



ANNUAL WORK PLAN

FISCAL YEAR 2025

OFFICE OF THE STATE
INSPECTOR GENERAL

MICHAEL C. WESTFALL, CPA
STATE INSPECTOR GENERAL

REPORT NO.
2024-ADM-004





COMMONWEALTH OF VIRGINIA

Office of the State Inspector General

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June 28, 2024

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

Dear Governor Youngkin,

The Virginia Office of the State Inspector General has prepared the attached Fiscal Year 2025 Annual Work Plan to identify the agency's planned activities for the fiscal year ending June 30, 2025. The methodologies used to create this work plan varied between the divisions and units to allow for unique and specialized approaches within each program area.

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

Sincerely,

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

Michael C. Westfall, CPA
State Inspector General

cc: The Honorable Jeff Goettman, Chief of Staff to Governor Youngkin
Tiffany Robinson, Deputy Chief of Staff to Governor Youngkin
Bella Warwick, Deputy Chief of Staff to Governor Youngkin
Cabinet Secretaries and their requested staff

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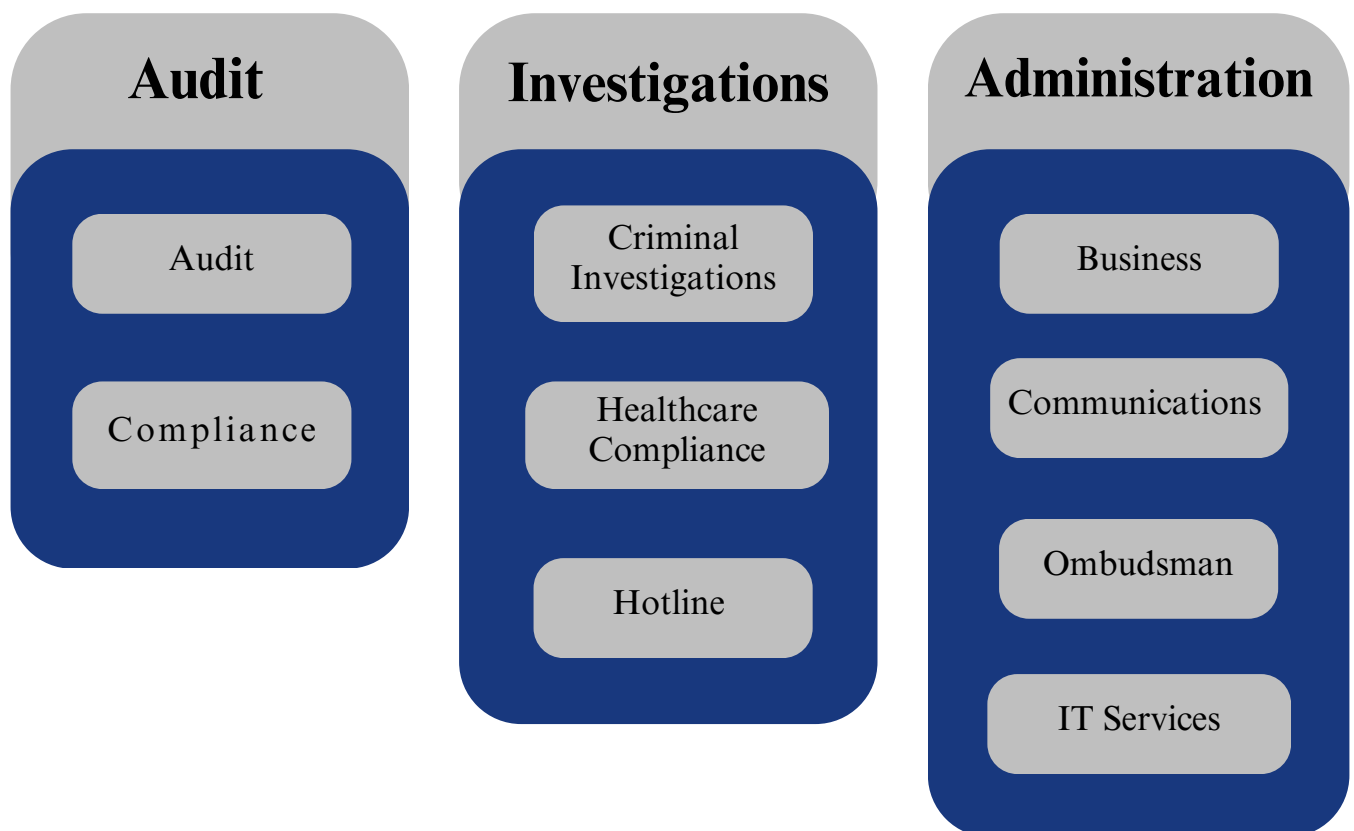
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Introduction

