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CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
2019 WASHINGTON STREET, EAST
CHARLESTON, WEST VIRGINIA 25305-0130

W. MICHAEL SHEETS
DIRECTOR

July 20, 2021

Chuck Roberts, Executive Director
Educational Broadcasting Authority
600 Capital Street
Charleston, WV 25301

Dear Executive Director Roberts:

This is to transmit the final copy of the Purchasing Review of the West Virginia Educational Broadcasting Authority. Should you feel a response is warranted; your comments will become part of the Inspection Report file.

A Corrective Action Plan will follow requesting your response to all of the compliance issues identified in this report.

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

Respectfully,

A handwritten signature in blue ink, appearing to read "W. Michael Sheets".

W. Michael Sheets, CPPO
Director
West Virginia Purchasing Division

Enclosure:

cc: Dale Malcomb, Purchasing Coordinator, Educational Broadcasting Authority
Steven Grindstaff, Accountant, Educational Broadcasting Authority

WV PURCHASING DIVISION INSPECTION REPORT

Department of Arts, Culture and History

West Virginia Educational Broadcasting Authority

FISCAL YEAR
2020

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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 a remote inspection of the West Virginia Educational Broadcasting Authority for the period of July 1, 2019 through June 30, 2020. Notice of the inspection was provided on January 6, 2021, and the inspection commenced on March 4, 2021. The results of the inspection are contained within this report.

SCOPE

The scope of the inspection was focused on determining whether the West Virginia Educational Broadcasting Authority's procurement transactions for the period of July 1, 2019 through June 30, 2020 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 include notarized Purchasing Affidavit,
- (7) Failure to issue wvOASIS procurement award document,
- (8) Lack of compliance with fixed asset requirements (asset tags),
- (9) Failure to include Certification of Non-Conflict of Interest form,
- (10) 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 1,322 procurement transactions with a value of \$2,890,032.78. (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 65 for review which represents approximately 4% of the total. This inspection of 65 selected transactions yielded 29 findings associated with 21 of the selected transactions. This means that approximately 32% 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 findings are further illustrated in the attached Findings Grid and Grading Sheet.

The inspection also revealed that on 4 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 4 instances of failing 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 the agency received a score of 78% C on the inspection, the first step must be the completion of a Corrective Action Plan. A request for which will be provided to you after this inspection is finalized.

Grading Sheet

West Virginia Educational Broadcasting Authority FY2020 Statistics

Conformance Rate & Score (100 Points Possible)

Transactions Reviewed	65	Points Possible	100
Non-Conformance Rate (See Summary Page)	32.0%	Points Deducted	32
Conformance Rate	68.0%	Points Received (Conformance Score)	68

Findings Summary & Score (100 Points Possible)

<i>Finding Category</i>	Number of Findings	Finding Percentage	Points possible	Points Received (Finding Score)
Failure to Bid at Central Level (Stringing)	0	0.00%	30	30
Failure to Bid at Delegated Level	4	6.15%	20	17
Statewide Contract not utilized	3	4.62%	15	12
Vendor Registration unverified/wrong fee code	1	1.54%	5	4
Failure to verify Compliance Checks	5	7.69%	5	4
Purchasing Affidavit Not Included	4	6.15%	5	4
Wvoasis Award Document Not Issued	2	3.08%	5	4
Asset Tag/Number not affixed	0	0.00%	5	5
Certification of Non-Conflict of Interest not included	4	6.15%	5	4
Miscellaneous Issue	6	9.23%	5	4
Total	29		100	88

Overall Agency Score

Conformance & Findings Average	Overall Letter Grade
78.0%	C

Scale (See Weight Application*)

90 --100 = A
80 --89.9 = B
70 -- 79.9 = C
60-- 69.9 = D
<60 = F

The Finding Summary and Number of Findings does not directly correlate with the Transactions Reviewed and Non-Conformance Rate because each transaction can yield multiple findings, and findings like stringing can include multiple transactions in a single finding.

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 twenty-five thousand dollars. The law also prohibits a spending unit from issuing a series of requisitions or divide or plan procurements to circumvent this twenty-five-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 \$25,000 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 \$25,000 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 \$25,000.01, and above \$2,500.00. For those transactions listed below, the spending unit has failed to obtain and document competitive bids as required.

Transactions in Violation: (4 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/30/2020	Nitrogen	Airgas USA LLC	\$173.70	PRM,2100002399
12/19/2019	Streaming	In Streamguys, Inc.	\$786.00	PRCC,PC20099639

Additional Detail: Although the transactions listed above fall below the bid limit, the agency aggregate spent with the vendors exceeded \$2,500.00 for the fiscal year under review.

