



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

W. MICHAEL SHEETS
DIRECTOR

October 24, 2018

Philip W. Morrison, Executive Director
Prosecuting Attorneys Institute
1124 Smith Street, Suite 4500
Charleston, West Virginia 25301

Dear Executive Director Morrison:

This is to transmit the final copy of the Purchasing Review of the West Virginia Prosecuting Attorneys Institute.

A preliminary copy of this report was submitted to your agency for comment. Where significant comments were returned by your agency we have included those as part of this final review report.

A Corrective Action Plan Request 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: Luke McVay, Information Systems Coordinator II, Prosecuting Attorneys Institute

WV PURCHASING DIVISION INSPECTION REPORT

Department of Administration

West Virginia Prosecuting Attorneys Institute

FISCAL YEAR
2017

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INTRODUCTION

We conducted a review of the internal procurement policies and procedures of the West Virginia Prosecuting Attorneys Institute. The mail-in review was conducted on September 14, 2018 and was made under the authority provided by West Virginia Code §5A-3-4(a) (5) and the Code of State Rules §148-1-4.14.

The review was directed principally to determine whether agency purchasing transactions for the period under review were, in all material respects, in compliance with statute, rules and procedures.

Our review indicated that, for the period of July 1, 2016 through June 30, 2017, the Agency processed 443 procurement transactions with a value of \$156,381.23. (These amounts are approximate, subject to reporting limitations from wvOasis (including possible data entry error) and errors caused by elimination of duplicate results).

SCOPE

We conducted our review in accordance with applicable provisions of Code and Rule; the Purchasing Division's Procedures Handbook; and guidelines, procedures and processes that govern the purchasing process. Our review encompassed an analysis of the internal procurement operating procedures of the spending unit and its related policies to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly manage procurement transactions.

For the stated period, we selected a judgmental sample of procurement transactions for compliance testing and performed other procedures that we considered necessary to formulate this opinion. Specifically, the scope of our review included, but was not limited to, an examination of the following:

- (1) Proper award (lowest responsible bidder meeting specifications),
- (2) Use of statewide contracts,
- (3) Use of internal resources,
- (4) Failure to Bid at Delegated Level,
- (5) Verification of vendor registration,
- (6) Verification of unemployment and workers' compensation, vendor status with Secretary of State's office, debarred vendor list,
- (7) Presence of signed, notarized Affidavit,
- (8) Issuance of wvOASIS procurement award document,
- (9) Fixed asset transactions,
- (10) Certification of Non-Conflict of Interest,
- (11) Evidence of stringing, and
- (12) Attendance of Purchasing Division training conferences.

RESULTS OF REVIEW

Issue 1 (One Finding)

| <u>Date</u> | <u>Description</u> | <u>Vendor</u> | <u>Amount</u> | <u>Invoice</u> |
|-------------|--------------------|----------------------|---------------|-----------------|
| 05/03/17 | Office Supplies | Amazon Mktplace Pmts | \$277.94 | PRCC,PC17074039 |
| 06/08/17 | Office Supplies | Amazon Mktplace Pmts | \$507.65 | PRCC,PC18003375 |
| 07/07/17 | Office Supplies | Amazon.com | \$167.99 | PRCC,PC18008347 |

- **Finding – A**

The listed items were not purchased from the Statewide Contract (OFFICE) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 2 (3 Findings)

| <u>Date</u> | <u>Description</u> | <u>Vendor</u> | <u>Amount</u> | <u>Invoice</u> |
|-------------|--------------------|----------------------------|---------------|----------------|
| 07/25/17 | Medical Exam | Berkeley Medical Center | \$350.00 | GAX,1800021903 |
| 10/28/16 | Medical Exam | Dreama Hubbard | \$350.00 | GAX,1700061945 |
| 07/21/17 | Medical Exam | United Hospital Center Inc | \$350.00 | GAX,1800020601 |
| 07/28/17 | Medical Exam | WVU Hospital Inc | \$350.00 | GAX,1800042765 |
| 06/04/17 | Medical Exam | WVU Hosp. Patient Acct | \$350.00 | GAX,1800012842 |

Summary:

Although the spending unit is declaring this transaction as an exemption under Section 9, the file still must contain all required documentation for that dollar amount.

The aggregate total spent for each vendor listed is over \$6,000.00 each.