OSIG's Fiscal Year 2025 Annual Work Plan describes the work the agency plans to undertake during the upcoming fiscal year. To ensure the most efficient and effective use of staff resources, areas selected for review are carefully considered. OSIG conducts reviews that will have the greatest impact and benefit for its stakeholders -- the citizens of the Commonwealth. Because there are a vast number of potential areas for review and limited staff resources to conduct these studies, a careful selection process has resulted in this work plan. OSIG has incorporated the methodologies used to select areas for review in the appropriate sections of the plan.

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

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



Audit Division

Audit Unit

Background

The Audit Unit operates to fulfill its obligations as defined by the *Code of Virginia* § 2.2-309 by:

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

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

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

Criteria for Identifying and Assessing Major Program and Mission Areas

The Audit Unit's primary responsibility is to conduct performance audits. Staff have identified potential audit topics and conducted research to create audit proposals. Using information from Cabinet secretaries and agency management, the Audit Unit condensed the list of potential audit topics. In addition to the audits in process, the Audit Unit has selected new areas for fiscal year 2025.

Audit Projects for Fiscal Year 2025

- Follow-up of Previous Findings: From previously issued performance audits, determine if agencies and institutions took actions they committed to take and if actions implemented corrected identified problems.
- Department for Aging and Rehabilitative Services (DARS) and the Virginia Department of Social Services (DSS): Determine whether the oversight and technical assistance provided to the local departments of social services for adult protective services is sufficient to ensure that elder abuse complaints are investigated adequately. (This audit was on the FY 2022 audit plan but moved to the FY 2024 audit plan to avoid overlap with another audit.)
- Department of Behavioral Health and Developmental Services (DBHDS) Unannounced Inspections 2025: Conduct unannounced inspections of DBHDS facilities to review the quality of services provided and make policy and operational recommendations to prevent problems, abuses, and deficiencies, as well as improve the effectiveness of programs and services.
- Department of Professional and Occupational Regulation (DPOR): Evaluate the agency's Compliance and Investigation Division's oversight and enforcement process to assess the allocation and utilization of resources and evaluate the timeliness of investigations.
- Motor Vehicle Dealer Board (MVDB): Determine whether MVDB's inspection and licensing process ensures dealers are compliant with regulatory policies and procedures.
- Virginia Department of Social Services (VDSS) – Child Protective Services: Determine if Local DSS Offices providing Child Protective Services are adequately staffed and the formula for distributing funds is still accurate.
- Virginia Employment Commission (VEC): Determine if VEC is properly recovering overpayments of benefits.
- Virginia Economic Development Partnership (VEDP): Determine if the International Trade Program is maximizing the trade opportunities for businesses through proper reporting and oversight.
- Virginia Tourism Corporation (VTC): Determine the efficiency, transparency and effectiveness of operations and programs (advertising, grant program administration, and procurement practices).

