the month of June 2024 (25 samples in total), to physically confirm that work orders were completed by Facilities Maintenance.
- Analyzed data from the AiM system, identifying 143 special work orders closed as of FY2024, and randomly selected 14 (10%) for testing.
- Obtained an aging report of all open special work orders as of June 30, 2024. Analyzed the population for past due special work orders (greater than 30 days from the anticipated completion date) and identified nine items for testing from the aging report.
- Analyzed FY2024 AiM data and tested all 52 closed unscheduled work orders for large mechanical equipment marked 'Undefined Issue.'

FINDINGS

FINDING #1 INSUFFICIENT MANAGEMENT OF DEFERRED PREVENTATIVE MAINTENANCE WORK ORDERS

Preventative maintenance is managed and performed by DGS/FM for all Commonwealth owned buildings. A preventative maintenance schedule is set up within the AiM system for assets (i.e. HVAC systems, lights, boilers, sprinklers, fire extinguishers, etc.) that are located within buildings and structures managed by FM. Preventative maintenance is generally performed on a monthly, quarterly, and annual basis. There are times that preventative maintenance work orders can be deferred and not performed during their scheduled timeframes. The work order is marked as deferred so that a new work order can be created the next time preventative maintenance is due for the asset. Discussions with the FM Director revealed that deferred work orders have been tracked since 2016. Only the FM Director can place Preventative Maintenance (PM) work orders and Preventative Maintenance Monthlies Orders (PMMO) into deferred status within AiM.

As of June 30, 2024, there were 1,659 preventative maintenance work orders that were open, regardless of whether they were marked deferred or not. OSIG reviewed all 70 open preventative maintenance work orders between July 1, 2023, thru December 31, 2023, as they were deemed to be open six months or greater from the end of our audit period (June 30, 2024). These work orders were selected to determine if management had documented a reason for the work order still being open and/or deferred. None of the work orders tested had a documented reason in AiM, and management was not able to subsequently provide an explanation. All work orders tested were deferred at least once with one work order being deferred four times. Further, for 52 of the 70 work orders tested, the same asset had been deferred multiple times in the past and had other work orders that had never been completed/closed out.

Work orders for assets being deferred multiple times could lead to increased maintenance costs for the asset. As maintenance issues compound over time, what may have initially required routine or minor repairs can escalate into larger structural problems, increasing both labor and material costs. Additionally, the continued deferral of necessary maintenance can shorten the lifespan of assets, leading to more frequent replacements and higher long-term capital expenses.

Recommendations:

1. Develop procedures for preventative maintenance work orders. These procedures should include:
 - Defining preventative maintenance based on criticality of the assets and whether or not it is acceptable for a preventative maintenance work order to be deferred for an asset, as repeatedly deferring work orders for critical assets can lead to

accelerated wear and deterioration, ultimately requiring more extensive and costly repairs.

- Specifying who has the authority and responsibility for deferring preventative maintenance work orders.
 - The requirement to provide an explanation prior to deferring.
2. Implement regular monitoring and reporting on the status of open/deferred preventative maintenance activities, to help ensure that deferred maintenance for items is escalated based on the criticality of an asset.

DGS Management Response:

Management agreed with the conditions observed by OSIG and agreed with the recommendations.

Facilities Maintenance (FM) will review its processes regarding preventative maintenance work orders and update those processes to best fit its business needs.

FINDING #2 SPECIAL WORK ORDER PAYMENTS LACK PROPER TRACKING AND FOLLOW-UP

DGS/FM was not performing follow up on accounts receivable for special work orders. In addition, management has not established a structured process to ensure customers are billed in a timely manner for services rendered. Using data from the DGS facility management system AiM, OSIG was able to determine a total of 143 special workers were closed for the period of July 1, 2023 – June 20, 2024. From the total population of work orders, OSIG randomly selected 10% of the population for our testing and this equated to a sample size of 14. Of the 14 tested, there were six instances where invoices have not been issued at the time in-house DGS projects occurred, and there is no clear record to show whether outstanding funds have been collected from agencies and/or transferred to internal DGS accounts. The total for these six instances is approximately \$27,306.