- **Finding – A**

The listed purchases did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division and retaining that documentation with the purchasing file.

- **Finding – B**

The listed purchases did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

There was no indication that a WV Oasis Procurement Award Document was issued.

- **Requirement**

See Attachment A, point #8 – WV Oasis Procurement Award Document.

- **Recommendation**

We recommend that approved forms be used to make an award.

Issue 3 (Three Findings)

| <u>Date</u> | <u>Description</u> | <u>Vendor</u> | <u>Amount</u> | <u>Invoice</u> |
|-------------|--------------------|------------------|---------------|----------------|
| 06/30/17 | Seminar | Juan M. Martinez | \$1,172.00 | GAX,1800049165 |

Summary:

Although the amount of the transaction is \$1,172.00, the Agreement is for \$4,000.00. The file must contain all required documentation for that dollar amount.

- **Finding – A**

The listed purchases did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division and retaining that documentation with the purchasing file.

- **Finding – B**

There was no indication that a WV Oasis Procurement Award Document was issued.

- **Requirement**

See Attachment A, point #8 – WV Oasis Procurement Award Document.

- **Recommendation**

We recommend that approved forms be used to make an award.

- **Finding – C**

The listed file did not include the required Certification of Non-Conflict of Interest.

- **Requirement**

See Attachment A, point #10 – Certification of Non-Conflict of Interest.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).

Issue 4 (Three Findings)

| <u>Date</u> | <u>Description</u> | <u>Vendor</u> | <u>Amount</u> | <u>Invoice</u> |
|-------------|--------------------|----------------------|---------------|-----------------|
| 10/06/16 | Moving Expenses | Lambert Transfer Co. | \$3,120;00 | PRCC,PC17026962 |

- **Finding – A**

The listed purchases did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division and retaining that documentation with the purchasing file.

- **Finding – B**

There was no indication that a WV Oasis Procurement Award Document was issued.

- **Requirement**

See Attachment A, point #8 – WV Oasis Procurement Award Document.

- **Recommendation**

We recommend that approved forms be used to make an award.

- **Finding – C**

The listed file did not include the required Certification of Non-Conflict of Interest.

- **Requirement**

See Attachment A, point #10 – Certification of Non-Conflict of Interest.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).

Issue 5 (Four Findings)

| <u>Date</u> | <u>Description</u> | <u>Vendor</u> | <u>Amount</u> | <u>Invoice</u> |
|-------------|--------------------|--------------------|---------------|----------------|
| 06/28/17 | Training | Marla Willcox Eddy | \$3,583.77 | GAX,1800015999 |

Summary:

Although the amount of the transaction is \$3,583.77, the Agreement is for \$5,000.00. The file must contain all required documentation for that dollar amount.

- **Finding – A**

The listed purchases did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division and retaining that documentation with the purchasing file.

- **Finding – B**

The listed purchases did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

There was no indication that a WV Oasis Procurement Award Document was issued.

- **Requirement**

See Attachment A, point #8 – WV Oasis Procurement Award Document.

- **Recommendation**

We recommend that approved forms be used to make an award.

- **Finding – D**

The listed file did not include the required Certification of Non-Conflict of Interest.

- **Requirement**

See Attachment A, point #10 – Certification of Non-Conflict of Interest.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).

Issue 6 (Five Findings)

| <u>Date</u> | <u>Description</u> | <u>Vendor</u> | <u>Amount</u> | <u>Invoice</u> |
|-------------|--------------------|----------------------------|---------------|----------------|
| 01/09/17 | Sexual Assault Kit | Sirchie Finger Print Labs. | \$13,315.50 | GAX,1700083580 |

Summary:

Although the spending unit is declaring this transaction as a sole source, the file still must contain all required documentation for that dollar amount.

- **Finding – A**

The listed purchases did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division and retaining that documentation with the purchasing file.

- **Finding – B**

The listed purchases did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
 - **Requirement**
See Attachment A, point #6 – Affidavit.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.
-

- **Finding – D**
There was no indication that a WV Oasis Procurement Award Document was issued.
 - **Requirement**
See Attachment A, point #8 – WV Oasis Procurement Award Document.
 - **Recommendation**
We recommend that approved forms be used to make an award.
-

- **Finding – E**
The listed file did not include the required Certification of Non-Conflict of Interest.
 - **Requirement**
See Attachment A, point #10 – Certification of Non-Conflict of Interest.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).
-

SUMMARY

This review of 19 selected transactions from an approximate 443 total transactions yielded 19 findings associated with 12 of the selected transactions. This indicates that approximately 63% of the transactions reviewed had one or more problems of potential nonconformity with Purchasing Division laws, rules and/or regulations.

