

OFFICE OF THE STATE INSPECTOR GENERAL

Department of Labor and Industry

Virginia Occupational Safety and Health & Boiler and
Pressure Vessel (BPV) Safety Programs

Performance Audit
December 2024



Michael C. Westfall, CPA
State Inspector General
Report No. 2025-PA-002



COMMONWEALTH OF VIRGINIA
Office of the State Inspector General

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December 23, 2024

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

Dear Governor Youngkin,

The Office of the State Inspector General contracted with Sikich CPA LLC (formerly known as Cotton & Company Assurance and Advisory, LLC) to conduct a performance audit of the Department of Labor and Industry's (DOLI's) administration of the Virginia Occupational Safety and Health (VOSH) and Boiler and Pressure Vessel (BPV) Safety Programs. The final report is below, and DOLI's corrective action plan is attached as Appendix C to the report.

OSIG would like to thank Commissioner Pan and his staff for their cooperation and assistance during this audit.

Sincerely,

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

Michael C. Westfall, CPA
State Inspector General

cc: 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
Honorable Bryan Slater, Secretary of Labor
Lizbeth Casco White, Deputy Secretary of Labor
The Honorable R. Creigh Deeds, Chair, Senate Commerce and Labor Committee

The Honorable Jeion A. Ward, Chair, House Labor and Commerce Committee
Gary Pan, Commissioner, Virginia Department of Labor and Industry
Charles Stiff, Deputy Commissioner, Virginia Department of Labor and Industry
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EXECUTIVE SUMMARY

Why We Did This Audit

The Virginia Office of the State Inspector General (VA OSIG) contracted with Sikich CPA LLC (formerly known as Cotton & Company Assurance and Advisory, LLC, and herein referred to as “we”) to conduct a performance audit of the Department of Labor and Industry’s (DOLI’s) administration of the Virginia Occupational Safety and Health (VOSH) and Boiler and Pressure Vessel (BPV) Safety Programs. The audit objectives were to determine whether (i) the performance measures that DOLI developed for the VOSH and BPV Safety Programs were sufficient and effective in evaluating the success of the programs; (ii) DOLI performed its inspections for the VOSH and BPV Safety Programs in compliance with regulations, including requirements related to the timeliness of those inspections; (iii) DOLI’s responses to safety and health complaints complied with applicable laws, regulations, and policies; and (iv) DOLI properly imposed monetary penalties to ensure that companies complied with program requirements.

How This Audit Was Performed

We conducted the performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States, as described in [Appendix B](#) of this report.

Audit Findings

We identified five findings related to issues with DOLI’s resources for administering the BPV Safety Program; policies, procedures and controls for ensuring compliance with relevant criteria; and information system data. Specifically, we identified:

- Insufficient resources for administering the BPV safety program
- Non-compliance with Code of Virginia BPV safety regulations
- Non-compliance with DOLI’s Occupational Safety and Health Administration Field Operations Manual
- Inaccurate and/or insufficient information system data
- Reconciliation issues related to VOSH Program data

The [Audit Findings](#) section includes detailed information regarding each finding.

What We Recommended and Management’s Comments

We made 16 recommendations for DOLI to strengthen its policies, procedures, and controls surrounding the VOSH and BPV Safety Programs. DOLI agreed with one finding and although it did not explicitly agree or disagree with the remaining findings in response to our draft report, DOLI communicated it was already committed to organizational transformation prior to this audit and provided responses regarding how it intends to improve its processes and controls for the BPV Safety and VOSH Programs. DOLI’s response is attached to this report, in its entirety, in [Appendix A](#).

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BACKGROUND

The Virginia Department of Labor and Industry (DOLI) is an executive-branch agency whose powers and mandates are set forth in Title 40.1 of the Code of Virginia. DOLI's mission is to make Virginia a better place to work, live, and conduct business by promoting safe, healthful workplaces; best employment practices; job training opportunities through registered apprenticeships; the protection of children from hazardous employment; and assurance of the safe operation of boiler and pressure vessels (BPVs). DOLI's responsibilities include ensuring the occupational safety and health protection of employees in the workplace; ensuring the safety of BPVs; serving as a registration agency for voluntary apprenticeship; notifying and inspecting licensed asbestos and certified lead contractors; enforcing the Virginia Asbestos National Emissions Standards for Hazardous Air Pollutants (NESHAP) Act; playing a role in areas such as labor unions and strikes (e.g., by mediating labor disputes); and ensuring child labor protections, minimum wage, equal pay, and payment of wages.

Through the Virginia Occupational Safety and Health (VOSH) Program, DOLI administers and enforces occupational safety and health activities in Virginia in accordance with the Virginia State Plan. This plan is approved by the U.S. Department of Labor Occupational Safety and Health Administration (OSHA), as required by Code of Virginia § 40.1-1, for general industry, construction, agricultural industries in the public and private sectors, and public-sector maritime. DOLI inspects employers to ensure they comply with the laws, standards, and regulations of the Commonwealth of Virginia. DOLI may issue citations to employers that violate the standards and regulations, determine dates by which the employers must remedy the violations, and propose civil monetary penalties for certain types of violations. DOLI also provides training, information, and technical assistance to employers, employees, and safety and health professionals. As such, the VOSH Program directly aligns with DOLI's mission of making Virginia a better place to work, live, and conduct business by promoting safe and healthy workplaces and fostering safe work practices by employers.

Through the BPV Safety Program, DOLI enhances both public safety and occupational safety by monitoring the construction, installation, operation, and maintenance of BPVs, collectively referred to as "objects." DOLI's Division of BPV Safety operates the BPV Safety Program to ensure compliance with Virginia's BPV Safety Act, codified in Code of Virginia Title 40.1, Chapter 3.1 (the Act). The Act permits DOLI to (1) certify inspectors to act on behalf of the Commissioner of Labor and Industry (the Commissioner), and (2) use owner/user inspection agencies and private contract fee inspectors to conduct inspections. These inspections serve as the basis for issuing a Certificate of Inspection for BPVs. The Act also permits DOLI to assess civil penalties for violations. As such, the BPV program aligns with DOLI's mission of making Virginia a better place to work, live, and conduct business by ensuring the safety of BPVs located in businesses and public buildings, such as schools, apartment buildings, and other structures, where both the general public and workers may be present.

AUDIT OBJECTIVES AND SCOPE

The Virginia Office of the State Inspector General (VA OSIG) contracted with Sikich CPA LLC¹ (Sikich or we), an independent certified public accounting firm, to conduct a performance audit of DOLI. The audit objectives were to determine whether DOLI:

- Developed performance measures for the VOSH and BPV Safety Programs that were sufficient and effective in evaluating the success of the programs.
- Performed its inspections for the VOSH and BPV Safety Programs in compliance with regulations, including requirements related to the timeliness of those inspections.
- Responded to safety and health complaints in compliance with applicable laws, regulations, and policies.
- Properly imposed monetary penalties to ensure that companies complied with program requirements.

The audit scope included VOSH and BPV Safety Program activities that occurred between July 1, 2022, and December 31, 2023. DOLI provided data from the OSHA Information System (OIS) and Jurisdiction Online (JO) system, which it uses for the VOSH and BPV Safety Programs, respectively. This data included inspections and violations related to the VOSH and BPV Safety Programs, complaints related to the VOSH Program, and outstanding invoices related to the BPV Safety Program for the period from July 1, 2022, to December 31, 2023. We used this data to select a sample of 81 inspections, 7 complaints,² and 7 violations³ for the VOSH Program and 25 inspection certificates, 30 violations, and 20 outstanding invoices⁴ for the BPV Safety Program. We then reviewed and evaluated supporting documentation to determine whether DOLI—or the inspectors it partnered with—completed inspections timely and in accordance with applicable laws, regulations, and DOLI policies, including whether the inspectors properly documented the inspections; whether DOLI responded to occupational safety and health complaints timely and documented the resolution; and whether DOLI appropriately assessed monetary penalties for violations identified through inspections under the VOSH and BPV Safety Programs. We also reviewed (1) documentation related to DOLI’s performance measures and (2) DOLI’s performance metrics that are publicly reported on the Virginia Department of Planning and Budget website and conducted interviews with DOLI personnel to discuss how DOLI uses its performance measures to evaluate the success of the program.

We have included additional details regarding the audit scope, objectives, and methodology within [Appendix B](#).

¹ Effective December 14, 2023, we amended our legal name from “Cotton & Company Assurance and Advisory, LLC” to “Sikich CPA LLC” (herein referred to as “Sikich”).

² Four of the seven complaints sampled resulted in inspections. These 4 inspections were not included in the 81 sampled inspections.

³ DOLI identified the 7 sampled violations through 7 inspections that were not included in the 81 sampled inspections we sampled.

⁴ The sampled inspection certificates, violations, and outstanding invoices under the BPV Safety Program related to 75 different objects.

PERFORMANCE AUDIT RESULTS

Our performance audit of DOLI identified weaknesses in DOLI's administration of its VOSH and BPV Safety Programs. Specifically, DOLI does not have sufficient resources to effectively administer the BPV Safety Program. Further, DOLI did not always ensure that it—or the inspectors it partnered with—complied with all Code of Virginia requirements and DOLI policies. Additionally, DOLI did not always ensure that the statistical information it included in its annual reports was consistent with the data recorded in its information systems, or that the data recorded in its information systems were reconcilable and consistent with supporting documentation. We made 16 recommendations for DOLI related to resolving the deficiencies and ensuring that DOLI strengthens its administrative and management policies and procedures and internal controls for the VOSH and BPV Safety Programs. We communicated our audit results and the related findings and recommendations to DOLI and VA OSIG. We included DOLI's response to this report, in its entirety, in [Appendix A](#).

We describe each finding in the following [Audit Findings](#) section.

AUDIT FINDINGS

Finding 1: BPV Safety Program Resource Deficiency

The BPV Safety Program has experienced chronic resource shortages that have impaired its ability to deliver services effectively and ensure program success. Key areas impacted by these deficiencies include staffing levels and available funding. For example, the BPV Safety Program has been affected by high turnover and has been operating with 40 to 50 percent vacancies. Further, state funding constraints have limited DOLI's capacity to scale or increase resources, such as updating its BPV Safety Program FOM, implementing a quality assurance program, improving its information system, or hiring additional personnel.⁵

Budget constraints stem from reductions to state funding for this program that occurred prior to our audit. The state has not increased the BPV Safety Program's budget, resulting in insufficient resources for key activities. DOLI's current budget for employee salaries does not allow it to be competitive in hiring and retaining talented personnel. Further, DOLI has not been able to update the BPV Safety Program's technological infrastructure to keep up with the increasing volume of inspections and to enable DOLI to efficiently record and pull historic data. In addition to the insufficient staffing and funding levels, in response to the Coronavirus Disease 2019 (COVID-19) pandemic, DOLI was tasked with creating a COVID-19 standard for workplaces in Virginia. This required DOLI to reassign personnel from their regular duties to assist with developing the standard in a short timeframe, which postponed the BPV Safety Program's normal day-to-day operations. Although this effort took place prior to our audit period, DOLI personnel noted that activities that occurred within our audit period were impacted by the residual effects of this effort.

