OFFICE OF THE STATE INSPECTOR GENERAL

Department of Professional and Occupational Regulation: Compliance and Investigations

Performance Audit
September 2025

OFFICE OF THE STATE INSPECTOR GENERAL
COMMONWEALTH OF VIRGINIA
OSIG

Michael C. Westfall, CPA
State Inspector General
Report No. 2026-AUD-003

September 12, 2025

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

Dear Governor Youngkin,

The Office of the State Inspector General (OSIG) completed an audit of the Department of Professional and Occupational Regulation (DPOR) Compliance and Investigations Division. The final report is attached.

OSIG would like to thank Director Jeb Wilkinson and his staff for their cooperation and assistance during this audit.

Sincerely,

Michael C. Westfall, CPA
State Inspector General

cc: The Honorable John Littel, Chief of Staff to Governor Glenn Youngkin
     Justin Velez-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 Jeion Ward, House Chair of the Labor and Commerce Committee
     The Honorable Creigh Deeds, Senate Chair of the Labor and Commerce Committee
     Jeb Wilkinson, DPOR Director
     Tom Payne, DPOR Deputy Director of Compliance and Investigations Division
     Staci A. Henshaw, Auditor of Public Accounts

DPOR Compliance and Investigations

What OSIG Found

Lack of Unified Case Monitoring Hinders Workflow Integration and Performance Measurement

The complaint investigation process at DPOR, from intake to case resolution, lacks comprehensive performance monitoring due to utilizing different tracking systems throughout the process. The current weaknesses in the tracking system are a result of the system's age and limitations.

Backlogs, System Inefficiencies, and Intake Process Challenges Have Impacted Performance

The Complaint Analysis & Resolution (CAR) intake process at DPOR is experiencing operational inefficiencies, leading to a growing backlog of complaints awaiting review. As of April 29, 2025, OSIG identified the oldest unresolved complaint had been delayed for 62 business days, with approximately 300 complaints still awaiting review.

Inaccurate Data Entry Has Caused Case Status Errors & Delays

OSIG reviewed open cases for the timeframe of July 1, 2023, through December 31, 2024, and identified 314 out of 906 cases that remained open for more than 150 days, many of which were no longer in the investigative stage covered by the 107-day DPOR-established timeframe. Of these, 29 of the 314 cases were delayed due to data entry errors within the Compliance Investigations Division (CID).

Management concurred with five of six findings and plans to implement corrective actions from December 31, 2025, to January 1, 2029.

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REPORT ACRONYMS

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

CAR – Complaint Analysis and Resolution
CID – Compliance and Investigations Division
DPOR – Department of Professional and Occupational Regulation
EAGLES – Electronic Access to Government Licensing and Enforcement System
EPICx – Efficient Processing Intuitive Customer Experience
ETS – Enforcement Tracking System
IFF – Informal Fact Finding
IRIS – Image Retrieval Information System
LRPD – Licensing and Regulatory Programs Division
OKR – Objectives and Key Results
OSIG – Office of the State Inspector General

BACKGROUND

The Virginia Department of Professional and Occupational Regulation (DPOR) is an executive branch agency responsible for overseeing 18 regulatory boards and programs. These boards, plus the Board for Professional and Occupational Regulation, are comprised of practitioners and citizens appointed by the Governor to regulate various professions and occupations as determined by the General Assembly. DPOR plays a crucial role in licensing, compliance enforcement, and consumer protection, ensuring that professionals meet minimum competency standards while maintaining industry integrity.

DPOR operates as a non-general fund agency, financed solely by revenue collected through fees paid by licensees. Agency operations are governed by the Administrative Process Act, which provides opportunities for public comment on proposed regulations as well as due process protections for licensees.

DPOR employs approximately 200 staff members who serve over 300,000 individuals and businesses across several hundred license types, ranging from architects and contractors to cosmetologists, and professional wrestlers. The agency issues licenses, certificates, and registrations in a manner designed to be efficient and minimally burdensome, allowing qualified individuals to enter their professions without unnecessary barriers.

Beyond credentialing, DPOR also enforces standards of professional conduct. The agency investigates reports of regulatory violations and seeks to obtain compliance with the law, or when necessary, to discipline the licensee. DPOR's enforcement efforts are essential in maintaining public trust and industry accountability.