Effective billing and timely collection of receivables are essential to the special work order process. Furthermore, OSIG obtained an aging report of all outstanding payments owed (as of June 5, 2024) to DGS for special work order services that were provided. From the aging report we identified that there were 10 special work order projects that have been completed/invoiced between the years of 2011 – 2019, totaling \$88,585; however, these funds have yet to be collected by DGS and could be uncollectable in some instances based on the age of the invoice.

Recommendations:

1. Management should implement formalized procedures that clearly define when and how invoices should be generated after services are provided. This process should set timelines (e.g., within 3-5 business days of service completion) to ensure that billing is prompt and consistent.
2. Management should develop a collection policy outlining specific steps for following up on overdue accounts for special work orders. This policy should include regular reminders, and escalation procedures.
3. Management should implement an accounts receivable monitoring process to track outstanding invoices and ensure timely follow-up for special work orders.

DGS Management Response:

Management agreed with the conditions observed by OSIG but did not agree with the recommendations.

Facilities Maintenance (FM) will review its processes for storing and managing documents related to special work order payments and update those processes to best fit its business needs.

FINDING #3 MANAGEMENT OF UNSCHEDULED REPAIRS NEEDS IMPROVEMENT

DGS/FM is responsible for responding to unscheduled repair requests for the 73 DGS-managed facilities. These unscheduled repair requests can vary in scope and nature depending upon the type of request that needs to be addressed. For example, hanging whiteboards, addressing plumbing and electrical issues, responding to HVAC issues, malfunctioning elevators, replacing burned out lightbulbs, etc.

Using data from the DGS facility management system AiM, we were able to determine that a total of 8,554 unscheduled repair requests (i.e., work orders) were opened and closed for the period of July 1, 2023 – June 30, 2024. We selected a statistical sample of 368 work orders (4% of the total 8,554 unscheduled repair requests), providing an expected result of no more than 18 work orders to have an exception associated with them. From the samples selected we reviewed the following attributes:

- Performed and closed within 72 hours.
- Marked as “Complete” by Technician within AiM.
- Marked “Closed” by a supervisor within AiM.
- Technician's time was charged to the work order.
- Time charged to work order was reasonable.
- Issue was not a repeat occurrence.

Results of our review indicated 25 work orders (7% of the 368 work orders reviewed) did not meet one or more of the attributes tested, as follows:

- Work order was not completed within 72 hours (identified 18 times).
- Work order was not marked “Completed” within AiM (identified 10 times).
- Time charged to the work order was not reasonable (identified eight times).
- Technician’s time was not charged to the work order (identified seven times).
- Repeat issue (identified two times).

Based on a statistical analysis, an exception rate of 7% equates to a minimum of 376 exceptions and a maximum of 821 exceptions in the total population of 8,554 unscheduled work orders.

Discussions with the FM Director, as well as various Building Maintenance Managers, indicated these work orders are usually completed within 72 hours of being requested. However, the FM Director and Building Maintenance Managers indicated there are no formal documented policies and procedures that govern the oversight of the unscheduled work order process. The reasons for the lack of policies regarding unscheduled work order maintenance activities according to FM staff include:

- Having policies are not necessary.
- The tenant will let us know if it is not done.

- Relying on institutional knowledge.
- Trusting employees will complete the job.

Such discrepancies have the potential to grow and, therefore, become problematic over time without a formal reporting process and monitoring procedure. Further, management will not have the ability to determine how well it meets operational and strategic goals, how well technicians are performing, or whether problems exist. The lack of adequate policies and procedures within a business process allows the opportunity for errors to take place with employees, the inability for employees to follow the process that has been determined by management, and for employees not to be made aware of policies that could potentially impact a business process/organization.

Having a documented policy addressing unscheduled work order maintenance activities is critical to:

- Maintaining uniformity throughout the agency's practices.
- Providing for an effective monitoring process of unscheduled maintenance activities throughout FM.
- Establishing the procedures under which unscheduled maintenance and/or repairs are required, documented, approved, and monitored.
- The health and safety of Commonwealth employees/tenants when it pertains to the safety and soundness of buildings.