⁵ According to Code of Virginia § 40.1-51.6, "The Safety and Health Codes Board is authorized to promulgate rules and regulations to guide the interpretation and application of the Boiler and Pressure Vessel Safety Act. Through the BPV Program, DOLI preserves employee and public safety by inspecting boiler and pressure vessels to determine whether they comply with rules and regulations, technical requirements, and national standards."

Staffing shortages have resulted in key positions being left vacant or filled by temporary personnel. This has also resulted in increased workloads for existing employees and gaps in knowledge or expertise. Although DOLI is currently in the process of updating its BPV Safety Program FOM and developing a quality assurance program for inspections performed by insurance companies and contract fee inspectors, these updates have been delayed due to the number of tasks assigned to DOLI's current employees and the higher priority of other BPV Safety Program activities aimed at ensuring human safety. Further, DOLI has not yet been able to transition to a new information system that is more consistent with its current processes. For example, although JO aids in the process of issuing invoices and second notices for invoices that are unpaid, we found that DOLI did not issue 18 of the second notices that we reviewed during fieldwork until more than 60 days after it had issued the initial invoice. Although there are no criteria that identify the timeframe in which DOLI is required to collect payment, without automated or other sufficient controls to address unpaid invoices, DOLI risks not recovering revenue it should be generating for the BPV Safety Program. These issues have impacted DOLI's ability to effectively administer the BPV Safety Program and achieve its goals. These issues may have also contributed to the instances of non-compliance and inaccurate or missing data identified in **Findings 2 and 4** below.

We recommend that DOLI:

1. Support its Commissioner in coordinating with entities such as the Department of Planning and Budget and the General Assembly, as necessary, to develop a BPV Safety Program budget strategy to cover personnel, DOLI's information system modernization efforts, and other necessary resources.
2. Conduct a salary study to ensure competitive salary structures as part of its continued efforts to hire qualified personnel to fill vacant BPV Safety Division positions.
3. Continue to update its BPV Safety Program FOM to ensure the FOM is consistent with current laws, regulations, best practices, and DOLI processes.
4. Continue to develop, and subsequently implement, its quality assurance program to ensure that insurance companies and contract fee inspectors perform and document inspections consistent with applicable standards, best practices, and DOLI expectations.

Department of Labor and Industry Response: DOLI agreed with this finding, noting that resource constraints have hindered its effort to reform the BPV Safety Program and that it is trying to maximize its current resources to operate the program. Further, DOLI communicated its three-step approach to improving the BPV Safety program, including (1) enhancing organizational capabilities, (2) updating its BPV Safety Program Field Operations Manual (FOM) and developing infrastructure, and (3) modernizing its business practices and information systems.

Auditors' Additional Comments: Our position regarding this finding has not changed.

Finding 2: Non-Compliance with Code of Virginia BPV Safety Regulations

DOLI did not always comply with Code of Virginia requirements for assessing penalties and completing inspections timely. Specifically, we noted 102 instances in which inspectors reported violations but DOLI did not assess any penalties, inspectors did not submit inspection reports within 30 days of the inspection, DOLI did not perform external biennial inspections, DOLI did not complete inspections before organizations installed BPVs, organizations did not obtain annual internal inspections, or organizations did not obtain annual internal and/or external inspections.

2a. Penalties Not Assessed for BPV Violations

For all 30 sampled violations, DOLI did not assess any penalty fees for objects operating without a valid inspection certificate after it had noted a violation, as required by the Code of Virginia (see Table 1).⁶

Table 1: Penalties Not Assessed for BPV Violations

VA Object Number	Violation Date
VA008438	12/15/2021
VA008449	10/31/2023
VA065791	08/23/2022
VA076038	11/07/2023
VA135672	07/05/2022
VA157967	09/02/2020
VA162135	06/22/2023
VA175960	10/12/2022
VA196623	06/16/2022
VA198934	10/31/2023
VA199136	08/16/2022
VA199503	06/22/2022
VA207491	07/15/2022
VA207664	06/15/2022
VA221954	11/01/2023
VA223507	06/20/2022
VA223542	06/03/2022
VA227276	06/20/2022
VA227950	08/17/2022
VA233086	05/09/2022
VA233102	05/25/2022
VA233109	06/14/2022
VA233123	07/05/2022

⁶ According to the Code of Virginia § 40.1-51.12. *Violation for operating boiler or pressure vessel without inspection certificate; civil penalty, A.*, “After twelve months following July 1, 1972, it shall be unlawful for any person, firm, partnership, or corporation to operate in this Commonwealth a boiler or pressure vessel without a valid inspection certificate. Any owner, user, operator or agent of any such person who actually operates or is responsible for operating such boiler or pressure vessel thereof who operates a boiler or pressure vessel without such inspection certificate, or at a pressure exceeding that specified in such inspection certificate shall be in violation of this section and subject to a civil penalty not to exceed \$100. Each day of such violation shall be deemed a separate offense.”

VA Object Number	Violation Date
VA234697	08/16/2022
VA234752	07/29/2022
VA234756	08/03/2022
VA234942	01/18/2023
VA235249	04/26/2023
VA235532	09/26/2022
VA235645	02/27/2023

2b. Inspection Reports Not Submitted Within 30 Days of Inspection

For 26 inspection reports associated with 22 sampled violations, 3 sampled inspection certificates, and 1 sampled outstanding invoice the inspector did not submit an inspection report within 30 days of the inspection, as required by the Code of Virginia (see Table 2).⁷

Table 2: BPV Inspection Reports Not Submitted Timely

VA Object Number	Inspection Date	Submission Date	Inspection Identified a Violation
VA008438	12/15/2021	12/13/2022	X
VA141358	08/25/2023	01/23/2024	
VA157967	09/02/2020	11/14/2022	X
VA162135	06/22/2023	10/18/2023	X
VA175960	10/12/2022	07/26/2023	X
VA185016	05/18/2023	06/21/2023	
VA196623	06/16/2022	08/04/2022	X
VA199136	08/16/2022	04/06/2023	X
VA199503	06/22/2022	07/25/2022	X
VA207664	06/15/2022	08/02/2022	X
VA223507	06/20/2022	07/28/2022	X
VA223542	06/03/2022	07/27/2022	X
VA227276	06/20/2022	08/01/2022	X
VA227950	08/17/2022	11/13/2023	X
VA230113	10/20/2022	12/22/2022	
VA233086	05/09/2022	12/06/2023	X
VA233102	05/25/2022	07/07/2022	X
VA233109	06/14/2022	12/21/2023	X
VA233123	07/05/2022	11/28/2023	X
VA234697	08/16/2022	08/02/2023	X
VA234752	07/29/2022	07/27/2023	X
VA234756	08/03/2022	08/11/2023	X
VA234942	01/18/2023	11/16/2023	X
VA235532	09/26/2022	11/27/2023	X
VA235645	02/27/2023	11/16/2023	X
VA235686	10/13/2022	12/28/2022	

⁷ According to Code of Virginia 16VAC25-50-90. *Inspection Reports to Be Submitted by Special Inspectors, C.*, “inspection reports shall be submitted within 30 days from [the] date of inspection.”

2c. BPV External Biennial Inspections Not Completed

For 22 objects related to 17 sampled violations, 3 sampled inspection certificates, and 2 sampled outstanding invoices, DOLI and its contracted inspectors did not perform an external biennial inspection for the objects and therefore did not appropriately issue a certificate, as required by the Code of Virginia (see Table 3).⁸

Table 3: BPV External Biennial Inspections Not Completed

VA Object Number	Year(s) Without Certification
VA076038*	2023
VA088353	2023
VA135672*	2022
VA141358	2021 ⁹
VA162135	2023
VA175960	2022
VA196623*	2021 – 2022 ¹⁰
VA198934	2023
VA199136	2019 – 2020 ¹¹
VA199503*	2022
VA207664	2020 – 2021 ¹²
VA211978	2022
VA214613*	2021
VA221954	2023
VA223507*	2020 – 2022
VA223542	2022
VA227276*	2020 – 2022
VA227950	2023
VA233109	2019 – 2023 ¹³
VA235686	2020
VA008449*	2019 – 2023 ¹⁴
VA065791*	2019 – 2023 ¹⁵

⁸ According to Code of Virginia § 40.1-51.10. *Right of access to premises; certification and recertification; inspection requirements, C.3*, “Pressure vessels subject to internal corrosion shall receive a certificate inspection biennially.”

⁹ DOLI issued an inspection certificate for VA141358 in 2019 and again in 2023. DOLI indicated that this boiler was inactive from October 2020 through August 2023; however, it did not provide documentation to support this assertion.

¹⁰ DOLI issued an inspection certificate for VA196623 in 2020 and again in 2023. However, this object required a biennial certificate and DOLI therefore should have issued a certificate in 2021 or 2022, within the 2-year timeframe after the 2020 inspection.

¹¹ DOLI issued an inspection certificate for VA199136 in 2022. However, this object required a biennial certificate and DOLI therefore should have issued a certificate in 2018 or 2019, as well as in 2020.

¹² DOLI issued an inspection certificate for VA207664 in 2019 and again in 2022. However, this object required a biennial certificate and DOLI therefore should have issued a certificate in 2020 or 2021, within the 2-year timeframe after the 2019 inspection.

¹³ DOLI did not issue any external inspection certificates for VA233109 between 2018 and 2023.

¹⁴ DOLI did not issue any external inspection certificates for VA008449 between 2018 and 2023.

¹⁵ DOLI did not issue any external inspection certificates for VA065791 between 2018 and 2023.

*DOLI provided documentation to support that it performed at least one Non-Certificate External Inspection between 2019 and 2023; however, it did not inspect the object and issue a certificate in compliance with Code of Virginia requirements.