The diagram that follows represents DPOR's complaint resolution pathway, detailing each step from the moment a complaint is received to its final disposition. This process underscores the agency's methodical approach to regulatory enforcement.
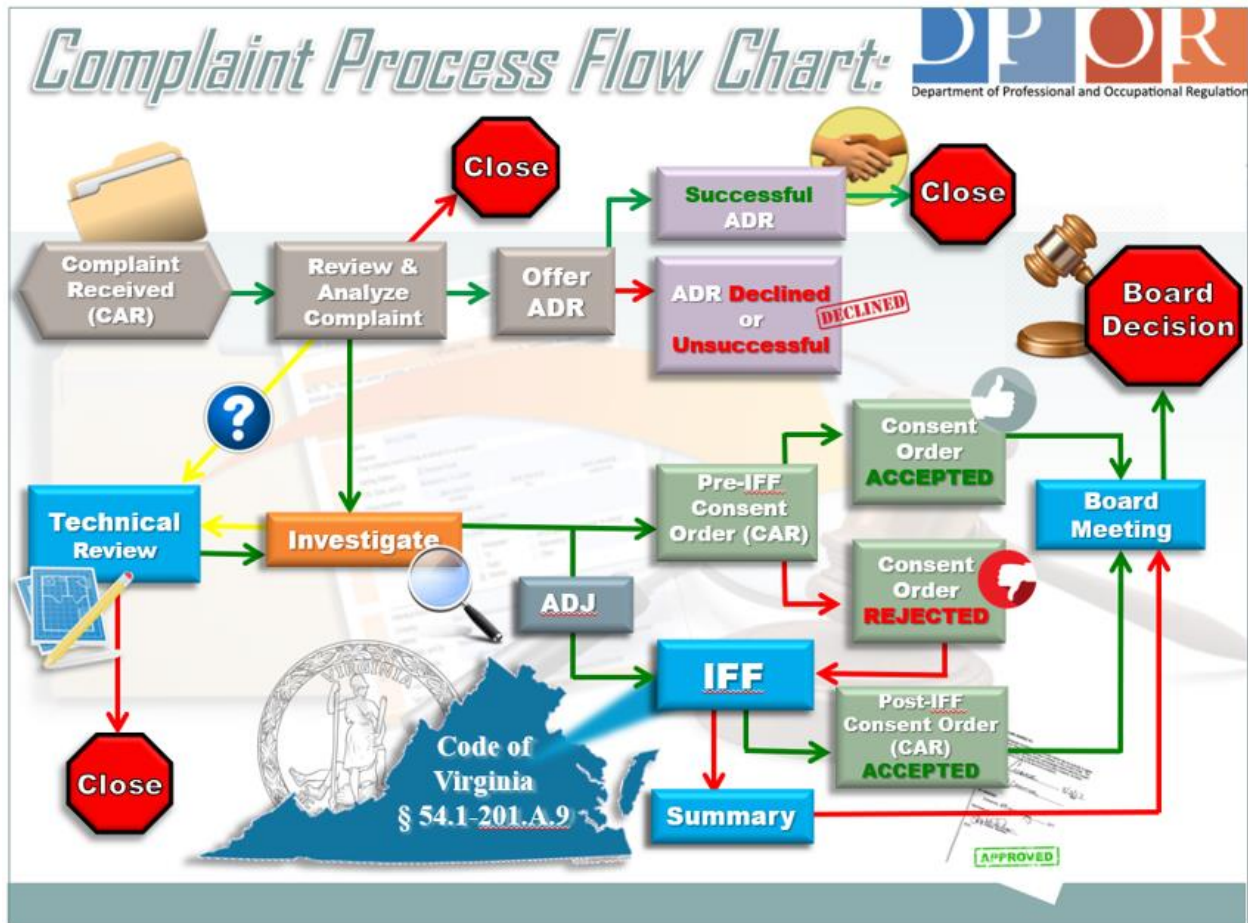
Figure 1: Complaint Processing Workflow - this flowchart illustrates the step-by-step process by which DPOR receives, assesses, investigates, and resolves complaints. Source: DPOR.

DPOR's EPICx (Efficient Processing Intuitive Customer Experience) Licensing and Enforcement system was expected to lay the foundation for the digital transformation that had been pending for over a decade to enhance licensing and regulatory processes. Secure, user-friendly online services are essential to meeting citizen expectations, improving customer service, and reducing regulatory burden on licensees. However, after a thorough evaluation, DPOR officially discontinued the EPICx project. The decision stemmed from challenges in implementation and alignment with agency needs.

Going forward, DPOR is reassessing its digital strategy in light of past challenges and is working toward a modernization plan that balances technological efficiency with regulatory oversight.

SCOPE

The audit assessed the efficiency, effectiveness, and impact of DPOR's investigative processes that affect the program's ability to meet its goals such as timely investigation, resolution of complaints and resource management. The audit period spanned from July 1, 2023, through December 31, 2024.

OBJECTIVES

Objectives of this audit were to:

- Determine the timeliness of DPOR investigations from the date the complaint is received to resolution of the investigation.
- Assess the efficiency of resource management and utilization within DPOR's complaint and investigations program, focusing on identifying inefficiencies, potential duplication of efforts, and resource constraints that may impact the program's complaint process effectiveness.

METHODOLOGY

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

OSIG applied various methodologies during the audit process to gather and analyze information pertinent to the audit scope and to assist with developing and testing the audit objectives. The methodologies included the following:

- Examined DPOR's complaint processing and investigation procedures to identify inefficiencies, improve timeliness, and streamline operations.
- Evaluated complaint processing efficiency and timeliness, reviewing closed cases using statistical sampling, and assessing open cases surpassing established processing goals based on data from the DPOR Enforcement Tracking System (ETS).
- Reviewed complaint investigation documentation to ensure processes were structured effectively, responsibilities were clearly defined, and policies and procedures aligned with agency expectations and actual practices.
- Examined complaint intake and investigation timelines, assessing backlog management to verify efficiency, justify delays, and identify opportunities for automation and workflow enhancements.
- Assessed inefficiencies, gaps, overlaps, and duplication of efforts, analyzing key operational areas, including:
  - Complaint Analysis Resolution (CAR) section's intake handling.

o Investigations Section procedures, covering case organization, distribution, completion goals, review processes, specialized complaint handling, case closure, and reporting.
o Administrative Coordinator Desk Procedures for case assignment, distribution, and tracking in ETS and the Master Case Log.
o Adjudication Section processes, addressing responsibilities, file reviews, report evaluations, fact-finding, and case finalization.

- Conducted interviews with DPOR leadership to gather insights on complaint processing and investigation procedures, identifying redundant activities, unnecessary steps, or overly complex tasks.
- Reviewed the complaint process workflow to detect inefficiencies and redundancies that could lead to unnecessary repetition or rework across sections.
- Examined complaint file organization to determine whether files were maintained in an organized and consistent manner to support efficient case management and minimize errors.

FINDINGS

FINDING 1- LACK OF UNIFIED CASE MONITORING HINDERS WORKFLOW INTEGRATION AND PERFORMANCE MEASUREMENT

The complaint investigation process at DPOR, from intake to case resolution, lacks comprehensive performance monitoring due to utilizing different tracking systems throughout the process. Current tracking methods involve multiple data sources including:

- Compliance and Investigations Division (CID) network share drive.
- Enforcement Tracking System.
- Investigations Master Case Log Excel spreadsheet.
- Internal adjudication time tracking Excel spreadsheet.

The current weaknesses in the tracking system are a result of the system's age and limitations. This presents challenges within CID regarding data management, making the CID sections rely on separate spreadsheets outside of ETS, which complicates the sections' ability to integrate their case workflows. For example, Adjudication maintains a case tracking spreadsheet, while Investigations relies on a master case log. The lack of standardized tracking practices contributes to difficulties in maintaining uniform data accuracy.