Recommendations:

1. FM should develop formal policies and procedures for the administration of unscheduled work order maintenance activities by establishing procedures for when and how unscheduled work order maintenance activities are executed, documented, approved, and monitored.
2. Implement regular monitoring on the status of unscheduled work orders ensuring they are completed timely, are marked "complete" in the system, the time charged is reasonable, and the requestor is satisfied.

DGS Management Response:

Management agreed with the conditions observed by OSIG but did not agree with the recommendations.

Facilities Maintenance (FM) will review its processes regarding unscheduled repair requests and update those policies to best fit its business needs.

FINDING #4 MANAGEMENT DID NOT PROVIDE PROPER SUPERVISION OF WORK ORDER COMPLETION

Preventative maintenance work orders are preventative maintenance activities within the AiM system that have been predetermined by DGS/FM. The work orders are set up to ensure that preventative maintenance is conducted throughout the year within the buildings that are owned by the Commonwealth. The preventative maintenance work orders are assigned to technicians on a monthly, quarterly, semi-annual, and/or annual basis, so preventative maintenance activities can be addressed. The FM Director outlined the process of how preventative maintenance work orders are completed in the AiM system.

The process is as follows:

- Preventative maintenance work order is generated and defined within the system of record, AiM.
- Monthly, the FM Director performs a reconciliation and analysis of all preventative work orders that were either completed and/or not completed from the previous month.
- From that reconciliation, the FM Director will either defer or assign the preventative work orders based on their severity, the last time they were completed, and staff availability.
- Building manager or supervisor assigns work order to technician.
- Technician performs work and marks it “complete” within the system.
- Technician charges time performed against work order completed in timesheet (within AiM).
- Building manager or supervisor reviews and approves technician’s timesheet.

Data was exported from the AiM system of all closed preventative maintenance work orders for FY2024. OSIG identified that there were 9,583 preventative maintenance work orders that were closed during FY2024. From the total population of work orders, OSIG performed a statistical sample with a 95% confidence level and 5% margin of error, which resulted in a sample size of 370 work orders to be tested. Providing an expected result of no more than 18 work orders to have an exception associated with them, testing revealed that 47 (12%) work orders had one or more exceptions.

The following exceptions were found:

- Time was not charged to the work order by the technician (identified 17 times).
- Work order was not marked complete by the technician (identified 45 times).
- Work orders were closed instead of being deferred by an FM Building Supervisor/Manager, causing the inability to confirm that the work orders were completed (identified 45 times).
- Work orders were closed before technician marked it complete (identified eight times).

- Technician's time applied to work orders were significantly less or greater than the expected/set time that is expected to complete a particular work order (i.e. expected time to complete a work order was 15 hours; however, only one hour was applied to the work order) (identified 17 times).

Based on a statistical analysis, an exception rate of 12% equates to a minimum of 843 exceptions and a maximum of 1,457 exceptions in the total population of 9,583 preventative maintenance work orders.

There was an instance discovered during testing that a technician charged time before starting the work and the supervisor closed the work order and approved the timesheet submitted without reviewing. Follow-up with DGS determined that in this particular situation the supervisor was just going into the system (AiM) and closing work orders, at the end of the day, without confirming that the work order was completed. The supervisor was closing out work orders with time charged to them not based on the status of the work order. If the supervisor closes out the work order without confirming that it was completed by the technician, then no one is able to confirm that the work order was actually done/completed. This creates deficiencies in operations and administration and could lead to preventative maintenance not actually being performed.

Discussions with the FM Director, as well as with various FM Managers/Supervisors, indicated that there are no documented policies or procedures verifying that certain tasks must be completed for the preventative maintenance process. Without a formal reporting processes and monitoring procedures, management will not have the ability to determine how well it meets operational and strategic goals related to preventative maintenance, how well technicians are performing, and whether problems exist with the process or personnel.

Recommendations:

1. Develop a process for building managers and/or supervisors to verify completion of work orders before approving timesheets for the day/week. The process should also include ensuring the work order is closed before approving the timesheet.
2. Develop formal policies and procedures for the administration of preventative work order maintenance activities by establishing procedures for when and how preventative work order maintenance activities are executed, documented, approved, and monitored.