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/30/2020	Elevator Maint.	Thyssenkrupp Elevator Corp.	\$122.50	PRM,2100002393

Additional Detail: Although the transaction listed above falls below the bid limit, there was an Agreement for \$15,000. When a WV-48 is present, all documentation for that amount must be present with the file.

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/15/2019	Auditing	BHM CPA Group Inc.	\$15,500.00	PRM,2000035881

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 3.6.2

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 has obtained the commodity or service in question outside of an available statewide contract without a valid waiver.

Transactions in Violation: (3 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>	<u>SW Contract</u>
02/21/2020	Flash Drives	Adorama Inc.	\$649.00	PRM,2100002400	OFFICE
09/24/2019	Cables	Bestlink Netware Inc.	\$675.20	PRCC,PC20052257	OFFICE
07/17/2019	Locks	Yohar Supply	\$1,679.28	PRCC,PC20024885	MRO

Additional Detail: Applicable items were not purchased from the Statewide Contracts and no waivers from the Purchasing Division were 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 central 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 wvOASIS 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: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/30/2020	Dues	PBS	\$139,685.00	GAX,2000066304

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 5.3.1.6.

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: (5 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/2020	Legal Services	Akin Gump Strauss Hauer & Feld LLP	\$14,887.00	GAX,2100006113
05/20/2020	Media Licensing	BBC Studios Americas Inc.	\$6,600.00	PRM,2000057386
06/30/2020	Dues	PBS	\$139,685.00	GAX,2000066304
06/30/2020	Programming	Prx Inc.	\$12,236.01	PRM,2000048788
10/16/2019	Programming	RLJ Entertainment Inc.	\$3,060.00	PRM,2000048784

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: Purchasing Affidavit Not Included

Authority: W. Va. Code §§ 5A-3-10a and 5-22-1; Procedures Handbook Section 5.3.1.6.

Explanation: West Virginia law has several restrictions against awarding a contract to a vendor that owes a debt to the State or its political subdivisions. The Purchasing Affidavit must be signed by the vendor prior to contract award to obtain assurance that the vendor is in compliance with the statutory mandates.

Transactions in Violation: (4 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/19/2019	Streaming	In Streamguys, Inc	\$786.00	PRCC,PC20099639

Additional Detail: Although the transaction listed above falls below the limit requiring a Purchasing Affidavit be present, the agency aggregate spent with the vendor for the fiscal year under review exceeded \$10,000. All documentation for that amount must be present with the file.

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/31/2019	Transmitter	George R. Smalley Company Inc.	\$17,500.00	PRM,2000008971
06/30/2020	Dues	Natl Educational Telecommunications Association	\$11,436.00	PRM,2000003946
06/30/2020	Dues	PBS	\$139,685.00	GAX,2000066304

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit obtain a properly completed Purchasing Affidavit and maintain a copy in the contract file for all transactions exceeding \$10,000.00 (the threshold for obtaining written bids).
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: wvOASIS Award Document Not Issued

Authority: Procedures Handbook Section 5.2.2

Explanation: The Purchasing Division Procedures Handbook requires that a procurement award document be issued for all purchases exceeding \$2,500 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: (2 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/2020	Legal Services	Akin Gump Strauss Hauer & Feld LLP	\$14,887.00	GAX,2100006113
06/30/2020	Dues	PBS	\$139,685.00	GAX,2000066304

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 \$2,500.00.
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 8: 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 9: Cert. of Non-Conflict Not Included

Authority: W. Va. Code §§ 5A-3-31 and 6B-2-5; Procedures Handbook Section 3.7.7.

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-3-31 and § 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: (4 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/20/2020	Media Licensing	BBC Studios Americas Inc.	\$6,600.00	PRM,2000057386
02/04/2020	Receivers	Digital Video Group Inc	\$4,477.22	PRM,2000039606
05/16/2020	Construction	Nitro Construction Services Inc	\$2,700.00	PRM,2000059372
06/30/2020	Dues	PBS	\$139,685.00	GAX,2000066304

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 \$2,500.00 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 10a: Miscellaneous (OT Approval)

Authority: Procedures Handbook Section 7.2

Explanation: (Office of Technology Approval) The Purchasing Division's Procedures Handbook states All telecommunications systems, upgrades and expansions, regardless of cost, must be approved prior to bidding by the Information Services and Communications Division. All telecommunications purchases must be approved by the Chief Technology Officer. This policy is vitally important to maintain the integrity and compatibility of the state's massive voice and data telecommunications system.