2d. BPV Objects Not Inspected Prior to Installation

For 15 objects related to 8 sampled violations, 4 sampled inspection certificates, and 3 sampled outstanding invoices, DOLI did not inspect the objects before the organization installed the objects and/or began operating the objects, as required by the Code of Virginia (see Table 4).¹⁶

Table 4: BPV Objects Not Inspected Prior to Installation

VA Object Number	Year Installed	First Inspection Year
VA227950	2019	2020
VA228647	2019	2021
VA228665	2020	2021
VA230113	2021	2022
VA230334	2021	2022
VA230411	2020	2021
VA233102	2021	2022
VA233123	2021	2022
VA234756	2022	2023
VA234942	2023	N/A
VA235249	2023	2024
VA235532	2022	N/A
VA235645	2022	N/A
VA235686	2010	2022
VA237551	2022	2023

2e. Power Boiler Annual Internal Inspections Not Completed

For five objects related to two sampled inspection certificates, two sampled outstanding invoices, and one sampled violation, DOLI did not ensure that the organizations obtained their annual internal inspection for power boilers (i.e., high-pressure/high-temperature water boilers), as required by the Code of Virginia¹⁷ (see Table 5).

¹⁶ According to Code of Virginia, § 40.1-51.10. *Right of access to premises; certification and recertification; inspection requirements, B.*, “On and after January 1, 1973, no boiler or pressure vessel used or proposed to be used within this Commonwealth, except boilers or pressure vessels exempted by this chapter, shall be installed, operated or maintained unless it has been inspected by the Commissioner, his agents or special inspectors as to construction, installation and condition and shall be certified.”

¹⁷ According to Code of Virginia § 16VAC25-50-30. *Frequency of inspections of boilers and pressure vessels, A.*, “Power boilers and high-pressure, high-temperature water boilers shall receive an annual internal inspection for certification. Such boilers shall also receive, where possible, an annual external inspection, given while under representative operating conditions.”

Table 5: Power Boiler Annual Internal Inspections Not Completed

VA Object Number	Year(s) Without Certification
VA008438	2022
VA019528	2019 and 2021
VA102801	2020 and 2022
VA103852	2019 – 2023
VA141539	2019 – 2023

2f. Power Boiler Annual External Inspections Not Completed

For four objects related to two sampled outstanding invoices, one sampled inspection certificate, and one sampled violation, DOLI did not ensure that organizations obtained their annual external inspections for power boilers (i.e., high-pressure/high-temperature water boilers), as required by the Code of Virginia (see Table 6).

Table 6: Power Boiler Annual External Inspections Not Completed

VA Object Number	Year(s) Without Certification
VA008438	2019 – 2023
VA019528*	2019 – 2023
VA102801*	2019, 2021, and 2023
VA141539	2020 and 2022

*DOLI provided documentation to support that it performed at least one Non-Certificate External Inspection between 2019 and 2023; however, DOLI did not inspect the object and issue a certificate in compliance with Code of Virginia requirements.

DOLI did not have sufficient policies, procedures, or internal controls in place to ensure that it assessed and collected financial penalties for violations, verified that inspectors performed and documented inspections resulting in a certificate and provided the inspection reports to DOLI in a timely manner, and entered the correct time periods for inspection certificate requirements in JO. Additionally, DOLI did not become aware of new BPVs that organizations installed in the Commonwealth of Virginia until after it received notification from the equipment owner.

As a result, there is an increased risk that employees or members of the public may be exposed to objects that require operation or repair. DOLI uses the number of active registered BPVs and number of inspections as performance measures for the BPV Safety Program; as such, not having data that reflects all objects and inspections—or having data that it does not update timely—puts DOLI at risk of reporting incorrect statistics in its performance measures, negatively impacting its ability to appropriately assess whether the BPV Safety Program is successful.

We recommend that DOLI:

1. Develop and implement formal policies and procedures to assess and collect penalties for violations, consistent with the Code of Virginia, or coordinate with the Virginia General Assembly to update and/or remove the requirement to assess penalties for violations.

2. Develop and implement formal policies and procedures for ensuring that it, its contracted inspectors, and organizations operating BPVs initiate and complete inspections timely. These policies and procedures may include:
 - a. Creating a process for notifying the relevant parties when a BPV is approaching the due date for its biennial inspection and following up on inspection certificates that are past due.
 - b. Creating a process for notifying the relevant parties when a BPV is approaching the due date for its internal and/or external annual inspection and following up on inspection certificates that are past due.
 - c. Contacting the organizations housing the BPVs to determine whether an inspection is scheduled or has been conducted.
 - d. Issuing regular notices to each of the companies authorized to inspect BPVs in the Commonwealth of Virginia, notifying them of upcoming inspection deadlines and reminding them of the requirement to submit inspection reports in JO within 30 days.
3. Develop and implement a formal policy to document its new requirement for inspectors to submit their inspection reports bi-weekly. This policy should also require inspectors to submit inspection reports electronically, to reduce processing time.
4. Develop and implement a BPV permitting system or other formal mechanism that requires BPV owners and operators within Virginia to obtain an inspection and register any new BPVs prior to installation.

Department of Labor and Industry Response: DOLI did not agree or disagree with this finding. However, DOLI stated that it is in the process of re-establishing the BPV Safety program, which includes updating its BPV Safety Program FOM with current guidance on procedures and requirements for inspections, assessments, installations, notices, and penalties. Further, DOLI stated that it will develop a plan for communicating the updated guidance to inspectors in an effort to ensure compliance with applicable Code of Virginia requirements. However, DOLI noted that, if an entity is operating objects without a certificate, the owner/operator is the one in violation, and constant monitoring of these objects beyond DOLI's current notification practices is not feasible.

Auditors' Additional Comments: Our position regarding this finding has not changed. With regard to the objects in operation without a valid inspection certificate, although we recognize that responsibility for ensuring an object obtains an inspection certificate lies with the operator/owner, we also noted that DOLI did not assess penalties for organizations that were operating objects without a valid inspection certificate after DOLI noted a violation. We therefore maintain that DOLI should strengthen its processes and/or controls for assessing penalties when it becomes aware of objects that are not compliant prior to installation/operation.

Finding 3: Non-Compliance with DOLI's VOSH Field Operations Manual

DOLI did not always perform inspections within the appropriate timeframe, provide documentation to support that the organization completed abatement within the appropriate timeframe, issue a next-of kin letter, ensure the Regional Director approved case files, or maintain all necessary documentation within its case files, as required per DOLI's VOSH FOM.

3a. Inspections Not Performed Within Required Timeframe

For 2 of 81 sampled inspections, DOLI did not perform the inspection within five working days after determining inspections were required in response to serious complaints (see Table 7).¹⁸

Table 7: DOLI Inspections Not Performed Within Required Timeframe

Inspection No.	OIS Industry	Date Inspection Deemed Necessary	Date Inspection Performed	Working Days In Between
1654469	General Industry	02/01/2023	02/28/2023	18 days
1708140	General Industry	10/23/2023	11/03/2023	9 days

- For Inspection No. 1654469, DOLI received a serious complaint on January 19, 2023, and determined an inspection was necessary on February 1, 2023,¹⁹ but did not perform the inspection until February 28, 2023.
- For Inspection No. 1708140, DOLI received a serious complaint on October 20, 2023, and determined an inspection was necessary on October 23, 2023; however, it did not perform the inspection until November 3, 2023.

3b. Abatement Not Completed Within Required Timeframe

For 1 of 81 sampled inspections, DOLI did not ensure that one organization cited for a violation provided documentation to support that it had abated the violation by the abatement due date (see Table 8).²⁰

Table 8: DOLI Inspection Abatement Status

¹⁸ According to DOLI's VOSH FOM, Chapter 2, I.D, *Response Time to Signed Complaints*, "If a decision is made to inspect, the inspection shall take place as soon as possible, but no later than within five (5) working days for serious complaints."

¹⁹ Although the case file documentation supported DOLI initially identified an inspection was necessary on January 1, 2023, it requested that the organization provide additional documentation by February 1, 2023, so that DOLI could make its final determination.

²⁰ According to DOLI's VOSH FOM, Chapter 14, I.B, *Petitions for Modification of Abatement (PMA) Date – Extension of Abatement Time – 1. Filing Date, (1)(a)(b).*, "If the employer requests additional time after the 15 working-day contest period has passed, a written petition for extension of abatement time must be mailed to, or received by, the Regional Safety or Health Director who issued the citation no later than the close of business on the date which abatement was originally required. If a request is submitted orally, the employer shall be informed that VOSH cannot accept an oral request and that a written petition must be mailed by the end of the next working day after the abatement date. A late petition may be accepted only if accompanied by the employer's statement of exceptional circumstances explaining the delay."

Inspection No.	OIS Industry	Date Inspection Performed	Abatement Due Date	OIS Abatement Status
1642078	Manufacturing	01/06/2023	07/13/2023	Abatement Pending

DOLI performed VOSH Inspection No. 1642078 on January 6, 2023, and cited a violation. The employer informed DOLI of its plans for abating the violation by the July 13, 2023, abatement due date; however, it did not provide documentation to support it completed the abatement and did not request an extension for the abatement. While we were conducting our audit, DOLI confirmed that the employer had not yet completed the abatement.

3c. Failure to Send Next-of-Kin Letter Outlining Results of Inspection

Of the 81 inspections sampled, 2 related to fatalities, and DOLI did not send a next-of-kin letter outlining the citations it issued as a result of one workplace fatality inspection (see Table 9).²¹

Table 9: Inspection Requiring a Next-of-Kin Letter²²

Inspection No.	OIS Industry	Date Inspection Performed
1662914	General Industry	04/12/2023

3d. Case File Not Reviewed by Regional Director

Of the seven sampled complaints, for one complaint that resulted in an inspection DOLI did not ensure that the Regional Director reviewed one case file. Specifically, for referral UPA No. R-1954147, DOLI provided documentation to support that the Lead Safety Compliance Officer reviewed the case file documentation after personnel had compiled the referral case file support but did not provide documentation to support that the Regional Director reviewed the case file support (see Table 10).²³

²¹ According to DOLI's VOSH FOM, Chapter 7, I.C, (5)(e), *Victim's Next of Kin, Copy of Citations*, "When a decision is made to issue citations, a letter shall be sent to the next of kin by the Regional Safety or Health Director informing them of the fact of citation issuance. The letter shall provide the name, address, phone number and email address of the VOSH FOIA Coordinator for the family member to contact to request a copy of the citation."

²² Observations FY 2022-OB-01 and FY 2021-OB-01 in the FY 2022 and FY 2021 FAME Reports for the VOSH Program noted that case files for work-related fatalities did not contain documentation supporting that DOLI had sent the final next-of-kin letter identifying how to obtain the inspection file and results.