Different sections monitor complaints separately, using distinct tools and logs, which can obscure early-stage delays in intake or investigation. This misalignment affects visibility into bottlenecks and impacts the ability to measure efficiency across all phases of complaint handling.

To assess efficiency, DPOR has implemented key tracking metrics:

1. Objectives and Key Results (OKR) Metric 1.2 – Measures the average time for intake to complete an initial review of complaint files, assessing the efficiency of the initial screening process.
2. Objectives and Key Results Metric 1.3 – Measures the average time for investigations to complete, tracking the overall investigation timeline from start to finish, identifying delays in the workflow.
3. DPOR identified that the Adjudication Section has a performance metric for ensuring that at least 95% of cases are completed timely in accordance with the Virginia Administrative Process Act's requirement for boards to render a final case decision within 90 days of an Informal Fact-Finding (IFF) conference.

Without additional tracking in later stages, gaps remain in measuring delays, case resolution timelines, and overall complaint processing effectiveness. While DPOR had explored implementing a new integrated system to address these issues, that plan has since been canceled.

However, DPOR continues to seek alternative solutions to enhance tracking consistency and operational efficiency within existing frameworks.

Recommendations:

1. DPOR should ensure that its current systems can support effective performance monitoring and process management. This should include:
   - Working with each section on standardized data entry processes and automated workflows to reduce manual processes and improve data accuracy.
   - Real-time tracking mechanisms and reporting capabilities to support caseload analytics, and both section level case tracking, and overall case tracking against defined timelines.
   - The ability to capture performance data to establish and monitor efficiency metrics and team productivity.
2. Additionally, when DPOR moves forward with implementing a new integrated system, it is essential that the system streamlines the tracking process across sections and notes the progress of cases against any management developed performance metrics for ensuring timeliness and tracking of caseloads.

DPOR Management Response:

We acknowledge the limitations of the current Enforcement Tracking System (ETS) legacy software. ETS has been in place for over two decades and offers only tracking capabilities. ETS lacks case management, document management, and workflow transition capabilities. For this reason, the regulatory enforcement sections within CID have supplemented ETS with Excel spreadsheets, network drive storage, and electronic communications to ensure its effectiveness.

As OSIG notes under the Audit Results section of this report, DPOR's CID teams had "immaterial, if any discrepancies with evaluating investigation conclusions based on documentation, Administrative Coordinator desk procedures for case assignment and tracking, case file organization, duplication of efforts in workflows and investigative tasks and Adjudication section processes." OSIG's comments in this regard show that CID's final case decisions are well-supported and well-reasoned, presenting a sound foundation upon which to build by implementing OSIG's recommendations.

To that end, DPOR also agrees with the recommendations for Finding 1.2 and is committed to seeking a long-term operational software solution that will enhance the CID sections' capabilities to have robust case management, document management, workflow transition capabilities. Such a modern, robust software solution will only enhance CID's ability to continue to deliver a strong final product while gaining efficiencies by pairing

streamlining workflows and case tracking abilities with reporting capabilities that allow CID managers to measure case progress and other performance metrics in real time or near real time.

DPOR also agrees, in principle, with recommendation 1.1. As OSIG noted under the Audit Results section of this report, "CID's internal controls were operating properly" other than where noted in its audit. Given that ETS is over two decades old, the ability of DPOR to ensure that ETS has more modern features not generally found in a case tracking software is limited. Nevertheless, DPOR is, in the interim, exploring short-term solutions that may achieve more effective performance and process management abilities through using software applications that are presently available to CID staff. Indeed, in the aftermath of the cancellation of EPICx, CID staff immediately began looking for software solutions among available applications and are currently working with DPOR's Information Technology and Information Security Officer sections to ensure that appropriate measures are in place for implementing those short-term solutions for use by CID staff. DPOR does want to note, however, that certain metrics will continue to be subject to our adherence to the case decision provisions of the Virginia Administrative Process Act.

FINDING 2 - BACKLOGS, SYSTEM INEFFICIENCIES, AND INTAKE PROCESS CHALLENGES HAVE IMPACTED PERFORMANCE

The Complaint Analysis & Resolution (CAR) intake process at DPOR is experiencing operational inefficiencies, leading to a growing backlog of complaints awaiting review. As of April 29, 2025, OSIG identified the oldest unresolved complaint had been delayed for 62 business days, with approximately 300 complaints still awaiting review. These delays are compounded by fragmented complaint tracking, which spans multiple unconnected systems, including:

- Enforcement Tracking System.
- Electronic Automated Government Licensing and Enforcement System (EAGLES).
- Investigative Records Information System (IRIS).
- Shared case file directories used by the Compliance Investigations Division.

The lack of a centralized reporting mechanism makes monitoring complaint progress difficult and results in discrepancies between electronic and manual files. A data reconciliation performed by OSIG revealed 275 open cases in ETS marked as "Open-To Be Determined," with 32 discrepancies compared to CID shared file directories. These discrepancies included:

- Twenty-one complaints with missing case-related updates within the system.
- Seven complaints where file numbers were generated without user notification.
- Four cases created as training exercises.

DPOR corrected these discrepancies after notification.

Additionally, DPOR established a 2025 Objective and Key Result (OKR 1.2) goal to complete the initial intake review of complaint files within five business days. OSIG reviewed a sample of 50 closed complaint cases as of December 31, 2024, and calculated the average intake time for those cases to be 18.78 business days, with a range of 1 day to 189 days. This average exceeds the agency's targeted timeline. While this is an improvement from the 2022 baseline of 35 business days, the backlog indicates continued inefficiencies. Notably, DPOR's July 2024 reporting for OKR 1.2 showed an average intake time of 7.5 business days. As of April 2025, CAR reported that the overall intake time across the full complaint population was 9.98 business days. DPOR acknowledged that this performance does not meet its current OKR target and continues to explore improvements in processing efficiency.

Several factors have contributed to intake delays:

- Staff Shortages: The CAR intake section is considered fully staffed with eight employees, but only five were on board as of April 22, 2025, due to turnover and hiring delays. To temporarily manage workload, Intake Analysts have temporarily assumed responsibilities

traditionally handled by Investigative Analysts, including jurisdictional reviews and file setup.

