ERIC L. HOUSEHOLDER
CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

SAMANTHA WILLIS
PURCHASING DIRECTOR

October 21, 2026

Melody Duke
West Virginia Finance Division
2101 Washington Street East
Building 17
Charleston, WV 25305

Dear Director Duke,

This is to transmit the final copy of the Purchasing Review of the West Virginia Finance Division. Based on the results of the inspection, no further action is required at this time. Should you feel a response is warranted; your comments will become part of the Inspection Report file.

Thank you for your cooperation and that of your staff during this review.

Respectfully,

FSR

Frank Whittaker, CPPB
Assistant Director
West Virginia Purchasing Division

Enclosure

cc: Sheila Gray, Procurement Supervisor

# WV PURCHASING DIVISION
# **INSPECTION REPORT**

*Department of Administration*

*West Virginia Finance Division*

FISCAL YEAR
2026

# TABLE OF CONTENTS


1. *Introduction* ..... 2

2. *Scope of Inspection* ..... 3

3. *Inspection Summary* ..... 4

4. *Detailed Inspection Findings* ..... *Exhibit A*

5. *Comparison with Prior Inspections* ..... *Exhibit B*

6. *Agency Training Report* ..... *Exhibit C*

# INTRODUCTION

The Purchasing Division is broadly charged with the development and oversight of the procurement functions of state spending units under its authority. That authority is found in Chapter 5A, Article 3 of the West Virginia Code, and Title 148, Series 1, of the West Virginia Code of State Rules. That mandate requires that the Purchasing Division "appoint inspectors to review and audit spending unit requests and purchases and other transactions and performance." W. Va. CSR § 148-1-4.14. The Purchasing Division's Inspection Services Unit performs this function by regularly conducting inspections of all spending units subject to Purchasing Division oversight.

The Purchasing Division Inspection Services Unit conducted an onsite inspection of the West Virginia Finance Division for the period of July 01, 2025, to June 30, 2026. Notice of the inspection was provided on September 16, 2026, and the inspection commenced on September 30, 2026. The results of the inspection are contained within this report.

# SCOPE

The scope of the inspection was focused on determining whether the West Virginia Finance Divisions' procurement transactions for the period of July 01, 2025, to June 30, 2026, were, in all material respects, in compliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook in effect during that time period.

Inspectors utilized spending unit payment transactions to identify potential violations with a primary focus on those transactions processed at the spending unit level without Purchasing Division involvement. Those transactions included, but were not limited to, agency delegated procurements, Section 9 procurements, agency delivery orders, General Accounting Expenditure ("GAX") payments, and P-Card payments. Notwithstanding this general focus, however, Inspectors can review any transaction or internal procurement operating procedures that they deem relevant.

As noted above, the transaction review was conducted to ensure compliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook. More specifically, the scope of the inspection included, but was not limited to, an examination to determine if any of the following infractions had been committed:

(1) Failure to bid at central level (Stringing)[Required to be reported to the Legislature twice annually]
(2) Failure to bid at delegated level,
(3) Statewide contract not utilized,
(4) Vendor registration unverified and wrong vendor fee exemption code utilized
(5) Failure to verify compliance checks
    a. Unemployment
    b. Workers' compensation
    c. Vendor status with Secretary of State's office
    d. Debarred vendor list
(6) Failure to issue wvOASIS procurement award document,
(7) Lack of compliance with fixed asset requirements (asset tags),
(8) Failure to include Certification of Non-Conflict of Interest form,
(9) Miscellaneous Issues
    a. Improper award (Unjustified award to other than lowest responsible bidder meeting specifications),
    b. Leases exceeding six months not processed centrally
    c. Other as needed

# SUMMARY

During the period under review, the spending unit processed 383 procurement transactions with a value of $1,874,268.99. These amounts are approximate, subject to reporting limitations from wvOASIS (including possible data entry error and errors caused by elimination of duplicate results). Of those transactions, the Inspector selected 15 for review which represents approximately 4% of the total. This inspection of 15 selected transactions yielded 2 findings associated with 2 of the selected transactions. This means that approximately 13% of the transactions reviewed had one or more instances of noncompliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook.

The inspection also revealed that on 0 occasions, the spending unit failed to obtain competitive bids as required by the applicable dollar level of spend. That number is comprised of 0 instances of failing to bid at the central level (also known as stringing), and 0 instances of failiug to bid at the delegated level. Any instances of failure to bid at the central level will be reported to the Legislature as required by the West Virginia Code.

Based on the findings contained in this report, the Purchasing Division recommends the spending unit work to improve any areas of noncompliance. Given that there was not a pattern of fiudings or one or more cases of stringing, a formal Correction Action Plan is not required. No further action is required at this time.