²³ According to DOLI's VOSH FOM, Chapter 9, I.C, *Case File Review and Processing*, "The Regional Safety or Health Director is responsible for assigning and monitoring all case inspection/investigations. The Regional Safety or Health Director shall review the work of all assigned Compliance Officers to ensure that proper investigative techniques are being utilized, that proper evidence and documentation are gathered, that all findings and conclusions are substantiated, that the narratives are properly written, and that the case files are finalized in a timely manner to avoid a conflict with the statute of limitations."

Table 10: Inspection Case File Requiring Review by Regional Director

Inspection No.	OIS Industry	DOLI Program
R-1954147	General Industry	VOSH

3e. Insufficient Case File Documentation

For 2 of 81 sampled inspections and 1 of 7 sampled violations, DOLI did not maintain documentation in its case files to support the removal of violations, completion of abatements, and notification of fatalities (see Table 11).

Table 11: Insufficient Case File Documentation

Inspection No.	OIS Industry	Date Inspection Performed
1644474	Manufacturing	01/13/2023
1649919	Construction	02/10/2023
1662914	General Industry	04/12/2023

- DOLI performed Inspection No. 1644474 and cited a violation because the employer did not comply with OSHA standards. Although the employer presented a defense and DOLI ultimately removed the violation from the case file, DOLI did not maintain documentation to support why it had deleted the citation.²⁴
- DOLI performed Inspection No. 1649919 and cited a violation. Although DOLI confirmed that the organization had completed the abatement, DOLI did not maintain documentation within its case file to support that the organization had completed the abatement.²⁵
- DOLI performed Inspection No. 1662914 in response to a workplace fatality but did not maintain documentation to support that it had informed the Commissioner of the fatality.²⁶

DOLI did not have sufficient procedures or internal controls in place to ensure compliance with its VOSH FOM requirements. Specifically:

- With regard to the untimely inspections, DOLI's case file documentation did not always identify the date DOLI determined the inspection was necessary, or DOLI did not have personnel available to evaluate the validity of the complaint to determine whether an inspection was required.

²⁴ According to DOLI's VOSH FOM, Chapter 14, I.A, (5)(b), *Decisions*, "Changes to citations, penalties, or abatement dates normally shall be made by a means of an informal settlement agreement in accordance with current VOSH procedures. The reasons for such changes shall be documented in the case file."

²⁵ According to DOLI's VOSH FOM, Chapter 5, VI.H, (3), *Abatement Documentation*, "The employer's physical proof of abatement, referred to as abatement documentation, is required to be submitted along with each willful, repeat and designated serious violation."

²⁶ According to DOLI's VOSH FOM, Chapter 7, I.A, (5)(a), *Informing Headquarters Personnel*, "The Program Director shall inform the Commissioner of the fatality and provide all pertinent information. Such notification shall be immediate in any case where significant publicity or atypical circumstances may be present."

- With regard to the untimely abatement, although DOLI maintained documentation to support why one organization did not abate a violation, it did not have procedures or controls in place requiring it to verify that the organization requested an extension of the abatement.
- With regard to the next-of-kin letter, DOLI did not provide a specific reason for why it did not send the letter.
- With regard to the inspection case file that the Regional Director did not review, as required by the FOM, DOLI indicated that it had not updated the VOSH FOM to reflect its current procedures, which permit the Lead Safety Officer to review the case file documentation.
- Regarding the insufficient case file documentation, DOLI's case file compilation and review procedures did not ensure it maintained documentation in the case files to support the reason DOLI removed a violation, whether an employer had completed abatement, or whether DOLI had notified the Commissioner of a fatality.

DOLI's noncompliance with its VOSH FOM may jeopardize VOSH Program objectives. Specifically:

- With regard to untimely inspection and abatement, not performing timely inspections or verifying timely abatement poses a risk that employees may be exposed to hazardous working conditions that could result in serious injury.
- With regard to the next-of-kin letter, not providing this letter indicates noncompliance with DOLI's VOSH FOM and federal OSHA standards, and it may prevent relatives of workplace fatality victims from becoming aware of the inspection results and final resolution of a case.
- With regard to the case file review, if the appropriate DOLI personnel do not approve case file documentation, there is a risk that the case file will not be consistent with DOLI's quality standards or will not contain all required elements, which could indicate that personnel did not complete the inspection correctly, or that follow-up is necessary.
- With regard to supporting documentation for case files, without maintaining documentation to support the reason behind its decisions, or to support that an action actually occurred, DOLI risks being unable to verify and/or demonstrate that its decision to remove a violation was justified, or that abatement and notification occurred in compliance with laws, regulations, and DOLI's internal policies.

We recommend that DOLI:

1. Strengthen its current policies and procedures or controls for reviewing complaints to ensure it performs inspections within five working days after determining an inspection is required in response to a serious complaint. These procedures or controls may include:

- a. Standardizing the documentation of dates in both the case files and OIS, including the date on which DOLI received the complaint, the date DOLI personnel determined an inspection was required, and the date DOLI or its partners performed the inspection, and how to notify relevant parties of these dates.
 - b. Training multiple employees on complaint review requirements to ensure DOLI has sufficient resources for reviewing complaints, determining whether inspections are required timely, and following up to ensure inspections take place within the required timeframe.
2. Strengthen its current procedures or controls for reviewing abatement due dates and documentation to ensure that organizations cited for violations either complete abatement within the appropriate timeframe or file a written petition.
3. Strengthen its procedures or controls over the compilation and review of workplace fatality inspection case files to ensure it sends next-of-kin letters and maintains them in the case file, or that it documents a justification for why it did not send a next-of-kin letter, if applicable.
4. Update its VOSH FOM to align with its current case file approval practices. This should include identifying the specific job titles of individuals permitted to review and approve case file documentation.
5. Strengthen its current procedures or develop new procedures or other guidance for DOLI personnel compiling and reviewing case file documentation to ensure that personnel maintain appropriate documentation within the case file to support compliance with VOSH FOM requirements. These procedures or controls may include:
 - a. Updating DOLI's standard forms to identify the type(s) of case file documentation necessary to support DOLI's decision to remove a violation, violation abatement, and Commissioner notification for workplace fatalities.
 - b. Providing training to DOLI personnel to reiterate expectations for ensuring that case files contain documentation to support DOLI's compliance with its policies and procedures.

Department of Labor and Industry Response: DOLI did not agree or disagree with this finding. However, DOLI noted it will update its VOSH FOM to clarify and align procedures that provide controls for processing complaints, abatement documentation, and next-of-kin notification, and will provide mandatory training on these requirements to VOSH Program personnel.

Auditors' Additional Comments: Our position regarding this finding has not changed.

Finding 4: Inaccurate and/or Insufficient Information System Data

DOLI did not always ensure that the data it recorded in JO for the BPV Safety Program and in OIS for the VOSH Program was accurate, complete, and/or consistent with the supporting documentation.

4a. BPV Safety Program: Inaccurate Object Data in JO

For 2 of 30 sampled BPV violations and 1 of 25 sampled BPV inspection certificates, DOLI did not record the correct installation, built, and/or certification date in JO (see Table 12).

Table 12: BPV Safety Program – Inaccurate Object Data in JO

VA Object Number²⁷	Correct Installation Year	Installation Year per the JO System	Correct Built Year	Built Year per the JO System	Correct Certificate Duration	Certificate Duration per the JO System
VA141539	2001	2001	2001	2001	12 Months	24 Months
VA234942	2023	2099	2002	2002	24 Months	24 Months
VA235532	2022	2099	1974	1900	24 Months	24 Months

- VA141539 is a power boiler, or a high-pressure/high-temperature water boiler with a Maximum Allowable Working Pressure (MAWP) of 250. The object comments in JO note that this boiler should be inspected every year, consistent with the requirements for a boiler with a MAWP exceeding 160; however, the certificate duration lists 24 months, rather than 12.²⁸
- For VA234942, a boiler, DOLI personnel inadvertently entered an installation date of 2099 in JO, rather than the correct date of 2023.²⁹
- For VA235532, a pressure vessel, DOLI personnel inadvertently entered a built date of 1900 and an installation date of 2099 in JO, rather than the correct dates of 1974 and 2022, respectively.

²⁷ DOLI uses a VA Object Number to identify each boiler and pressure vessel in the Commonwealth.

²⁸ According to the Code of Virginia, § 40.1-51.10. *Right of access to premises; certification and recertification; inspection requirement, C.*, “Recertification shall be required as follows: Power boilers and high pressure, high temperature water boilers shall receive a certificate inspection annually and shall also be externally inspected annually while under pressure if possible.”

²⁹ According to Code of Virginia, § 40.1-51.10. *Right of access to premises; certification and recertification; inspection requirements, B.*, “On and after January 1, 1973, no boiler or pressure vessel used or proposed to be used within this Commonwealth, except boilers or pressure vessels exempted by this chapter, shall be installed, operated or maintained unless it has been inspected by the Commissioner, his agents or special inspectors as to construction, installation and condition and shall be certified.”

4b. BPV Safety Program: Insufficient Inspection Data in JO

For 1 of 25 sampled BPV outstanding invoices, DOLI personnel inadvertently deleted the boiler inspection data from JO (see Table 13).³⁰

Table 13: BPV Safety Program – Insufficient Inspection Data in JO

VA Object Number	Inspection Conducted	Certificate Issued
VA141358	August 2023	August 2023

4c. VOSH Program: Inaccurate NAICS Codes in OIS

For 4 of 81 sampled VOSH inspections, DOLI recorded the wrong North American Industry Classification System (NAICS) code in OIS (see Table 14).³¹

Table 14: VOSH Program – Inaccurate NAICS Codes

Inspection No.	OIS Industry	Case File Industry
1613851	Agriculture	Manufacturing
1637665	General Industry	Manufacturing
1639721	General Industry	Construction
1644243	General Industry	Manufacturing

- DOLI coded Inspection No. 1613851 in OIS using a NAICS code for the agriculture industry. However, based on the case file documentation, DOLI should have used a manufacturing NAICS code for this inspection.
- DOLI coded Inspection No. 1637665 in OIS using a NAICS code for general industry. However, based on the case file documentation, DOLI should have used a manufacturing NAICS code for this inspection.
- DOLI coded Inspection No. 1639721 in OIS using a NAICS code for general industry. However, based on the case file documentation, DOLI should have used a construction NAICS code for this inspection.

³⁰ According to Code of Virginia, § 40.1-51.10:1. *Issuance of certificates; charges*, “The Commissioner may designate special inspectors and contract fee inspectors to issue inspection certificates for boilers and pressure vessels they have inspected. If no defects are found or when the boiler or pressure vessel has been corrected in accordance with the regulations, the designated special inspector or contract fee inspector shall issue a certificate.”