DGS Management Response:

Management agreed with the conditions observed by OSIG but did not agree with the recommendations.

Facilities Maintenance (FM) will review its processes regarding preventative maintenance and update those processes to best fit its business needs.

FINDING #5 DGS FACILITIES MAINTENANCE LACKS POLICIES AND PROCEDURES THAT GOVERN THE BUILDING MAINTENANCE PROCESS

OSIG identified multiple areas that are operated/managed by FM that do not have documented and/or updated policies that govern the maintenance of buildings that are owned by the Commonwealth. The following areas are managed and operated by FM:

- Preventative Maintenance.
- Special Work orders.
- Unscheduled Maintenance.
- Elevator Maintenance.
- Custodial Maintenance.
- OMEGA Control Center/Call Center Management.
- Storeroom Management.
- Information Systems and Services.
- Access Security/Maintenance of electronic access for panels.

From our other discussions with building supervisors, we identified that documented procedures do not exist for the daily processes that are conducted by FM Technicians for the areas that were mentioned above.

OSIG did identify that policies do exist for certain processes. The processes with policies identified included:

- AiM Elevator (Maintenance) Procedure.
- Special Work Orders (SWO) Policy.
- Hazardous Material Management Policy.
- Inclement Weather Essential Employees Policy.
- Notice of Incidences Policy.
- Paint Testing Policy.
- DGS-DEB (Division of Engineering and Buildings) Energy and Water Conservation Policy.

However, these policies were outdated and/or haven't been updated in the past five to twelve years to reflect the current processes that are in place. Per discussion with FM personnel, the reasons policies did not exist or had not been updated, included relying on institutional knowledge, relying on "on the job training," and not recognizing the significance or necessity of having a policy.

The absence of undocumented and out-of-date policies and procedures makes it difficult for FM to manage and follow a designed process that helps FM technicians and supervisors to adequately manage and oversee the functionality of Commonwealth owned buildings.

Additionally, not having written policies in place or solely relying on institutional knowledge of building maintenance/mechanical repair practices:

- Increases the risk of operational inefficiencies regarding the sound and safeness of buildings.
- Allows for inconsistency in the handling of building maintenance/repairs within each building that is owned by the Commonwealth.
- Hinders the FMs' response in adapting to unexpected situations where staff is required.
- Hinders FMs' ability to train and develop new staff in the future, if documented guidance is not available to follow.

Recommendation:

FM should develop formal policies and procedures for the administration of building maintenance activities that include establishing procedures for when and how building maintenance activities are executed, documented, approved, and monitored. This should include, but is not limited to, the following areas:

- Special Work Order activities.
- Unscheduled Maintenance activities.
- Preventative Maintenance activities.
- Elevator Maintenance activities.
- Custodial Maintenance activities.
- OMEGA Control Center/Call Center Management activities.
- Information Systems and Services activities.
- Access Security/Maintenance of electronic access for panels activities.

DGS Management Response:

Management agreed with the conditions observed by OSIG and agreed with the recommendations.

DGS Facilities Maintenance (FM) will review, revise, and develop formal policies and procedures for the administration of building maintenance activities that include establishing procedures for when and how building maintenance activities are executed, documented, approved, and monitored.

FM will review and revise all outdated policies and procedures and establish new policies and procedures for the administration of building maintenance activities. Such policies and procedures will be implemented over the course of the estimated completion time and may be provided the OSIG at the time of implementation.

FINDING #6 WARRANTY DOCUMENTATION IS NOT ADEQUATELY STORED OR MANAGED

Through discussions with FM management, there is a lack of structure and centralized process for storing and managing documents related to warranties and their expiration dates. The warranty records are maintained in a decentralized manner, often by building Supervisors/Managers who manage the assets in the buildings that they oversee, with no standardized format or designated repository for storage. Supervisors/Managers generally use current on-the-job knowledge of the assets that they oversee to manage warranties associated with them. Additionally, there is an absence of procedures for managing the process of updating, referring, and tracking warranty information.