- Increased Complaint Volume: An unusually high number of complaints has put additional strain on staff resources.
- Outdated Systems and Technology Limitations: DPOR continues to rely on aging systems—ETS, EAGLES, IRIS—and decentralized storage mechanisms that do not support comprehensive complaint tracking. While short-term solutions such as Microsoft Power Apps have been implemented, they do not fully resolve core inefficiencies.

Without a centralized reporting mechanism, tracking remains fragmented, resulting in inconsistent data, manual workarounds, and additional burden on staff. These issues reduce the intake section's ability to meet performance goals and hinder timely enforcement actions. DPOR is aware of the problem and was working towards implementing a unified platform before canceling the project.

Recommendations:
DPOR should take the following specific actions to improve intake processing and mitigate delays:
1. Implement enhanced complaint tracking systems that provide real-time visibility into case progress, ensuring bottlenecks are immediately identified and addressed.
2. Establish a structured backlog monitoring protocol to track aging complaints, prioritize urgent cases, and ensure timely resolution while maintaining compliance with agency processing goals.
3. Develop a standardized reconciliation process for ETS and CID directories to detect and correct discrepancies proactively, reducing delays caused by inconsistent data tracking.
4. Monitor intake operations to ensure workflow efficiency aligns with reporting accuracy, refining tracking mechanisms and reconciliation processes where needed.
5. Improve complaint tracking visibility by refining reporting mechanisms that allow for better oversight and operational planning.
6. Additionally, if DPOR intends to implement a new integrated system, aligning these findings with modernization efforts could help improve complaint processing and oversight.

DPOR Management Response:
DPOR agrees that staffing and its operational software hamper CID's efficiencies. Despite these challenges, though CID staff have not cut corners on the quality of their work product. As OSIG notes under the Audit Results section of this report, DPOR's CID teams had "immaterial, if any discrepancies with evaluating investigation conclusions based on documentation, Administrative Coordinator desk procedures for case assignment and tracking, case file organization, duplication of efforts in workflows and investigative tasks and Adjudication section processes." OSIG's comments in this regard

show that CID's final case decisions are well-supported and well-reasoned, presenting a sound foundation upon which to build by implementing OSIG's recommendations.

OSIG's analysis of the growing backlog of cases in the CAR Intake section is accurate. For Fiscal Year 2025, DPOR received 12% more complaints than in FY2024 (FY2015-3,152 vs. FY2024-2,815). In addition, DPOR has not been able to fill vacant positions as timely as it would have liked due to overall budgetary constraints. OSIG's findings, specific to the average CAR Intake time (17.78 days), appear dated and are limited to only fifty (50) cases. As of August 20, 2025, the average staff time for CID to complete the intake process was 9.03 business days (for the period of FY2024 to present) which demonstrates that when a complaint is ready to be processed, CID, despite understaffing and outdated software, is processing complaints in a reasonable, though not ideal, number of days. Further, CID monitors its complaint intake backlog daily and reports to senior management at least weekly on progress. As noted in our management response 1, DPOR intends to maximize the opportunity to find increased productivity and process time savings through the implementation of a new software solution.

DPOR agrees, in principle, with the Recommendations for Finding 2. Given that ETS is over two decades old, the ability of DPOR to ensure that ETS has more modern features not generally found in a case tracking software is limited. CID's staffing shortages compounds this issue. Despite these shortcomings, OSIG noted that "CID's internal controls were operating properly" other than where noted in its audit. As noted in our management response to finding 1, DPOR is committed to both obtaining a long-term software solution and seeking short-term software solutions that will make it more efficient. DPOR is also in a position in which CID should be able to increase its staffing in the remainder of 2025 and hopefully into 2026. As new staff are trained, CID's ability to work through its backlog will be further enhanced.

FINDING 3 - INACCURATE DATA ENTRY HAS CAUSED CASE STATUS ERRORS AND DELAYS

According to DPOR Investigation Section Procedures, the standard duration for the Investigations section to complete an investigation is 107 days. OSIG reviewed open cases for the timeframe of July 1, 2023, through December 31, 2024, and identified 314 out of 906 (34%) filtered cases that remained open for more than 150 days, many of which were no longer in the Investigative stage covered by the 107-day timeframe. Of these, 29 of the 314 cases were delayed due to data entry errors within the Compliance Investigations Division (CID).

CID responses to OSIG's follow-up revealed that these 29 cases involved inaccurate or delayed data entry, which led to incorrect case status designations, including:

- Files incorrectly reopened and only corrected upon later discovery. This accounts for three out of 29 data entry errors (*10.34%*).
- Cases closed, but not properly updated in the system. This accounts for 19 out of 29 data entry errors (*65.52%*).
- Duplicate records or missing party information preventing proper closure. This accounts for three out of 29 data entry errors (*10.34%*).
- File transfer or scheduling errors that delayed processing. This accounts for four out of 29 data entry errors (*13.79%*).

The remaining cases involved delays outside of the CID control, such as scheduling IFFs in compliance with Administrative Process Act guidelines, pending court actions including bankruptcy stays, and criminal prosecutions.

Upon identification of these issues, CID took immediate steps to correct the affected records. However, ongoing data entry errors can undermine the accuracy of open case reporting, distort performance metrics, and delay legitimate investigative actions. Inaccurate case status data also impacts DPOR's ability to respond to and resolve complaints in a timely manner.

Recommendations:

1. DPOR should implement a regular open case report to proactively monitor and address cases remaining open beyond the expected timeline.
2. As part of the open case report, DPOR should use this tool to flag potential data anomalies and ensure accurate case tracking and timely resolution.
3. Ensure the new case management system includes functionality that allows Investigations to close their phase of the case while assigning a new status to reflect continued activity in other divisions. This would preserve cross-divisional visibility, improve accuracy in status reporting, and support timely resolution.