³¹ Code of Virginia 16VAC-25-60-120 through 16VAC-25-60-160 and DOLI’s VOSH Program Administrative Regulation Manual (ARM) Part III, Sections 120 through 160, identify the different standards for general industry, construction industry, agriculture industry, and maritime, as well as for organizations where general, construction, and agriculture standards do not apply or do not exist. Further, an organization’s NAICS code indicates which set of occupational health and safety standards the organization is required to follow, which is relevant to DOLI’s evaluation of whether the organization complied with the appropriate standards.

- DOLI coded Inspection No. 1644243 in OIS using a NAICS code for general industry. However, based on the case file documentation, DOLI should have used a manufacturing NAICS code for this inspection.

4d. VOSH Program: Inaccurate Abatement Status in OIS

For 2 of 81 sampled VOSH inspections, DOLI did not update OIS to reflect the correct abatement status (see Table 15).

Table 15: VOSH Program – Inaccurate Abatement Status

Inspection No.	OIS Industry Code	OIS Abatement Status	Case File Abatement Status
1628327	Construction	Not Completed – Worksite Changed	Not Completed – Employer Out of Business
1673301	Construction	Not Completed – AD Discretion	Corrected During Inspection

- As part of Inspection No. 1628327, DOLI cited a violation because the employer did not comply with OSHA standards. The OIS abatement status was “Not Completed - Worksite Changed.” Because the employer provided abatement documentation to support that it went out of business on October 31, 2022, the OIS abatement status should have been “Not Completed - Employer Out of Business.”³²
- As part of Inspection No. 1673301, DOLI cited a violation because the employer did not comply with OSHA standards. The OIS abatement status was “Not Completed - AD Discretion.” Because the employer provided abatement documentation to support that it corrected the violation during the inspection, the OIS abatement status should have been “Corrected During Inspection.”³³

DOLI did not have sufficient policies, procedures, or internal controls in place to ensure that it appropriately updated its online databases, so the data was accurate and consistent with its internal supporting documentation. Specifically, for the BPV Safety Program, DOLI personnel incorrectly entered some BPV data and removed other data from JO as a result of human error. For the VOSH Program, DOLI populated the NAICS codes based on the code associated with the company’s business registration. DOLI stated that if it obtains information indicating that the code used is incorrect, it may recommend that the company change the NAICS code on its registration; however, it does not always update this data in OIS. Further, when compiling the case files and entering data in OIS, the Regional Officer did not ensure the abatement status that it recorded in OIS was consistent with the status reported in the case file documentation.

³² According to DOLI’s VOSH FOM Chapter 5, II.F.3, *Requirement to Comply*, “An employer must comply with Title 40.1 of the Code of Virginia until the day the business actually ceases to operate.”

³³ According to DOLI’s VOSH FOM Chapter 5, VI.H.2, *Corrected During Inspection*, “Compliance Officers shall document on-site abatement action in the case file narrative and/or appropriate VOSH 1-B form. Further, according to VOSH FOM Chapter 13, I.C., *Verification of abatement*, “3. Employers are not required to certify abatement for violations that they promptly abate during the on-site portion of the inspection and whose abatement the Compliance Officer observes. Observed abatement will be documented in OIS for each violation, as well as on the citation.”

As a result of this issue, the data recorded in the information systems DOLI uses to manage its BPV Safety and VOSH Programs did not always accurately reflect current, consistent data for objects, inspections, and the status of violation abatements. These inconsistencies could cause DOLI to report inaccurate data in its annual reports, other public-facing sources, and performance measures that it utilizes to evaluate the success of its programs. They could also cause DOLI to not complete inspections or issue certificates within required timeframes; not perform inspection steps that may be required based on the organization's industry type or cite violations using the wrong standards; or not appropriately follow up on employer abatement actions, thereby leaving employees at risk.

We recommend that DOLI:

1. Update its current procedures or develop new procedures or controls for inputting data into the information systems it uses for the BPV Safety and VOSH Programs to ensure the data are accurate and consistent with the supporting documentation. These procedures or controls may include:
 - a. Ensuring that the historic data in JO matches the information in each BPV inspection report when uploading the inspection report.
 - b. Verifying that inspectors enter and save all prior inspection reports in JO and that the reports remain available after inspectors add a new inspection report to JO.
 - c. Providing detailed guidance to assist DOLI personnel in populating, reviewing, and approving the appropriate NAICS code in OIS, including documenting expectations for updating the NAICS code when corrections are required.
 - d. Defining standard abatement status labels, including identifying the situations in which to use each label to differentiate between inspections that do not require abatement, violations that the organization abated during inspection, and violations that DOLI has removed due to informal settlement agreement discussions or other reasons.

Department of Labor and Industry Response: DOLI did not agree or disagree with this finding. However, with regard to the BPV Safety Program, DOLI noted it is developing a requirement and will provide training to BPV Safety Program staff and inspectors on submitting inspection data in JO. DOLI will also perform quarterly audits to ensure the accuracy of its data and will modernize its information system by transitioning from JO to JO Plus. With regard to the VOSH Program, DOLI noted it uses the federally owned and operated OIS. Although DOLI disagreed that the instances of inaccurate NAICS codes represent a finding as it is common for the NAICS code to change during an inspection, DOLI stated it will update its processes, retrain VOSH Program staff on NAICS code usage, and conduct quality assurance regarding NAICS codes identified in case files. DOLI will also retrain personnel on the appropriate use of abatement status codes.

Auditors' Additional Comments: Our position regarding this finding has not changed.

Finding 5: VOSH Program Data Reconciliation Issues

DOLI did not always ensure that the data from OIS, the information system it uses for the VOSH Program, was consistent with the statistics DOLI publicly reported, or that data within different OIS datasets was reconcilable.

5a. Statistical Information in DOLI's Annual Report Did Not Reconcile to Its System Data

The number of VOSH Program inspections DOLI reported in its State Fiscal Year (FY) 2023 Annual Report did not reconcile to the number of inspections DOLI reported in the OIS data it provided for the audit,³⁴ as illustrated in Table 16.

Table 16: DOLI's System Data Does Not Reconcile to Information in Annual Report

State FY 2023 Inspections per OIS Data DOLI Provided	State FY 2023 Inspections per DOLI's Annual Report	Variance
1,756	1,688	68

5b. DOLI's OIS Complaint and Inspection Datasets Did Not Reconcile

The complaint data in the OIS records that DOLI provided did not reconcile to the complaint information included in the inspection data that DOLI provided. Specifically, DOLI provided a dataset to support inspections performed during our audit period of July 1, 2022, through December 31, 2023 (inspection dataset), as well as a dataset to support complaints, referrals, and workplace fatality notices received during our audit period (complaint dataset). When reconciling these two datasets, we identified the following discrepancies:

- The number of complaints, referrals, and workplace fatalities that resulted in an inspection per the complaint dataset did not reconcile to the number of inspections performed in response to complaints, referrals, and workplace fatalities per the inspection dataset.
 - The inspection dataset included 17 inspections DOLI performed in response to complaints, referrals, or fatalities that were not included in the complaint dataset.
 - The complaint dataset included 208 instances in which complaints received had a related inspection number that was not included in the inspection dataset.
- DOLI uses Unprogrammed Activity (UPA) numbers to track unprogrammed activities such as complaints and referrals, consistent with OSHA instructions. However, we noted that the inspection dataset included 923 inspections with the inspection type “complaint” or “referral” that did not contain a UPA number in the UPA number field.³⁵ As a result, although both the inspection data and complaint data included a field for the UPA number,

³⁴ According to Code of Virginia § 40.1-4.1. *Annual report*, DOLI “must submit an annual report to the Governor and General Assembly which contains statistical information derived from its programs and activities.”

³⁵ Observation FY 2023-OB-01 in the FY 2023 Comprehensive Federal Annual Monitoring Evaluation (FAME) Report for the VOSH Program noted instances in which DOLI did not code inspections initiated in response to a complaint or referral as UPA.

because the UPA field was blank for some inspections performed in response to complaints and referrals, we were unable to use that field to reconcile the datasets.

DOLI did not have sufficient controls in place to ensure that the statistical information in its annual reports was consistent with the number of inspections reported in its information system data, or that the datasets in OIS reconcile to each other. Specifically, with regard to the variance between the annual report and the OIS data, although DOLI personnel did not identify a specific reason for the variance, they stated that it could be the result of timing differences, if personnel entered additional information for the reporting period into OIS after the cutoff point for the annual report. With regard to the variance between the complaint dataset and inspection dataset, DOLI personnel stated that it could also be the result of timing differences (e.g., when personnel marked inspections performed in response to complaints, referrals, or fatalities), or it could be the result of the manner in which individuals must manipulate the data to make the datasets comparable. For example, because each inspection number is identified as a separate line item in the inspection dataset but multiple inspection numbers associated with a complaint, referral, or fatality are identified within a single line item in the complaint dataset, individuals reviewing the complaint data must manipulate the data to separate out the related inspection numbers before comparing the complaint data to the inspection data.

The number of inspections that DOLI reported in its public-facing annual report was not consistent with the number of inspections that DOLI reported in its information system. Further, DOLI was unable to demonstrate that it appropriately recorded complaints—and inspections performed in response to complaints—in OIS. Without controls in place to ensure the numbers included in its annual reports are supported by its records—and that these records reconcile to each other—DOLI risks reporting inaccurate information for the VOSH Program. It could also cause DOLI to use incomplete or inaccurate data when updating the performance indicators it uses to measure the success of the VOSH Program, such as the number of safety or health inspections performed and the average number of workdays it takes to initiate an inspection in response to a complaint.

We recommend that DOLI:

1. Develop and implement formal policies and procedures or controls for ensuring that the statistical information it includes in its annual reports reconciles to the data in its information system. These policies, procedures, or controls could include:
 - a. Defining the query parameters that personnel should follow when pulling the data used to develop the statistical information in public-facing reports, including identifying who is responsible for pulling the data and documenting that the data reconciles properly.
 - b. Identifying document retention requirements for the data and reconciliations to ensure DOLI can support the statistical information it reports.
 - c. Providing training and/or guidance to DOLI staff responsible for pulling the data and performing reconciliations to ensure the data reconciles before DOLI publishes the data in its annual reports.

2. Develop and implement formal procedures or controls for data entry and validation to ensure that data is accurate and consistent across entries. These procedures or controls may include:
 - a. Developing guidance regarding how to populate data in each OIS field for complaints and inspections and how to update the fields when it is necessary to make changes to the complaint or inspection, such as when DOLI completes an inspection in response to a complaint.
 - b. Requiring that DOLI personnel periodically reconcile datasets that contain related information, such as (1) complaints and (2) inspections performed in response to complaints and investigate or escalate discrepancies identified to ensure that DOLI updates and/or corrects the entries, as applicable. Procedures should address reconciliation steps and frequency.