In some cases, warranty documents were stored in physical files or dispersed among different digital locations (i.e. AiM and eVA) without clear version control or access protocols. Due to this disorganized storage method, there is a high likelihood of important warranty records being misplaced or not readily accessible when required. This disjointed approach significantly impairs the FM's ability to proactively manage warranties for all assets that are owned by the Commonwealth of Virginia.

Recommendations:

1. Develop and implement a centralized digital repository that securely stores all warranty documents and makes them easily accessible to authorized personnel.
2. Create and enforce standard procedures for recording, updating, and storing warranty information. This should include responsible individuals for managing warranties, warranty naming conventions, document formats, and data input requirements.

DGS Management Response:

Management agreed with the conditions observed by OSIG but did not agree with the recommendations.

Facilities Maintenance (FM) will review its processes for storing and managing documents related to warranties and update those processes to best fit its business needs.

FINDING #7 INEFFECTIVE MONITORING AND TRACKING OF REPEAT ISSUES RELATED TO BUILDING MAINTENANCE

DGS/FM is responsible for responding to unscheduled repair requests for the 73 DGS-managed facilities. These unscheduled repair requests can vary in scope and nature of the type of request that needs to be addressed. For example, addressing plumbing and electrical issues, responding to HVAC issues, malfunctioning elevators, etc.

During the audit, OSIG observed that FM lacks an effective mechanism to track repeat issues related to the preservation of buildings/structures that are managed by DGS. Discussions with management revealed that FM does not currently have a process in place to record recurring work orders/maintenance requests. Consequently, there is no effective way to monitor these issues over time, which means that problems could resurface without a permanent resolution. Though repeat work orders do not appear to be frequent, this lack of tracking and monitoring of repeat issues exposes the Commonwealth to escalating risks and costs. Without proper documentation and a system for monitoring recurring problems, FM is unable to assess the long-term impact and if the issue is potentially more significant than initially reported by the customer.

Recommendations:

1. Establish a documented process to identify and track repeat work order issues. This system should include key details such as issue descriptions, recurrence frequency, and corrective actions taken.
2. Implement a reporting mechanism to keep senior management informed of recurring issues identified and their status.
3. Update the 1stService site to include either or both of the following to adequately track repeat requests that are submitted by tenants:
 - Add a radio button to the 1stService site, asking the requestor if the request is for a repeat problem and have the response be “Yes” or “No.”
 - Add a separate question and text box to the 1stService site asking the user/requester if this request is a repeat issue.

DGS Management Response:

Management agreed with the conditions observed by OSIG but did not agree with the recommendations.

Facilities Maintenance (FM) will review its processes for repeat work order issues and its reporting mechanisms and update those processes to best fit its business needs.

AUDIT RESULTS

This report presents the results of OSIG's audit of Building Maintenance. OSIG performed the following audit testing with immaterial, if any, discrepancies noted:

- Evaluating the physical completion of preventative maintenance work orders.
- Evaluating the physical completion of unscheduled maintenance work orders.
- Evaluating completion and management of open unscheduled maintenance work orders.
- Evaluating completion and management of open special work orders.
- Evaluating the application of warranties for large mechanical equipment.

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

DGS was not able to provide a corrective action plan in the extended timeframe to respond to the report. OSIG will update the report to insert the DGS corrective action plan to the Appendix and update the report on OSIG's website.

APPENDIX - DGS RESPONSE TO OSIG'S REPORT



COMMONWEALTH of VIRGINIA
DEPARTMENT OF GENERAL SERVICES

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January 31, 2025

Michael C. Westfall, CPA
State Inspector General
Office of the State Inspector General
PO Box 1151
Richmond, VA 23218

Dear Mr. Westfall:

I am in receipt of the recent performance audit of the Department of General Services' Facilities Maintenance which highlighted technical issues that the Department must address. The report finds the Department's physical completion of maintenance work orders and special work orders are being properly done, thus keeping the Department's buildings safe and in working order. The Department appreciates the time and effort invested in this process, as it provides valuable insights for improvement.

Sincerely,

Banci E. Tewolde
Director