Transactions in Violation: (4 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/2020	Subscription	ActiveCampaign Inc.	\$520.00	PRCC,PC20149183
09/22/2019	Subscription	Klipfolio Inc.	\$720.00	PRCC,PC20052259
01/17/2020	Subscription	MxToolBox	\$672.00	PRCC,PC20110469
12/31/2019	Media Composer	Softchoice Corp	\$4,320.00	PRM,2000035876

Additional Detail: Office of Technology approval was not found in the files.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the agency apply for and receive Office of Technology approval prior to the purchase of any telecommunication products. Failure to do so could cause issues with the state's voice and data telecommunications system. Approval memo must be maintained and kept in the procurement file.
2. The Purchasing Division recommends that the agency reference West Virginia Office of Technology CTO Policy # CTO-19-001 for guidance, which can be found at <https://technology.wv.gov/security/Pages/policies-issued-by-the-cto.aspx>.
3. 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.

Issue 10b: Miscellaneous (Not following Statewide Contract Ordering Requirements)

Authority: Procedures Handbook Section 3.7.1.2.1

Explanation: Agencies should always refer to the ordering instructions, if present, on all open-end or statewide contracts for proper instructions prior to attempting to issue a delivery order.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/12/2020	Tires	Mr. Tire	\$468.12	PRCC,PC20110242

Additional Detail: The awarded Statewide Contract Vendor is Goodyear Tire and Rubber Company. The agency must not pay the Authorized Dealer at any time. The Authorized Dealer will submit the ADO directly to Goodyear Tire and Rubber Company and Goodyear will reimburse the authorized dealer for all contract items.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the agency should always refer to the ordering instructions, if present, on all open-end or statewide contracts for proper instructions prior to attempting to issue a delivery order.
2. The Purchasing Division recommends the agency process an Agency Delivery Order (ADO) directly to the vendor to obtain goods or services in the amount of \$250,000 or less from these contracts, unless ordering instructions contained in the contract require Purchasing Division approval.
3. The Purchasing Division recommends the agency process a delivery order on an existing Central Master Agreement (i.e. open-end contract) that exceeds \$250,000 as a *Central Delivery Order (CDO)*.
4. 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.

Issue 10c: Miscellaneous (Not Following Emergency Procedures)

Authority: Procedures Handbook Section 6.3.3

Explanation: An Emergency purchase can only be made if the state agency designated procurement officer, exercising sound judgement and discretion, concludes in good faith and upon reasonable and sufficient grounds that some unforeseen or unexpected circumstance has suddenly created a situation requiring that commodities or services be immediately purchased by a state spending unit.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/22//2019	Labor	George R. Smalley Company Inc.	\$17,500.00	PRM,2000008971
08/22/2019	Material	George R. Smalley Company Inc.	\$10,949.20	PRM,2000008970

Additional Detail: Request was approved for an Emergency Purchase including the recommendation of the agency following Emergency Procedures. The Emergency Purchase total cost exceeded \$25,000 and is considered a “formal acquisition”. The agency must develop the requisition along with all required documentation and forward to the Purchasing Division for processing.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the agency must first examine mandatory contracts for availability of the product or service and utilize such. For information on mandatory contracts see Section 3: **Acquisition Planning** of the Purchasing Procedures Handbook.
2. The Purchasing Division recommends that the spending unit’s procurement officer follow all rules stated in the Emergency Purchases Section of the Purchasing Procedures Handbook and ensures all staff utilizing emergency procedures through the state agency know and comply with said rules.
3. 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.

EXHIBIT B: COMPARISON WITH PRIOR INSPECTIONS

A previous inspection of the West Virginia Educational Broadcasting Authority was conducted in February of 2019. The review consisted of 92 selected transactions from an approximate 2,271 total transactions from July 1, 2017 through June 30, 2018. This review resulted in 97 findings associated with 45 of the selected transactions. This indicated that 48% 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 2018 to the current FY 2020 inspection, below is a summary of the issues identified during the FY 2018 inspection, as compared to the findings from the current inspection.

Summary of Problem Transactions		
<i>Findings</i>	<i>FY</i> <i>2018</i>	<i>FY</i> <i>2020</i>
Failure to Bid at Central Level (Stringing)	3	0
Failure to Bid at Delegated Level	15	4
Statewide Contract not utilized	0	3
Vendor Registration unverified/wrong Fee Code	1	1
Failure to verify Compliance Checks	16	5
Purchasing Affidavit not included	26	4
wvOasis Award Document not issued	3	2
Asset Tag/Number not affixed	2	0
Cert. of Non-Conflict of Interest not included	29	4
Miscellaneous Issue	0	6
<i>Total</i>	<i>95</i>	<i>29</i>

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 Samantha Knapp, Staff Development Specialist, at (304) 558-7022 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 Division 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:

Randall Comm : attended 11 workshops (11 available)

Larry Dowling: attended 7 workshops (11 available)

Dale Malcomb : attended 11 workshops (11 available)

Purchasing Division Recommendations:

The Purchasing Division recommends that all procurement officers, regardless of their status as designated or undesignated, 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.