Department of Labor and Industry Response: DOLI did not agree or disagree with this finding. However, DOLI noted that its Business Operations Coordinator for Regulatory Programs and Communications Manager will be responsible for ensuring that personnel reconcile the data used for reports prior to public release. DOLI will also add a footnote to public-facing reports regarding the date the data was pulled from OIS as the data may change after the query date due to continuous updates made as information becomes available. Further, DOLI will provide guidance and training on how to populate and edit complaint and inspection data in OIS, and regional directors will review case files for discrepancies.

Auditors' Additional Comments: Our position regarding this finding has not changed.

Sikich CPA LLC

December 20, 2024

APPENDIX A: DOLI'S RESPONSE



COMMONWEALTH of VIRGINIA
DEPARTMENT OF LABOR AND INDUSTRY

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December 18, 2024

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Ms. Meredith,

The Virginia Department of Labor and Industry (DOLI) is in receipt of the recent audit report issued by Virginia Office of the State Inspector General (OSIG), which outlines several findings and opportunities for improvement within the Virginia Department of Labor and Industry (DOLI).

First, we would like to thank the team at Sikich for their thorough assessment of DOLI operations and for the detailed report. We appreciate the opportunity to review the findings of the performance audit and implement improvements as necessary.

As discussed in our first meeting with the OSIG/Sikich teams, DOLI was already committed to organizational transformation and was working through critical opportunities related to organizational capability such as broad program vacancies and compressed salaries. On September 7, 2023, Gary G. Pan, Commissioner of DOLI, shared three key strategic initiatives with the Agency: (1) strengthening external-facing engagement and capabilities, (2) transitioning to a more cohesive team, and (3) improving operations through better processes, systems, and technologies. These strategic initiatives were already being implemented as Agency staff evaluated areas for continued improvement. We share this context as it overlays areas covered by this audit.

In response to this audit and its observations, we have developed an action plan to address the identified areas of improvement.

Finding 1: BPV Safety Program Resource Deficiency

First and foremost, DOLI agrees with Sikich's statement that "DOLI does not have sufficient resources to effectively administer the BPV Safety Program". DOLI had initiated efforts to reform the Boiler and Pressure Vessel Safety program however resource constraints have dampened the effects and timing of those efforts. It is important to note however that the program continues to perform critical functions even with minimal resources. DOLI acknowledged, in agreement with Sikich's later finding, that the program is underfunded and lacks adequate resources to fully carry out its requirements.

Although resources for the program are scarce, DOLI has and continues to make strides in maximizing the resources currently available to operate the program in order to assure the safe installation, repair, and operation of boilers and pressure vessels throughout the Commonwealth. Just prior to OSIG initiating this program audit, DOLI had assessed the program and was integrating (and continues) its vision to improve the program through the implementation of three strategic program initiatives: enhancing organizational capabilities, developing infrastructure, and modernizing business practices. This program's status and the vision to rebuild this division were shared with Sikich at the beginning of the audit.

Organizational Capability

DOLI's first strategic program initiative, in coordination with improving the program, is enhancing organizational capabilities. As part of this initiative, the hiring requirements for state-appointed Inspector positions were reviewed in collaboration with Human Resources, to adjust the educational and related work experience criteria, based on input from the National Board of Boiler and Pressure Vessel Inspectors (NBBI). As a result of the streamlined hiring requirements, two qualified candidates have received and accepted offers to fill the vacant positions with anticipated start dates in early 2025. With these new hires, the program is staffed according to current allocated staffing levels. The current staffing allocation for DOLI provides only one Chief Boiler Inspector and two program boiler inspector positions. These positions cover over approximately 76,000 vessels and objects, provide interpretative guidance and technical direction to stakeholders, and work to maintain the overall direction of Virginia's boiler and pressure vessel program while also responding to owner/operators. For further context, the division has experienced difficulty in attracting and retaining talent due to higher compensation packages offered by the private sector.

Infrastructure

As discussed with Sikich, prior to this audit, DOLI staff initiated a comprehensive review and update of the Boiler and Pressure Vessel Safety Field Operations Manual (FOM). The completion of the new FOM is on schedule and anticipated to be completed within the first quarter of 2025.

Additionally, a review of the workflow process and communication protocols was conducted, leading to revisions aimed at enhancing workflow efficiency and standardizing customer deliverables. Moreover, DOLI development and implementation of a program-specific

communications plan will enhance outreach efforts to stakeholders. This communications outreach will provide an avenue to communicate changes related to streamlining program operations and increasing education of the program's responsibilities to advance stakeholder engagement, thus, drive improvements in accuracy of program administration.

Modernization

The program will modernize its systems through the transition from Jurisdiction Online (JO) to JO Plus to improve business practices and accuracy of program information. JO is an online information system database, used to track and maintain the status of boiler and pressure vessels in the Commonwealth. JO Plus will allow the program to improve efficiency and allow the program to implement changes in real time and minimize business interruption.

Upon completion of this three-step approach, DOLI will conduct an after-action review (AAR) to determine if the goals are being met and what steps can be taken to continue to improve the program.

Finding 2: Non-Compliance with the Code of Virginia BPV Safety Regulations

As discussed with Sikich at the start, the Division of Boiler and Pressure Vessel Safety had been dealing with programmatic challenges for decades and DOLI had begun a season of investment to re-establish the program, as the program came under OSIG audit. It is the intention of the Agency to use findings in this report as an affirmation of our internal assessment and to aid and support the continuing build of the Boiler and Pressure Vessel Division. As stated, DOLI staff are undertaking a comprehensive review and rewrite of the Boiler and Pressure Vessel Field Operations Manual (FOM). The draft of the newly revised FOM is currently under review, and it will provide current guidance on procedures and requirements for assessments, installations, notices, penalties, state-appointed inspectors, Special Inspectors, owner/operators, and program technicians involved in boiler and pressure vessel management across the Commonwealth of Virginia. The FOM will also include new entries detailing the procedures and timelines for object inspections in Virginia. This entry will define inspection submission requirements and specify the approved documentation for object inspections. Requirements outlined in the manual are based on the Boiler and Pressure Vessel Safety Act in the *Code of Virginia* and related regulations are outlined in 16VAC25-50 Boiler and Pressure Vessel of the Virginia Administrative Code.

Additionally, a communications plan is in development to assure that DOLI adequately communicates these changes and assure the Special Inspectors are informed of the inspection and reporting standards necessary to maintain compliance with applicable Virginia requirements.

For clarification, once a certificate lapses for an object, the owner/operator is in violation if they continue to operate it without a certificate. It is impossible for DOLI to know if an object is being operated without a certificate without constant monitoring of objects whose certificates have lapsed, which is not a feasible option. DOLI's BPV division currently addresses this matter by notifying an owner/operator when their object is nearing expiration and executes follow-up contacts with owner/operators who have objects with lapsed certificates.

Finding 3: Non-Compliance with DOLI's OSHA Field Operations Manual

VOSH will refine policies and procedures through the rewrite and update of the VOSH Field Operations Manual (FOM), as shared with Sikich during the audit. In respective chapters of the FOM, there will be clarification and alignment of procedures that provide controls for processing complaints, abatement documentation, and next-of-kin notification. The updated program requirements will be conveyed through mandatory training for affected VOSH staff.

For OSIG audit programming and for clarification, VOSH is considered a "state plan" and as such receives annual audits conducted by Federal OSHA (OSHA). In accordance with the Occupational Safety and Health Act of 1970, OSHA conducts its audit of the VOSH program through its process, Federal Annual Monitoring and Evaluation (FAME) process. The FAME process is conducted annually and is conducted by subject matter experts within the respective fields. These auditors have applied experience and knowledge of field operations, FOM requirements, and are trained in auditing, inspections, and investigations. We use the federal audit (FAME) as a primary review of our management system approach and performance. Since the program's inception as a State Plan in 1984 we have driven continuous improvement in the VOSH program through these audits and we enjoy a high-performance evaluation with federal OSHA. In addition to the FAME, to assure quality control, a data validation and assurance assessment will be conducted by the Regional Directors to identify areas of improvement as it relates to FOM requirements.

Finding 4: Inaccurate and/or Insufficient Information System Information

To satisfy this finding as it relates to DOLI's BPV program, we are developing a program requirement pertaining to business practices for program staff and Special Inspectors regarding submission of inspection data into the Jurisdiction Online (JO) database. Impacted DOLI BPV staff will receive updated training to assure they understand and are equipped to comply with new requirements and processes. In addition, quarterly internal audits will be conducted using statistically significant sample sizes to gain assurance of data accuracy.

Although the BPV program licenses Special Inspectors to perform the inspections of these objects, it is important to note that the Special Inspectors are not DOLI employees and therefore, the Agency has limited oversight over them.

The program will modernize its Information System process through the transition from Jurisdiction Online (JO) to JO Plus to improve business practices. JO is an online information system database, used to track and maintain the status of boiler and pressure vessels in the Commonwealth. JO Plus will allow the program to improve efficiency and records accuracy within the program.

Relative to this audit finding and the extent it covers VOSH program data, we share the following context. VOSH utilizes the Federal OSHA's Information System (OIS) as its *system of record*. This system of record stores VOSH case data. The system is owned and operated by the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA). VOSH

cannot control, edit, or amend the system, as OSHA is the system owner and VOSH is a *user* of the system. This information is validated in the annual FAME that federal OSHA conducts.

Relative to the audit's finding of NAICS code and use within the VOSH program, we agree that accuracy is a best practice however we disagree with the decision that this is a finding in the VOSH program. For additional context, it is common for a NAICS code to *change* during the course of an inspection. Initially, the NAICS code is provided by the employer during the opening conference. Generally, that NAICS code is reflective of the nature of the broader business but not necessarily that of the specific site, division, or activity VOSH is inspecting. Throughout the course of the inspection, VOSH staff review an abundance of documents related to the business and may develop knowledge related to a more accurate NAICS classification of the site. At this point, VOSH staff will update the NAICS code in OIS to assure that all information in OIS is accurate.

To address this item, VOSH will update process requirements and retrain impacted VOSH compliance staff on NAICS code usage and assure regional directors conduct quality assurance regarding NAICS codes in case files. This will help assure codes match employer's operations. VOSH will provide clarification and retraining on appropriate use of abatement status codes. Staff will be equipped to select proper abatement code statuses in OIS, to include: Abatement Completed, Not-Completed-Employer out of Business, Not Completed-Worksite Changed, Not Completed- Solicitor Advised, and Not Completed-AD Discretion.