DPOR Management Response:

We acknowledge the data entry errors. As the management comment notes, these errors were immediately corrected. We also note that such errors did not cause issues with CID's final case decisions. As noted under the Audit Results section of this report, DPOR's CID teams had "immaterial, if any discrepancies with evaluating investigation conclusions based on documentation, Administrative Coordinator desk procedures for case assignment and tracking, case file organization, duplication of efforts in workflows and investigative tasks and Adjudication section processes." OSIG's comments in this regard show that CID's final case decisions are well-supported and well-reasoned, presenting a sound foundation upon which to build by implementing OSIG's recommendations. Thus, OSIG concluded that "CID's internal controls were operating properly" other than where noted in its audit.

DPOR agrees to the recommendations for Finding 3. We believe, however, that it is important for OSIG to understand that ETS is used both by CID sections to monitor disciplinary cases up to the point that the relevant regulatory board makes case decisions, at which point the board staff on DPOR's Licensing & Regulatory Programs Division (LRPD) then tracks compliance with the board's disciplinary actions. Thus, DPOR will implement procedures, or where necessary, re-emphasize to all its staff, to proactively monitor cases that are open beyond the expected timelines for disciplinary and unlicensed cases. DPOR further commits to running reports in ETS, to the extent possible, to list cases that appear open beyond expected timelines.

As OSIG learned, there are a number of cases in ETS in which CID has completed its work but the cases are not yet closed for reasons outside of CID's control (e.g. unlicensed cases awaiting prosecution) or certain work flows are completed but others cannot begin because the cases must remain in a status and finding other than closed (e.g. status: follow-up -warrant served, finding: pending court action or there is a bankruptcy stay in place). In these instances, DPOR will endeavor to note such events in its cases. As it is a constant theme here, CID has already identified many of these shortcomings and will likewise endeavor to ensure that DPOR's long-term software solution offers the case reporting and case tracking deficiencies noted by OSIG.

FINDING 4 - DATA INTEGRITY ISSUES IN ETS UNDERMINE CASE TRACKING AND OVERSIGHT

DPOR relies on Enforcement Tracking System generated "Open Cases" and "Closed Cases" reports to track investigations, monitor complaint resolution timelines, and ensure transparency. A comparative analysis of Open Cases reports generated on March 18, 2025, and March 20, 2025, using identical naming conventions and timeframe parameters, revealed:

- 265 cases (29% of the 906 filtered records) appearing in the Open Cases Report due to closed or follow-up marked status.
- Inconsistencies identified across 2% of total records (30 of 1,497), affecting key fields including:
    - Description.
    - First Name.
    - Last Name.
    - Stage Description.
    - Status Change Time and Date.
    - Status Description.
- Conflicting filtering logic causing 13% of OSIG sampled records (four of 30) to appear in both Open and Closed Cases datasets.

Further analysis of ETS case status codes found that "closed" designations often indicate that CID has completed its investigative work, while the Licensing and Regulatory Programs Division (LRPD) may still mark those same cases as "open" to monitor compliance with board-ordered decisions such as paying sanctions or attending continuing education. While this reflects internal procedures, Open and Closed Cases datasets should be mutually exclusive and based on documented, reliable filtering logic.

Discrepancies within ETS reports indicate data inconsistencies that could impact oversight and case resolution. This leads to inaccurate metrics, and limits DPOR's ability to manage investigations effectively or respond confidently to stakeholders. Identifying opportunities to improve existing standardized reporting procedures and validation controls may help improve case data accuracy and reliability. DPOR is aware of the issues regarding ETS and is in the process of searching for a new system.

Recommendations:

1. DPOR should ensure that its current systems can support effective performance monitoring and process management. This should include:
    - Review and improve ETS reporting logic to eliminate conflicting classifications and data errors.

- Revise ETS filtering criteria to ensure Open and Closed Cases are mutually exclusive and selection logic is clearly documented.
- Continue to perform and seek to improve interim data quality controls, including existing standardized reporting procedures, regular reconciliation between datasets, and periodic audits.
- The agency should incorporate findings on data inconsistencies and reporting accuracy into its ongoing research for a new system to replace ETS.

2. Additionally, when DPOR moves forward with implementing a new integrated system, it is essential that the system improves reporting accuracy, ensures proper case classification, and eliminates conflicting filtering logic to streamline investigation tracking and case management oversight.

DPOR Management Response:

We agree that the Enforcement Tracking System (ETS) has limitations, and a re-vamped case management system is necessary, consistent with OSIG recommendations for Finding 4. DPOR is in the process of seeking alternatives to supplement ETS in the short term and replace it in the long term. While this finding notes "undermined" case tracking and oversight, we further note that OSIG's audit results section of this report, demonstrated that DPOR's CID teams had 'immaterial, if any discrepancies with evaluating investigation conclusions based on documentation, Administrative Coordinator desk procedures for case assignment and tracking, case file organization, duplication of efforts in workflows and investigative tasks and Adjudication section processes." OSIG's audit results show that while parts of CID's processes may have been "undermined," CID's final case decisions are well-supported and well-reasoned.

During the performance audit, it appeared at times that OSIG's limited familiarity with ETS may have impacted the evaluation of the data sets of open and closed cases. For example, to track and account for certain cases in ETS that are completed but not yet closed (e.g. unlicensed cases), the cases must remain in a status and finding other than closed (e.g. Status: Follow-Up Warrant Served. Finding: Pending Court Action.). In addition, this Management Comment directly discusses the status of "Follow Up." These status entries into ETS also occur outside of CID. LRPD uses this status to monitor cases after board decisions are made.

As explained above, LRPD is involved in updating ETS after board decisions for compliance of sanctions imposed by the boards (e.g. monitoring the payment of imposed fines and/or the completion of remedial education). As DPOR seeks to obtain a modern software solution, it intends to enhance the ability of CID and LRPD to track, update and report on case statuses from complaint intake through ensuring compliance with the

boards' disciplinary orders through workflows and reporting enhancements offered in such a software solution.