Audit Projects in Progress as of Fiscal Year 2025

- Department of Conservation and Recreation (DCR) State Park Maintenance: Determine whether state parks operated by DCR are adequately maintained for visitors.
 - Department of General Services (DGS) Building Maintenance: Determine if DGS provides effective and timely operational, maintenance, and repair services.
 - Department of Labor and Industry (DOLI) Oversight: Evaluate DOLI's administration of the Virginia Occupational Safety and Health (VOSH) and Boiler and Pressure Vessel Safety programs.
 - Higher Education Institution (HEI) Cybersecurity: Determine if HEIs are monitoring their security programs to ensure they are capable of responding to cyber attacks.
 - Virginia Racing Commission (VRC) Oversight: Evaluate the operating effectiveness of the VRC.
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Compliance Unit

Quality Assurance Reviews

To ensure compliance with the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing*, OSIG oversees the Quality Assurance Review program for the Commonwealth. In fiscal year 2025, OSIG is monitoring quality assurance reviews for Old Dominion University, Virginia State University, Department of Juvenile Justice, and Norfolk State University.

Training Course Offerings

OSIG has planned the following training opportunities for the Commonwealth's internal audit programs during fiscal year 2025:

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

Collection and Analysis of Documents Submitted by Internal Audit Programs

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

Investigations Division

Background

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

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

Criminal Investigations Unit

Cases and Collaboration with Other Agencies

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

Critical Incident Review

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

Point-of-Contact Initiative

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

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

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

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

Accreditation

Led by the Accreditation Manager, OSIG achieved accreditation by the Virginia Law Enforcement Professional Standards Commission (VLEPSC) in March 2024. The agency is pursuing an additional accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA). Both VLEPSC and CALEA accreditation will assist OSIG in maintaining its high level of integrity, accountability and transparency among not only other law enforcement agencies, but with the citizens of the Commonwealth as well.

Healthcare Compliance Unit

Background

The Healthcare Compliance Unit (HCU) operates to fulfill its obligations as defined by *Code* § 2.2-309.1 through policy and operational recommendations for state-operated facilities serving individuals with behavioral health, substance use, and developmental disabilities. In addition, HCU:

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

Complaint Line

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

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

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

Critical Incident Review

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

Procedures Manual Updates

OSIG is updating the procedures manual for the Healthcare Compliance Unit's operations to reflect changes in the laws, streamline and standardize processes, and increase productivity.

Response to HB 313

House Bill 313 was passed in the 2024 legislative session. This bill "directs the Office of the State Inspector General to (i) develop a plan to fulfill its statutory obligation to fully investigate all complaints it receives alleging abuse, neglect, or inadequate care at a state psychiatric hospital, and (ii) submit such plan to the Chairmen of the House Committee on Health and Human Services and the Senate Committee on Education and Health by November 1, 2024. The bill also requires the Office to submit an annual report to the General Assembly on or before November 1 of each year regarding the number of such complaints received and the number of complaints that were fully investigated by the Office."

Citation: <https://lis.virginia.gov/cgi-bin/legp604.exe?241+sum+HB313>

OSIG will develop the plan, reporting protocols, and provide the annual report by November 1, 2024, to meet the new requirements.

Announced and Unannounced Facility/Site Visits

In addition to field work, HCU will make scheduled and unannounced site visits to the 12 DBHDS facilities. Other agencies, such as Community Services Boards, jails (that have mental health units), and the Richmond Behavioral Health Authority will be included as time and resources allow. HCU plans to make three announced and three unannounced DBHDS facility site visits per quarter. General informational visits to share information about the Healthcare Compliance Unit will be included in these numbers.

Hotline Unit

State Fraud, Waste, and Abuse Hotline

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

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

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

- Posting information on the agency's social media accounts.
- Expanding the visibility of the Hotline on OSIG's website.
- Participating at area conferences and training events.
- Encouraging participation in training sessions that will be offered.
- Distributing Hotline marketing materials.

In addition, OSIG will email state employees:

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

Fraud and Abuse Whistle Blower Protection Act Program

OSIG administers the Fraud and Abuse Whistle Blower Protection Act (WBPA) program. State employees and citizens of the Commonwealth who report allegations of fraud, abuse and corruption through the WBPA in good faith are protected against retaliation. OSIG thoroughly investigates all credible complaints of violations reported through this program. *Code* § 2.2-3014 allows for monetary awards to be provided to persons who have disclosed information of wrongdoing or abuse under the WBPA and the disclosure results in a recovery of at least \$5,000.