Finding 5: VOSH Program Data Reconciliation Errors

During the year-long audit, DOLI hired a Business Operations Coordinator for Regulatory Programs. One focus area for this position will be to assure data used for reports has been reconciled before reports are released for further communications. In addition, and as a process control, DOLI's Communications Manager will assure reconciliation of data in reporting prior to its publication or release for public view. Additionally, a footnote will be added to future annual reports and other external reports to note when data was pulled from OIS. This footnote will be important since OIS data retrievals can often provide differing data for the same queries.

As noted previously, OIS is owned and operated by the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA). VOSH cannot control, edit, or amend the system, as OSHA is the system owner and VOSH is a user of the system. The data is constantly being updated and refined as new information becomes available. Although data may change depending on when it is extracted, the changes demonstrate that the data is more accurate based on new information, not due to extraneous errors.

Within DOLI, VOSH program leadership will provide guidance on how to populate and edit data in OIS fields for complaints and inspections followed by training for affected VOSH compliance staff. Regional directors will evaluate case file and OIS data (complaints and inspections) for discrepancies when completing case reviews. The statewide program directors will also work to extend the OIS user guide out to the regions to aid in correctly populating fields. The current version of OIS has user guides, and helpful videos which regional directors can use to assure staff are equipped on system requirements and intricacies.

Overall, we feel this audit affirms and supports the initial transformation efforts aimed at improving DOLI's services and products. We are committed to making the necessary improvements and look forward to the improvements captured in DOLI's corrective action plan.

Thank you for your detailed analysis and assistance as DOLI strengthens its operations to support our mission of making Virginia a safer place to live, work, and conduct business.

Sincerely,



Charles L. Stiff, CSP
Deputy Commissioner
Virginia Department of Labor and Industry

Cc: Gary G. Pan, Commissioner
BPV Program Director
VOSH Program Directors

Adam Tagert, CIA, CIGA, CGAP, Deputy Inspector General

APPENDIX B: OBJECTIVES, SCOPE, AND METHODOLOGY

OBJECTIVES

The Virginia Office of the State Inspector General (VA OSIG) retained Sikich CPA LLC (Sikich or we) to complete a performance audit, the objectives of which were to determine whether DOLI:

- Developed performance measures for the Virginia Occupational Safety and Health (VOSH) and Boiler and Pressure Vessel (BPV) Safety Programs that were sufficient and effective in evaluating the success of the programs.
- Performed its inspections for the VOSH and BPV Safety Programs in compliance with regulations, including requirements related to the timeliness of those inspections.
- Responded to safety and health complaints in compliance with applicable laws, regulations, and policies.
- Properly imposed monetary penalties to ensure that companies complied with program requirements.

SCOPE

The audit scope included VOSH and BPV Safety Program activities that took place between July 1, 2022, and December 31, 2023. DOLI provided data from the OSHA Information System (OIS) and the Jurisdiction Online (JO) system, which it uses for the VOSH and BPV Safety Programs, respectively. This data identified inspections and violations related to the VOSH and BPV Safety Programs, complaints related to the VOSH Program, and outstanding invoices related to the BPV Safety Program for the period from July 1, 2022, through December 31, 2023. This resulted in an audit population of 1,756 inspections, 3,035³⁶ complaints, and 6,127³⁷ violations for the VOSH Program and 52,948 inspections, 3,411 violations, and 2,402 outstanding invoices for the BPV Safety Program. We used this data to select a sample of 81 inspections, 7 complaints, and 7 violations for the VOSH Program and 25 inspections, 30 violations, and 20 outstanding invoices for the BPV Safety Program.

METHODOLOGY

Based on the objectives and scope of the audit, we conducted this engagement in three phases: planning, fieldwork, and reporting.

Planning

We began the audit by planning the audit work necessary to address the audit objectives and to reduce audit risk to an acceptably low level. Specifically, we:

³⁶ The total number of complaints listed in DOLI's internal system data overlaps with the total number of inspections listed in DOLI's internal system data, due to complaints that resulted in inspections.

³⁷ The total number of violations listed in DOLI's internal system data overlaps with the total number of inspections and complaints listed in DOLI's internal system data, due to complaints that resulted in inspections and inspections that resulted in violations.

- Gained an understanding of the engagement objectives, the DOLI programs included within our audit scope, and the applicable state³⁸ and DOLI³⁹ criteria.
- Requested, obtained, and reviewed relevant documentation from DOLI to support the inspections, complaints, violations, and outstanding invoices included within the audit scope. This documentation included:
 - A listing of all VOSH Program inspections, complaints, and violations for the period from July 1, 2022, through December 31, 2023. Information associated with these items included, but was not limited to, location, industry type (e.g., general industry, construction, agricultural, or maritime), inspection results, name of the organization(s) that performed the inspection, reason for performing each inspection (e.g., regularly scheduled, imminent danger, complaint), a list of safety and health complaints filed, informal conferences held, and monetary penalties assessed.
 - A listing of all BPV Safety Program inspections, violations, and unpaid invoices.
 - DOLI policies and procedures, including its OSHA Field Operations Manual (FOM).
 - OSHA Federal Annual Monitoring Evaluation (FAME) reports.
 - Publicly reported performance measures for the VOSH and BPV Safety Programs.
 - Organizational charts for DOLI's VOSH Compliance Safety Division and BPV Safety Division.
- Conducted planning interviews to discuss the operations of the VOSH and BPV Safety Programs.
- Used the information gained during our documentation review and planning interviews to develop an understanding of DOLI and its environment, including:
 - DOLI's background and mission, as well as the types of programs it oversees.
 - The cause and resolution of findings and other instances of noncompliance identified during prior DOLI audits and other investigations.
- In planning and performing this audit, we considered DOLI's internal controls that were within the audit's scope solely to understand the policies and procedures DOLI has in place

³⁸ We assessed DOLI's compliance with Code of Virginia Title 40.1, Chapter 1, *Labor and Employment*, and Chapter 3.1, *Boiler and Pressure Vessel Safety Act*; and relevant portions of Code of Virginia Title 16, Agency 25, Chapters 40 – 60.

³⁹ We assessed DOLI's compliance with its VOSH FOM Revision 3.7 (updated August 2022 and August 2023) and Administrative Regulation Manual (effective May 11, 2020).

to ensure compliance with relevant state requirements and its internal policies and procedures.

- We summarized the results of our planning activities, including the major risks identified, within an audit planning memorandum and designed steps to ensure we completed all planned activities within an audit program.
 - We submitted the audit planning memorandum to VA OSIG for review and approval.

Fieldwork

We performed audit fieldwork activities, as outlined in the approved audit planning memorandum, to ensure we obtained sufficient, appropriate evidence that would provide a reasonable basis for our findings and conclusions based on the audit objectives. Specifically, we:

- Met with relevant DOLI personnel to discuss the results of prior audits, as well as controls that DOLI has in place surrounding inspection, receipt of complaints, and the assessment of monetary penalties.
- Judgmentally reviewed all inspections, complaints, violations, and outstanding invoices to select a sample for testing. We used the data DOLI provided from its cloud-based information systems, OIS and JO, to select a sample of 95 inspections, complaints, and violations for the VOSH Program and 75 inspections, violations, and outstanding invoices for the BPV Safety Program. Specifically, we selected samples to allow us to test whether DOLI:
 - Performed, or ensured third parties performed, inspections and documented the results in compliance with applicable regulations and DOLI policies and procedures.
 - Ensured that the data included in OIS and JO was consistent with the information included in the supporting documentation.
 - Documented and responded to complaints in compliance with applicable laws and DOLI policies and procedures.
 - Assessed penalties in compliance with Code of Virginia requirements and DOLI policies and procedures.
- Assessed the reliability of the inspection, complaint, violation, and unpaid invoice data DOLI provided. Specifically:
 - We reconciled the VOSH inspection datasets to the number of inspections reported in DOLI's annual reports. We also reconciled the VOSH Program complaint and violation datasets to the number of complaints and violations identified per the inspection dataset. For all provided datasets we checked for missing or duplicate

entries and dates outside of our audit scope period. Further, we reviewed the parameters DOLI used to extract transaction data from its information systems and interviewed relevant DOLI staff regarding any discrepancies identified. DOLI provided VOSH Program inspection data that did not reconcile to the number of VOSH Program inspections identified within its annual report. Further, the complaint data in the OIS records that DOLI provided did not reconcile to the complaint information included in the inspection data that DOLI provided. Refer to **Finding 5**. We found the VOSH Program violation dataset to be sufficiently reliable for purposes of this audit, and made recommendations within the report regarding actions DOLI can take to ensure its information system data is accurate.

- We reconciled the BPV Safety Program inspection data set to the number of inspections identified within its annual report and noted no discrepancies. We also checked for missing or duplicate entries and dates outside of our audit scope period. Further, we did not identify issues with the parameters DOLI used to extract the violation and outstanding invoice data. We found the BPV Safety Program data to be sufficiently reliable for the purposes of the audit. However, when testing samples we selected from the BPV Safety Program datasets, we identified four instances in which the data reflected in JO was inconsistent with the source documentation. Refer to **Finding 4** regarding the exceptions we identified and related recommendations.
- Conducted virtual interviews and walkthroughs with DOLI personnel to discuss questions identified when testing the sampled items, as well as to observe controls and support located in DOLI's information systems.
- Conducted interviews with DOLI personnel and obtained documentation to support the performance metrics it developed for the VOSH and BPV Safety Programs, including the data sources used and how frequently DOLI updates these metrics.
- Reviewed the supporting documentation that DOLI provided and requested additional documentation as necessary to ensure we obtained sufficient, appropriate evidence to provide a reasonable basis for our conclusions and findings.