FINDING 5 - INEFFICIENCIES IN COMPLAINT PROCESSING HAS LED TO DELAYS AND DOCUMENTATION GAPS

Complaint processing within the Compliance and Investigations Division follows a structured workflow, including intake, investigation, consent orders, adjudication including Informal Fact-Finding conferences, and board decisions. Each stage plays a vital role in determining case outcomes and ensuring effective regulatory enforcement. However, delays, documentation gaps, and workflow inefficiencies have impacted multiple phases, from initial intake to case resolution, affecting overall processing efficiency. In a review of 50 complaints closed between July 1, 2023, and December 31, 2024, OSIG identified the following issues:

- Thirty-three cases (66%) lacked efficient tracking mechanisms, impacting complaint status management and reporting.
- Twenty-six cases (52%) did not demonstrate a streamlined workflow, resulting in delays and inefficiencies instead of saved time.
- Seventeen cases (34%) showed insufficient documentation of supervisory oversight that occurred in-person or by electronic communication, highlighting gaps in quality control measures.
- Seven cases (14%) had inconsistencies between electronic and manual records, leading to delays in processing and verification.
- Two cases (4%) did not reflect completed work accurately, affecting visibility into case progress.

DPOR has established procedural standards for complaint processing, including a 107-day benchmark for investigations, intake timeframes, and documentation requirements to support timely, accurate, and accountable case management. While these standards provide a strong foundation for efficiency and oversight, challenges in execution have impacted consistency and timeliness across various stages. Without a unified software system, case resolution may take longer than anticipated, contributing to rework and case enforcement delays.

Recommendations:

To enhance complaint handling and oversight, DPOR should consider the following actions:

1. Streamline intake and investigation workflows to align with timeliness benchmarks and improve case progression.
2. Standardize complaint tracking practices and explore automation where feasible to enhance monitoring and efficiency.
3. Until a case management software solution is obtained, DPOR should seek to implement improved processes to document management review and case oversight actions
4. Additionally, if DPOR intends to implement a new integrated system, aligning these findings with modernization efforts could help improve complaint processing and

oversight. Greater alignment between existing workflows and potential system enhancements would help address inconsistencies and operational delays.

DPOR Management Response(s):

DPOR agrees with finding 5.4 and, as noted above, intends to obtain a long-term software solution that will address the general process inefficiencies noted in the performance audit. DPOR can neither agree or disagree with the parts of the finding due to the lack of specificity as to which workflow processes need to be streamlined and the documentation gaps mentioned by OSIG. As we have noted above, as indicated under the Audit Results section of this report, OSIG found that CID teams had "immaterial, if any discrepancies with evaluating investigation conclusions based on documentation, Administrative Coordinator desk procedures for case assignment and tracking, case file organization, duplication of efforts in workflows and investigative tasks and Adjudication section processes." OSIG's comments in this regard show that CID's final case decisions are well-supported and well-reasoned. OSIG further stated that "CID's internal controls were operating properly" other than where noted in its audit.

As we have shared previously with OSIG, the limitations of ETS led CID's teams to develop processes that enable those teams to efficiently and effectively process disciplinary and unlicensed cases. Currently, CID teams complete the complaint intake in 9.03 business days, complete the investigation of a complaint within 64 business days, not including up to 15 business days for case processing and review both before and after assignment to an investigator, and conduct administrative hearings in the timelines dictated by the Va. Administrative Process Act over 97% of the time (these times vary based on the meeting cadence of a particular board). Certainly, the lack of staffing and increased complaint filings have caused case backlogs, but DPOR has chosen to ensure quality over speed of processing. For the two largest issues noted by OSIG here – lack of efficient tracking mechanisms or a streamlined workflow – OSIG does not identify any specific lack of tracking mechanisms or streamlined workflows. In the absence of more specific information, DPOR is unable to fully respond to this finding.

Nevertheless, DPOR understands in general that ETS is outdated, and that any new software solution, whether short term or long term, must offer efficiencies in tracking, workflows within and among CID and DPOR sections, management oversight, and reporting metrics. DPOR is fully committed to obtaining such a software solution and to fully staffing its CID teams. These efforts will, we believe, satisfy the recommendations for finding 5.

FINDING 6 – DPOR'S RECORD RETENTION POLICY LIMITS OVERSIGHT AND FOLLOW-UP

DPOR's retention policy has prevented it from keeping investigative case files long enough to support oversight and follow-up. During the audit, OSIG encountered challenges obtaining a complete and representative sample of investigative files. Of the cases reviewed, 17 files, representing 33% of those tested, had already been disposed of. As a result, OSIG had to rely on replacement samples, and DPOR was unable to provide requested documentation in several instances, raising concerns about the transparency and accessibility of historical records.

DPOR's Record Retention and Disposition Schedule No. 222-001 mandates that investigative case files concerning potential violations of board regulations or provisions of the *Code of Virginia* (Title 54.1) be destroyed one year after case closure. While this policy complies with existing retention guidelines, the short timeframe severely limits DPOR's ability to access historical investigative records when needed.

The lack of long-term investigative records complicates the agency's ability to address legal inquiries, respond to follow-up concerns, or demonstrate the resolution of past cases.

Recommendation:

DPOR should evaluate its retention policy and consider whether to extend the retention period for investigative case files to ensure records are retained long enough to support agency accountability.

DPOR Management Response:

We agree with OSIG's finding 6 and its recommendation. Presently, DPOR's CID and Records sections are already working on submitting the necessary documents to the Library of Virginia to adjust the retention schedule from one year to three years for investigative case files. We believe this action will adequately address the limitations OSIG noted for the referenced DPOR Records Retention Policy.

AUDIT RESULTS

This report presents the results of OSIG's audit of DPOR Compliance and Investigations Division. OSIG performed the following audit testing with immaterial, if any, discrepancies noted:

- Evaluating Investigation conclusions based on documentation.
- Evaluating Administrative Coordinator desk procedures for case assignment and tracking.
- Evaluating case file organization.
- Evaluating duplication of efforts in workflows and investigative tasks.
- Evaluating Adjudication section processes.