# EXHIBIT A: DETAILED INSPECTION FINDINGS

**Issue 1: Failure to bid at central level (Stringing)**

**Authority:** W. Va. Code § 5A-3-10; Procedures Handbook Section 6

**Explanation:** State law mandates that the Purchasing Division competitively bid for the purchase of commodities and services estimated to exceed fifty thousand dollars. The law also prohibits a spending unit from issuing a series of requisitions or divide or plan procurements to circumvent this fifty thousand dollar threshold. The transactions listed below violated this legal mandate and will be reported to the West Virginia Legislature as required by law.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit establish central contracts through the Purchasing Division for each of the items included above and any other commodities or services that will exceed $50,000 in a rolling 12 month period.

2. The Purchasing Division recommends that the spending unit utilize wvOASIS to create reports that will allow the spending unit to track spend and determine when spending is closing to exceeding the $50,000 limit.

3. The Purchasing Division recommends that the spending unit forecast future needs for its commodities and services to determine in advance what should be procured at the central level.

4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 2: Failure to bid at delegated level

**Authority:** W. Va. Code § 5A-3-11(a); W. Va. CSR § 148-1-7.2; Procedures Handbook Section 5

**Explanation:** The Purchasing Division has established competitive bidding requirements that spending units must follow when procuring commodities and services below $50,000.01, and above $5,000.00. For those transactions listed below, the spending unit has failed to obtain and document competitive bids as required.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit follow the requirements associated with each delegated spending limit.

2. The Purchasing Division recommends that the spending unit utilize wvOASIS to create reports that will allow the spending unit to track spend and determine when spending is closing to exceeding spending limits.

3. The Purchasing Division recommends that the spending unit forecast future needs for its commodities and services to determine in advance what should be competitively bid at delegated verbal and written bid levels.

4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 3: Statewide Contract Not Utilized

**Authority:** W. Va. CSR § 148-1-7.4.c.; Procedures Handbook Section 3.1.3.2

**Explanation:** The Purchasing Division has authority to establish contracts at a statewide level to secure economies of scale that would not be possible on an agency by agency basis. Once established, the Purchasing Division can mandate that spending units utilize those statewide contracts. For the transactions listed below, the spending unit bas obtained the commodity or service in question outside of an available statewide contract without a valid waiver.

**Transactions in Violation: (2 Instances)**

| Date | Description | Vendor | Amount | Invoice | SW Contract |
|---|---|---|---|---|---|
| 7/10/2025 | Office Supplies | AMAZON MKTPL NL7KP8230 | 394.99 | PRCC,0209,PC26023933 | OFFICE23 |
| 4/2/2026 | Office Supplies | DOLLARTREE | 37.25 | PRCC,0209,PC26406561 | OFFICE23 |

**Additional Detail:** Applicable items were not purchased from the Statewide Contract and no waiver from the Purchasing Division was present.

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit personnel become familiar with what is available from statewide contracts and either procure those commodities and services from statewide contracts or obtain a waiver from the Purchasing Division.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

3. Agencies should issue a delivery order to obtain goods or services from ceutral open-end contracts unless the West Virginia State Auditor's Office has approved an alternate ordering and payment method.

4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 4: Vendor Registration Unverified/Wrong Vendor Fee Exemption Code Utilized

**Authority:** W. Va. CSR § 148-1-6.1; Procedures Handbook Section 4

**Explanation:** The agency must verify that the vendor is registered, and the registration fee paid, if applicable. The registration process includes having the proper disclosure of information in the *wv*OASIS vendor/customer account. Certain vendors are exempted from paying the vendor registration fee mandated by the authority referenced above. wvOASIS has created fee exemption codes that allow the spending unit to designate the appropriate exemption code on a transactional basis.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchase Division recommends that the spending unit only utilize vendor fee exemption codes for transactions that would permit a vendor to avoid paying the vendor registration fee.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

3. The Purchasing Division recommends that the spending unit contact the Vendor Registration section within the Purchasing Division if there is uncertainty about when and how to apply a vendor fee exemption code.

## Issue 5: Failure to Verify Compliance Checks

**(Workers Comp, Unemployment, Sec. of State, Debarment)**

**Authority:** W. Va. CSR § 148-1-6.1.e.; Procedures Handbook Section 5.3.2

**Explanation:** The authority cited above requires that a vendor be licensed and in good standing in accordance with all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or other state agencies or political subdivisions prior to being awarded a contract. The mandated compliance checks were not included in the transactions listed below.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit perform all compliance checks mandated by the Handbook and properly document those compliance checks in the contract file.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 6: wvOASIS Award Document Not Issued

**Authority:** Procedures Handbook Section 5.3.1.5

**Explanation:** The Purchasing Division Procedures Handbook requires that a procurement award document be issued for all purchases exceeding $5,000 in value. This requirement ensures that the transaction is recorded in wvOASIS in a way that allows it to be easily identified and tracked and helps to prevent spending in violation of procurement laws, rules, and procedures.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit issue a purchase order through wvOASIS and maintain a copy in the contract file for all transactions exceeding $5,000.00.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 7: Asset Tag Not Affixed