Reporting

At the conclusion of our fieldwork, we provided a summary of the results of our testing to VA OSIG personnel for review and approval. We also provided this summary to DOLI personnel to ensure that DOLI was aware of our findings and had the opportunity to submit additional documentation or other information in response to the exceptions identified.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C: DOLI'S CORRECTIVE ACTION PLAN

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July 1, 2022 – December 31, 2023**

FINDING NUMBER	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
1 – BPV Safety Program Resource Deficiency	<ol style="list-style-type: none"> Support its Commissioner in coordinating with entities such as the Department of Planning and Budget and the General Assembly, as necessary, to develop a BPV Safety Program budget strategy to cover personnel, DOLI's information system modernization efforts, and other necessary resources. Conduct a salary study to ensure competitive salary structures as part of its continued efforts to hire qualified personnel to fill vacant BPV Safety Division positions. 	<p>BPV Safety Program will implement three strategic initiatives:</p> <ol style="list-style-type: none"> Enhance organizational capability by: <ul style="list-style-type: none"> Filling vacancies Developing a quality assurance process for internal and external stakeholders Conducting yearly gap analyses to identify areas of improvement, once program enhancements are implemented Develop infrastructure by: 	<ol style="list-style-type: none"> Post and fill vacancies Adjusted hiring requirements for state inspectors Standardized customer deliverables e.g. reminder emails, notices, information packets, certificates etc. 	<ol style="list-style-type: none"> 09/30/2025 Completed – November 2024 Completed – November 2024 	Director of Boiler and Pressure Vessel Safety

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FINDING NUMBER	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	<ol style="list-style-type: none"> Continue to update its BPV Safety Program FOM to ensure the FOM is consistent with current laws, regulations, best practices, and DOLI processes. Continue to develop, and subsequently implement, its quality assurance program to ensure that insurance companies and contract fee inspectors perform and document inspections consistent with applicable standards, best practices, and DOLI expectations. 	<ul style="list-style-type: none"> Finalizing the Boiler and Pressure Vessel Safety FOM <ol style="list-style-type: none"> Modernize by: <ul style="list-style-type: none"> Transitioning from Jurisdiction Online (JO) to JO Plus to improve business practices 			
2 – Non-Compliance with the Code of Virginia BPV Safety Regulations	<ol style="list-style-type: none"> Develop and implement formal policies and procedures to assess and collect penalties for violations, consistent with the Code of 	<ol style="list-style-type: none"> Develop a BPV Field Operations Manual Refine processes detailing the 	<ol style="list-style-type: none"> Boiler and Pressure Vessel Field Operations Manual Program Processes BPV Communications 	<ol style="list-style-type: none"> 12/31/2024 06/01/2025 12/31/2024 	Director of Boiler and Pressure Vessel Safety

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	<p>Virginia, or coordinate with the Virginia General Assembly to update and/or remove the requirement to assess penalties for violations.</p> <p>2. Develop and implement formal policies and procedures for ensuring that it, its contracted inspectors, and organizations operating BPVs initiate and complete inspections timely. These policies and procedures may include:</p> <p>a. Creating a process for notifying the relevant parties when a BPV is approaching the due date for its biennial inspection and</p>	<p>procedures and timelines for object inspections and to ensure that all inspectors are informed of the inspection and reporting standards necessary to maintain compliance with Virginia law and code e.g. through a communications plan</p> <p>3. Conduct a review of related BPV statutes and regulations</p>	<p>plan</p> <p>4. Legislative/regulatory gap analysis with recommendations</p>	<p>4. Ongoing – due to the nature of legislative and regulatory changes it is difficult to provide an estimated completion date.</p>	

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	<p>following up on inspection certificates that are past due.</p> <p>b. Creating a process for notifying the relevant parties when a BPV is approaching the due date for its internal and/or external annual inspection and following up on inspection certificates that are past due.</p> <p>c. Contacting the organizations housing the BPVs to determine whether an inspection is scheduled or has been conducted.</p> <p>d. Issuing regular notices to each of the companies authorized</p>				

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	<p>to inspect BPVs in the Commonwealth of Virginia, notifying them of upcoming inspection deadlines and reminding them of the requirement to submit inspection reports in JO within 30 days.</p> <p>3. Develop and implement a formal policy to document its new requirement for inspectors to submit their inspection reports bi-weekly. This policy should also require inspectors to submit inspection reports electronically, to reduce processing time.</p> <p>4. Develop and implement a BPV permitting system or other formal</p>				

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	<p>mechanism that requires BPV owners and operators within Virginia to obtain an inspection and register any new BPVs prior to installation.</p>				
3 – Non-Compliance with DOLI's OSHA Field Operations Manual	<p>1. Strengthen its current policies and procedures or controls for reviewing complaints to ensure it performs inspections within five working days after determining an inspection is required in response to a serious complaint. These procedures or controls may include:</p> <p>a. Standardizing the documentation of dates in both the case files and OIS, including the date</p>	<p>1. Refine VOSH processes to address controls for processing complaints, abatement documentation, and NOK notifications</p> <p>2. Provide training on new/improved process requirements</p> <p>3. Conduct an annual QA assessment to</p>	<p>1. Update VOSH FOM</p> <p>2. Train staff on updated processes</p> <p>3. QA assessment</p>	<p>1. 8/1/25 (currently underway)</p> <p>2/3. 11/30/25</p>	

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	<p>on which DOLI received the complaint, the date DOLI personnel determined an inspection was required, and the date DOLI or its partners performed the inspection, and how to notify relevant parties of these dates.</p> <p>b. Training multiple employees on complaint review requirements to ensure DOLI has sufficient resources for reviewing complaints, determining whether inspections are required timely, and following up to</p>	<p>assure effectiveness of corrective action</p>			

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	<p>ensure inspections take place within the required timeframe.</p> <p>2. Strengthen its current procedures or controls for reviewing abatement due dates and documentation to ensure that organizations cited for violations either complete abatement within the appropriate timeframe or file a written petition.</p> <p>3. Strengthen its procedures or controls over the compilation and review of workplace fatality inspection case files to ensure it sends next-of-kin letters and maintains them in the</p>				

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	<p>case file, or that it documents a justification for why it did not send a next-of-kin letter, if applicable.</p> <p>4. Update its FOM to align with its current case file approval practices. This should include identifying the specific job titles of individuals permitted to review and approve case file documentation.</p> <p>5. Strengthen its current procedures or develop new procedures or other guidance for DOLI personnel compiling and reviewing case file documentation to ensure that personnel maintain appropriate documentation within the case file to support</p>				

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	<p>compliance with FOM requirements. These procedures or controls may include:</p> <p>a. Updating DOLI's standard forms to identify the type(s) of case file documentation necessary to support DOLI's decision to remove a violation, violation abatement, and Commissioner notification for workplace fatalities.</p> <p>b. Providing training to DOLI personnel to reiterate expectations for ensuring that case files contain documentation to support DOLI's compliance with its</p>				

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	policies and procedures.				
4 - Inaccurate and/or Insufficient Information System Information	<p>1. Update its current procedures or develop new procedures or controls for inputting information into the information systems it uses for the BPV Safety and VOSH Programs to ensure the data are accurate and consistent with the supporting documentation. These procedures or controls may include:</p> <p>a. Ensuring that the historic information in JO matches the information in each BPV inspection report when uploading the inspection report.</p>	<p>1a. Implement a process for quality assurance of BPV inspection data entered in the JO system, assuring alignment and accuracy with historical data</p> <p>b. Within VOSH program, verify proper NAICS code is used for employers' operations, acknowledging that a NAICS code may change during the life of the inspection as the inspectors refine their knowledge of what the employer does and other site</p>	<p>1a. Related to BPV:</p> <p>i) Memorandum to all special inspectors on how to properly report information into JO</p> <p>ii) an inspection reporting timeline for when the information has to be entered</p> <p>iii) quarterly quality assurance tests using statistically significant sample sizes to assure data accuracy</p> <p>b. Field Operations Manual entry outlining business practices for Program Support Technicians and Special Inspectors for entering inspection data into Jurisdiction Online (JO)</p>	<p>Related to BPV – 03/31/2025</p> <p>Related to VOSH – 06/31/2025</p>	<p>Director of Boiler and Pressure Vessel Safety</p> <p>VOSH Regional Directors</p>

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	<p>b. Verifying that inspectors enter and save all prior inspection reports in JO and that the reports remain available after inspectors add a new inspection report to JO.</p> <p>c. Providing detailed guidance to assist DOLI personnel in populating, reviewing, and approving the appropriate NAICS code in OIS, including documenting expectations for updating the NAICS code when corrections are required.</p>	<p>details</p> <p>d. Assure correct abatement status is identified in OIS</p> <p>Abatement Status Options in OIS</p> <ul style="list-style-type: none"> Abatement Completed Not-Completed-Employer out of Business Not Completed-Worksite Changed Not Completed-Solicitor Advised Not Completed-RD Discretion 	<p>c. Related to VOSH program:</p> <p>i) NAICS code training for all VOSH Compliance staff</p> <p>ii) Quarterly quality assurance checks on NAICS codes by Regional Directors</p> <p>d. Abatement status code training</p>		

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	d. Defining standard abatement status labels, including identifying the situations in which to use each label to differentiate between inspections that do not require abatement, violations that the organization abated during inspection, and violations that DOLI has removed due to informal settlement agreement discussions or other reasons.				
5 - VOSH Program Data Reconciliation Issues	1. Develop and implement formal policies and procedures or controls for ensuring that the statistical information it includes in its annual reports	1a. Develop processes on validation of statistical information used to pull data for public-facing reports b. Establish and train	1a. Process on validation of statistical information b. Establish a Business Operations Coordinator for Regulatory Programs to ensure data used for reports	1a. 03/01/2025 b. Completed 9/10/2024 2a/b/c.	1. Business Operations Coordinator for Regulatory Programs 2. VOSH Safety

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	reconciles to the data in its information system. These policies, procedures, or controls could include: a. Defining the query parameters that personnel should follow when pulling the data used to develop the statistical information in public-facing reports, including identifying who is responsible for pulling the data and documenting that the data reconciles properly. b. Identifying document retention requirements for the data and reconciliations to ensure DOLI can	staff on statistical information requests 2a. Data verification and assurance process for OIS data entry b. Create guidance on how to populate and edit data in OIS fields (for complaints and inspections) c. <u>Equip and Accountability</u> : Train Regional Directors to evaluate case file and OIS data (complaints and inspections) for discrepancies when completing case reviews	has been reconciled before reports are released for public view. Communications team will do a final validation of information before it is shared with the public 2a. Data verification and assurance process for data entry and validation b/c. Guidance and training on OIS data entry, and modifications using existing OIS User Guides/Videos in the system	03/01/2025	Compliance Coordinator

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	<p>support the statistical information it reports.</p> <p>c. Providing training and/or guidance to DOLI staff responsible for pulling the data and performing reconciliations to ensure the data reconciles before DOLI publishes the data in its annual reports.</p> <p>2. Develop and implement formal procedures or controls for data entry and validation to ensure that data is accurate and consistent across entries. These procedures or controls may include:</p>				

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	<p>a. Developing guidance regarding how to populate data in each OIS field for complaints and inspections and how to update the fields when it is necessary to make changes to the complaint or inspection, such as when DOLI completes an inspection in response to a complaint.</p> <p>b. Requiring that DOLI personnel periodically reconcile datasets that contain related information, such as (1) complaints and (2) inspections performed in response to</p>				

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	complaints, and investigate or escalate discrepancies identified to ensure that DOLI updates and/or corrects the entries, as applicable. Procedures should address reconciliation steps and frequency				