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

APPENDIX I – CORRECTIVE ACTION PLAN

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
1- Lack of Unified Case Monitoring Hinders Workflow Integration and Performance Measurement	1. DPOR should ensure that its current systems can support effective performance monitoring and process management. This should include: • Working with each section on standardized data entry processes and automated workflows to reduce manual processes and improve data accuracy. • Real-time tracking mechanisms and reporting capabilities to support caseload analytics, and both section level case tracking, and overall case tracking against defined timelines. • The ability to capture performance data to establish and monitor efficiency metrics and team productivity.	In reference to Recommendation #1, DPOR has limited ability to enhance the reporting features of ETS given its age and limited capabilities. Where DPOR can enhance ETS to provide reporting, it will. Further DPOR is exploring using other applications that will improve workflows within and between CID sections, case tracking, and reporting features. In reference to the need for an integrated long-term software solution, DPOR is committed to obtaining a long-term software solution that will provide the ability to develop the automated workflows and case transfers among CID sections while providing modern reporting and analytics for case	For Recommendation #1: Documentation of current and pending efforts to enhance ETS capabilities or alternatively to use existing software applications to provide for automated workflows, document templates and case tracking. Implementation of approved software application processes. DPOR remains committed to obtaining and implementing an integrated long-	For Recommendation #1: DPOR staff are already developing workflows using existing applications with sufficient capabilities. This will be ongoing through the implementation of a more permanent long-term software solution. The estimated completion date for an integrated software system is January 1, 2029. This is based on the current assumption that	For recommendation #1: Agency Director CID Director IT Director Information Security Officer The positions responsible for implementation of an integrated long-term software solution are: Agency Director IT Director Information Security Officer CID Director LRPD Director (if cross divisional application) Finance Director

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	2. Additionally, when DPOR moves forward with implementing a new integrated system, it is essential that the system streamlines the tracking process across sections and notes the progress of cases against any management developed performance metrics for ensuring timeliness and tracking of caseloads.	statuses, case tracking and productivity.	term software solution. This will likely be a lengthy process though. The deliverables will be: • Initiate the procurement process • Review options • Convert data and workflows into the new system. DPOR plans for the integrated long-term software solutions to provide for robust case management and document management capabilities that will address inefficiencies noted by DPOR staff and OSIG	this project will start in 2026.	

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
2- Backlogs, System Inefficiencies, and Intake Process Challenges Have Impacted Performance	DPOR should take the following specific actions to improve intake processing and mitigate delays: 1. Implement enhanced complaint tracking systems that provide real-time visibility into case progress, ensuring bottlenecks are immediately identified and addressed. 2. Establish a structured backlog monitoring protocol to track aging complaints, prioritize urgent cases, and ensure timely resolution while maintaining compliance with agency processing goals. 3. Develop a standardized reconciliation process for ETS and CID directories to detect and correct discrepancies proactively, reducing delays caused by inconsistent data tracking. 4. Monitor intake operations to ensure workflow efficiency aligns with	For recommendations #1-5, DPOR is exploring whether DPOR can pair MS Power BI with ETS to improve reporting metrics and capabilities using data in ETS. At the same time, DPOR is, as mentioned above, already engaged in testing the abilities of current applications that are available to staff to determine their ability to improve workflows within and between CID sections, case tracking, and reporting features. In reference to the need for an integrated long term software solution, DPOR is committed to obtaining a long-term software solution that will provide the ability to develop automated workflows and case transfers among CID sections while providing modern reporting and analytics for case	For recommendations #1-5, Documentation of current and pending efforts to enhance ETS capabilities or alternatively to use existing software applications, such as Power BI and Power Automate, to provide for automated workflows, document template generations, and case tracking. When successful, DPOR will maintain the necessary documentation to evidence the implementation of a new short-term software solution.	The estimated completion of implementing Power BI reporting using ETS data, if possible, is September 1, 2026. The larger scope of examining whether using current applications will be ongoing until an integrated long-term solution is in place. The estimated completion date for an integrated software system is January 1, 2029. This is based on the current assumption that this project will	CID Director IT Director The positions responsible for implementation of an integrated long-term software solution are: Agency Director IT Director Information Security Officer CID Director LRPD Director (if cross-divisional application) Finance Director

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	reporting accuracy, refining tracking mechanisms and reconciliation processes where needed. 5. Improve complaint tracking visibility by refining reporting mechanisms that allow for better oversight and operational planning. 6. Additionally, if DPOR intends to implement a new integrated system, aligning these findings with modernization efforts could help improve complaint processing and oversight.	statuses, case tracking, and productivity.	DPOR remains committed to obtaining and implementing an integrated long-term software solution. This will likely be a lengthy process though. The deliverables will be: • Initiate the procurement process • Review options • Convert data and workflows into the new system. DPOR plans for the integrated long-term software solutions to provide for robust case management and document management capabilities that	start in 2026.	

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
			will address inefficiencies noted by DPOR staff and OSIG		
3 – Inaccurate Data Entry Has Caused Case Status Errors and Delays	1. DPOR should implement a regular open case report to proactively monitor and address cases remaining open beyond the expected timeline. 2. As part of the open case report, DPOR should use this tool to flag potential data anomalies and ensure accurate case tracking and timely resolution. 3. DPOR should ensure the new case management system includes functionality that allows Investigations to close their phase of the case while assigning a new status to reflect continued activity in other divisions. This would preserve cross-divisional visibility, improve accuracy in status reporting, and support timely resolution.	Regarding recommendations #1 and #2, DPOR has already compiled a comprehensive list of open cases in ETS. Both CID and LRPD are reviewing the cases to log any omitted case updates or erroneous entries. Moving forward, this "audit" will occur on at least a semi-annual basis. In reference to the need for an integrated long term software solution, DPOR is committed to obtaining a long-term software solution that will provide the ability to develop automated workflows and case transfers among CID sections while providing modern reporting and analytics for case statuses, case tracking, and productivity.	DPOR will conduct semiannual "open case audits" to review cases for completeness to ensure that cases are closed on a timely basis. DPOR remains committed to obtaining and implementing an integrated long-term software solution. This will likely be a lengthy process though. The deliverables will be: • Initiate the procurement process • Review options	The initial "open case audit" will be completed by December 31, 2025. The estimated completion date for an integrated software system is January 1, 2029. This is based on the current assumption that this project will start in 2026.	The positions responsible for the 'open case audits" are: CID Director LRDP Director The positions responsible for implementation of an integrated long-term software solution are: Agency Director IT Director Information Security Officer CID Director LRPD Director (if cross-divisional application) Finance Director