OSIG will continue to publicize the WBPA program through:

- Posting information on the agency's social media accounts.
- An annual message to state employees sent via the state email network.
- Information presented at area conferences and training events.

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

Follow-Up Reviews of Hotline Investigations

In fiscal year 2025, the Hotline Unit will continue the Follow-up Review Program. Following up on significant, previous investigations is an essential activity that helps ensure agency management is addressing issues and recommendations included in Hotline investigative reports.

Workpaper Review Program

In fiscal year 2025, the Hotline Unit will continue the Workpaper Review Program. On an annual basis, the Hotline Unit reviews the work of the internal audit programs that complete Hotline investigations on OSIG's behalf to determine the quality and appropriateness of investigative work and provide suggestions for improvement in future investigations, if necessary. The scope of the reviews is limited to determining if the investigative workpapers and subsequent reports were appropriately prepared in compliance with the State Fraud, Waste, and Abuse Hotline Policies and Procedures Manual. Therefore, review procedures are limited to interviews with personnel and to the review of relevant policies, procedures, and documentation.

Planned workpaper reviews include:

- George Mason University.
- Department of Behavioral Health and Developmental Services.
- Virginia Community College System.
- Department of Medical Assistance Services.

Administration Division

Business Office

The Business Office manages OSIG's day-to-day office operations, including travel, procurement, budget, human resources, accounting, and the Agency Risk Management and Internal Control Standards (ARMICS) review and certification process.

ARMICS

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

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

Communications Unit

The Communications Unit manages and coordinates all public relations and serves as the primary point of contact for all FOIA and media inquiries. The unit also promotes the vision, mission, and values of the agency through social media, news releases, and other professional publications and communications.

In addition, Communications works with staff to develop high quality reports, presentations, speeches, talking points, and briefing papers for the Governor, General Assembly, agency heads, the media, and the public. The unit also plans activities and programs during the year.

Projects for fiscal year 2025 include:

- OSIG’s website redesign.
 - Increase social media reach to expand audiences, share OSIG’s story, and help the general public better understand the agency’s mission.
 - Establish relationships with agencies, state colleges and universities, and the media to better promote OSIG’s mission and work.
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Information Technology Services Unit

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

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

- ITS will continue upgrading to the latest versions of systems and applications while also implementing security controls to enhance information security and cyber awareness.
 - ITS will implement Microsoft PowerPlatforms to provide cloud computing and process automation.
 - ITS also continues to assist with utilizing applications such as Power BI, Pentana, Caliber, and Power DMS that improve the agency's project management, reporting, and business analytics.
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Ombudsman Unit

The Office of the Department of Corrections Ombudsman is a new unit that was established to provide independent oversight of the state’s correctional facilities.

The Ombudsman Unit operates to fulfill its obligations as defined by *Code* § 53.1-17.2 by conducting inspections; monitoring conditions; establishing the Inmate and Family Support Services Line to receive complaints/inquiries and determine if investigation is warranted; provide information; provide technical assistance, review the administrative remedy process of DOC; develop a strategic plan; and coordinate reporting as required by the *Code*.

For fiscal year 2025, the Ombudsman Unit will:

- Be established through the hiring of the Ombudsman and staff.
- Establish the Inmate and Family Support Service Line per *Code* § 53.1-17.9.
- Begin conducting initial inspections of each facility maintained by the Department of Corrections, per *Code* § 53.1-17.6.
- Issue an annual report by December 31, 2024, per *Code* § 53.1-17.8.
- Develop a short-term and long-term strategic plan, and report on its initial activities and the strategic plan to the Governor and the General Assembly on or before November 15, 2025, per *Code* § 53.1-17.9.



CONTACT US



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