**Authority:** W. Va. Code § 5A-3-34; Surplus Property Operations Manual, Part II, Section 1.4

**Explanation:** The Surplus Property Operations Manual requires that all reportable assets must have a numbered identification tag affixed to the asset. Agencies are responsible for obtaining and placing the proper tags on the assets. This method of tagging assets helps to easily identify state assets during physical inspection and to guard against asset theft.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit obtain a properly affix asset tags to all reportable assets. In conjunction with this, the spending unit must maintain accurate inventory records in wvOASIS.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 8: Cert. of Non-Conflict Not Included

**Authority:** W. Va. Code §§ 5A-3-31 and 6B-2-5; Procedures Handbook Section 5.10

**Explanation:** The Purchasing Division requires all evaluators, advisors, and the agency procurement officer, despite the type of transaction, to sign a Certification of Non-Conflict of Interest form prior to contract award to ensure compliance with W. Va. Code § 5A-3-31and § 6B-2-5 by affirming that they do not have a conflict of interest and did not communicate with the vendor during the solicitation, evaluation, and award period.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit include a properly completed Certification of Non-Conflict of Interest form prior to contract award for all transactions exceeding $5,000.00 and maintain a copy in the contract file.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## Issue 9: Miscellaneous

**Authority: Various**

**Explanation:** Over the course of the inspection, various miscellaneous issues are often identified. Those items are included in this section.

**Transactions in Violation: (0 Instances)**

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit's procurement officer participate in training on the topics listed herein that are offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

## EXHIBIT B: COMPARISON WITH PRIOR INSPECTIONS

A previous inspection of the West Virginia Finance Division was conducted in February of 2023. The review consisted of 20 selected transactions from an approximate 436 total transactions from July 1, 2021, through June 30, 2022. This review resulted in 0 findings associated with 0 of the selected transactions. This indicated that 0% of the transactions reviewed during the inspection had one or more problems of potential nonconformity with Purchasing Division laws, rules, and/or regulations. When comparing the statistics from FY 2022 to the current FY 2026 inspection, below is a summary of the issues identified during the FY 2022 inspection, as compared to the findings from the current inspection.

| Summary of Problem Transactions | | |
|---|---|---|
| ***Findings*** | ***FY 2022*** | ***FY 2026*** |
| Failure to Bid at Central Level (Stringing) | 0 | 0 |
| Failure to Bid at Delegated Level | 0 | 0 |
| Statewide Contract not utilized | 0 | 2 |
| Vendor Registration unverified/wrong Fee Code | 0 | 0 |
| Failure to verify Compliance Checks | 0 | 0 |
| wvOasis Award Document not issued | 0 | 0 |
| Asset Tag/Number not affixed | 0 | 0 |
| Cert. of Non-Conflict of Interest not included | 0 | 0 |
| Miscellaneous Issue | 0 | 0 |
| ***Total*** | ***0*** | ***2*** |

There are multiple training resources available from the Purchasing Division in-house training program, as well as, through on-line training modules. These training resources would assist in educating procurement staff in purchasing procedures/requirements. Additional information can be obtained by contacting Courtney Johnson, Administrative Service Manager 1, at (304) 558-4213 or by visiting the Purchasing Division's website http://www.state.wv.us/admin/purchase/training/default.html.

## EXHIBIT C: AGENCY TRAINING REPORT

**Importance of Training:** The Purchasing Division has found that training in procurement significantly improves the ability of the spending unit to comply with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook.

**Statutory Requirements:**

- W. Va. Code § 5A-3-60 requires that All executive department secretaries, commissioners, deputy commissioners, assistant commissioners, directors, deputy directors, assistant directors, department heads, deputy department heads and assistant department heads are hereby required to take two hours of training on purchasing procedures and purchasing cards annually.

- W. Va. CSR § 148-1-3.2 mandates that all designated procurement officers receive 10 hours of procurement training annually.

**Available Training:** The Purchasing Division has implemented a very robust training program that is available to all procurement officers subject to Purchasing Division oversight. That training includes:

- Online Modules
- Webinars
- Live Training Sessions
- Annual conferences
- Basic and Advanced Procurement Certification Programs
- Agency Specific Targeted Training

**Training:** The Purchasing Divisiou records indicate that during the inspection period the following individuals within the spending unit have obtained training at our annual Purchasing Conference as shown below:

**Individual Name:** Sheila Gray
Training Attended: 10 hours

**Individual Name:** Candace Colagrosso
Training Attended: 10 hours

**Purchasing Division Recommendations:**

The Purchasing Division recommends that all procurement officers, regardless of their status as designated or undelegated, participate in at least 10 hours of training annually and that all officials subject to the training requirements in W. Va. Code § 5A-3-60 take the required 2 hours of Purchasing and P-Card Training.

## EXHIBIT D: AGENCY RESPONSE TO INSPECTION FINDINGS