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
			• Convert data and workflows into the new system • Testing • Implementation DPOR plans for the integrated long-term software solutions to provide for robust case management and document management capabilities that will address inefficiencies noted by DPOR staff and OSIG.		
4 – Data Integrity Issues in ETS Undermine Case Tracking and Oversight	1. DPOR should ensure that its current systems can support effective performance monitoring and process management. This should include: • Review and improve ETS reporting logic to eliminate conflicting	For the bulleted items in this recommendation, DPOR is taking the following actions: • DPOR does not agree there are "conflicting classifications" in ETS. Rather, we believe OSIG's observations are reflective of the limits of	Documentation of current and pending efforts to enhance ETS capabilities, or alternatively to use existing software applications to provide for	The estimated completion of implementing Power BI reporting using ETS data, if possible, is September 1, 2026.	The parties responsible for the effort to implement Power BI reporting and our immediate efforts to enhance our software systems are:

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	classifications and data errors. • Review ETS filtering criteria to ensure Open and Closed cases are mutually exclusive and selection logic is clearly documented. • Continue to perform and seek to improve interim data quality controls, including existing standardized reporting procedures, regular reconciliation between datasets, and periodic audits. • The agency should incorporate findings on data inconsistencies and reporting accuracy into its ongoing research for a new system to replace ETS. 2. Additionally, when DPOR moves forward with implementing a new integrated system, it is essential that the system	an antiquated electronic case tracking system. • Because we are unsure of the feasibility of improving ETS, DPOR is exploring whether it can pair MS Power BI with ETS to improve reporting metrics and capabilities using data in ETS. • At the same time, DPOR is, as mentioned above, already engaged in testing the abilities of current software applications that are available to staff to test their ability to improve workflows within and between CID sections, case tracking, and reporting features. In reference to the need for an integrated long-term software solution, DPOR is committed to obtaining a long-term software solution	automated workflows, document templates and case tracking. Where case tracking and oversight issues are transitioned from ETS to other software applications, DPOR will retain documentation of those transitions. DPOR remains committed to obtaining and implementing long-term software solution. This will likely be a lengthy process though. The deliverables will be: • Initiate the	The larger scope examining whether using current applications will be ongoing until an integrated long-term solution is in place. The estimated completion date for an integrated software system is January 1, 2029. This is based on the current assumption that this project will start in 2026.	Agency Director CID Director IT Director The positions responsible for implementation of an integrated long-term software solution are: Agency Director IT Director Information Security Officer CID Director LRPD Director (if cross-divisional application) Finance Director

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	improves reporting accuracy, ensures proper case classification, and eliminates conflicting filtering logic to streamline investigation tracking and case management oversight.	that will provide the ability for the automation for workflows, transferring cases among CID sections while providing modern reporting and analytics for case statuses, case tracking, and productivity.	procurement process • Review options • Convert data and workflows into new system DPOR plans for the integrated long-term software solutions to provide robust case management and document management capabilities that will address inefficiencies noted by DPOR staff and OSIG.		
5 – Inefficiencies in Complaint Processing has Led to Delays and Documentation Gaps	To enhance compliant handling and oversight, DPOR should consider the following actions: 1. Streamline intake and investigation workflows to align with timeliness benchmarks and improve case progression.	• DPOR, to the extent it has not already done so or does not continually do so, will review its regulatory and unlicensed complaint intake and investigation workflows to identify	• The CID teams will review current workflows for improvements and document its findings. In some instances,	• The initial review of workflow will be completed by December 31, 2025. DPOR will conduct	• For the review of current workflows: CID Manager • For the intermediate software

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FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	2. Standardize complaint tracking practices and explore automation where feasible to enhance monitoring and efficiency. 3. Until a case management software solution is obtained, DPOR should seek to implement improved processes to document management review and case oversight actions. 4. Additionally, if DPOR intends to implement a new integrated system, aligning these findings with modernization efforts could help improve complaint processing and oversight. Greater alignment between existing workflows and potential system enhancements would help address inconsistencies and operational delays.	opportunities to improve case progression. • Additionally, and as noted above, DPOR has limited ability to enhance the reporting features of ETS given its age and limited capabilities. Therefore, DPOR intends to explore using other available applications that will improve workflows within and between CID sections, case tracking, and reporting features. • In reference to the need for an integrated long-term software solution, DPOR is committed to obtaining a long-term software solution that will provide the ability for the automation of workflows, transferring cases among CID sections while providing modern reporting and analytics for case	this effort already occurs where case monitoring data indicates workflow issues. • Documentation of current pending efforts to enhance ETS capabilities or alternatively to use existing software applications, such as Power BI, to provide for automated workflows, document templates, and case tracking. • DPOR remains committed to obtaining and implementing an integrated long-term software solution. This	additional reviews periodically based on case processing data. • DPOR staff are already developing workflows using existing applications with sufficient capabilities. This will be ongoing through the implementation of a more permanent long-term software solution. The estimated completion date for an integrated software system is January 1,	solution efforts: Agency Director, CID Director, IT Director, Information Security Officer For implementation of an integrated long-term software solution: Agency Director IT Director Information Security Officer CID Director LRPD Director (if cross-divisional application) Finance Directo

FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
		statuses, case tracking and productivity.	will likely be a lengthy process though. The deliverables will be: • Initiate the procurement process. • Review options • Convert data and workflows into the new system. DPOR plans for the integrated long-term software solutions to provide for robust case management and document management capabilities that will address inefficiencies noted by DPOR staff and OSIG.	2029. This is based on the current assumption that this project will start in 2026.	
6 – DPOR Record Retention Policy	DPOR should evaluate its retention policy and consider	DPOR has initiated the process to change its Record	Revised Record Retention Policy	In progress – completion	CID Director Records Manager

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FINDING	RECOMMENDATIONS	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Limits Oversight and Follow-up	whether to extend the retention period for investigative files to ensure records are retained long enough to support agency accountability.	Retention Policy for all regulatory and unlicensed practice case files from one year to three years. To do this, DPOR will follow the Library of Virginia's process to adjust its record retention policy.	for regulatory and unlicensed practice case files to be retained for three years once the matter is closed.	anticipated by March 31, 2026	