In August of 2017, the Purchasing Division conducted our annual purchasing conference for agency procurement officers at Canaan Valley State Park Resort. At this conference, attendees were offered the opportunity to attend 11 workshops focusing on more than 30 different topics.

Listed below, you will find the names of your agency employees who participated in our conference and the number of classes they attended:

There were no attendees from the West Virginia Prosecuting Attorneys Institute.

Based on the findings contained in this report, we strongly suggest that the West Virginia Prosecuting Attorneys Institute comply with all recommendations and take appropriate action as required.

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

Inspection Report – Attachment A

Requirements from the West Virginia Purchasing Division Procedures Handbook (Issuance Date: July 1, 2015), the West Virginia Code, the West Virginia Code of State Rules (148 CSR 1) and the West Virginia State Travel Policy (July 1, 2015).

1. Statewide Contract Availability:

Section 3.6.2.1 of the Handbook states:

"No agency may be exempt from using statewide contracts without prior written approval from the Purchasing Director."

Section 5.1 of the Handbook states:

"Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources: statewide contract or agency open-end contract existing for the commodity or service. . . ."

2. Internal Resources:

Section 5.1 of the Handbook states:

"Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources. . . Surplus Property, Correctional Industries and the West Virginia Association of Rehabilitation Facilities."

Section 3.6.1.2 of the Handbook states:

"In accordance with West Virginia Code, §25-7-5, all offices, departments, institutions and agencies of the state which are supported in whole or in part by this state shall purchase, and all political subdivisions of this state may purchase, all articles or products which they require from the commissioner, if those articles or products are produced or manufactured by correctional industries, as provided by article 7 of Chapter 25 of the West Virginia Code. No state office, department, institution or agency may purchase an article or product which correctional industries produces from any other source, unless specifically excepted from the provisions of §25-7-5 pursuant to §25-7-6."

Section 3.6.1.3 of the Handbook states:

"All state agencies are required by West Virginia Code, §5A-3-10, to purchase commodities and services from sheltered workshops whenever such commodities and services are available and meet certain quality and price standards which are comparable to open-market sources."

3. Failure to Bid at Delegated Level:

Section 5.1.2 of the Handbook states:

"Purchases \$2,500.01 to \$5,000.00: A minimum of three (3) verbal bids are required, when possible, and the lowest bid meeting specification must be awarded the purchase order/contract. All bids must be present in the file. Bids shall be documented and recorded for public record."

Section 5.1.3 of the Handbook states:

"Purchases \$5,000.01 to \$25,000.00: A minimum of three (3) written bids are required, when possible, and the lowest bid meeting specification must be awarded the purchase order/contract. All bids must be present in the file. "

"An Agency Request for Quotation or a Centralized Request for Quotation should be used for documenting and making these requests. In all cases, state agencies must attempt to obtain at least three (3) written bids for a product or service. A "no bid" is not considered a bid."

4. Vendor Registration:

Section 5.2.3 of the Handbook states:

"Prior to an award, a vendor must be in compliance with the following and the agency shall retain documentation in the file:

Vendor registration process (must be registered and the fee paid if applicable)."

5. Verification Searches:

Section 5.2.3 of the Handbook states:

- **Workers' Compensation/Unemployment Compensation:**

"In accordance with the West Virginia Code §21A-2-6, verification of current unemployment fee status and Workers' Compensation coverage is required to ensure the vendor is not in default with Workers' Compensation and Employment Compensation." wvOASIS automatically verifies compliance prior to award

- **State/Federal Debarment:**

"Verification that the vendor is not debarred by the federal government. wvOASIS automatically verifies this federal compliance prior to award."

- **Vendors licensed and in good standing – Secretary of State's Office**

*"In accordance with the **Code of State Rules** 148 CSR 6.1.7, the vendor must be licensed and in good standing with any and all state and local law and requirements, including proper registration and good standing with the Secretary of State's office and the State Tax Department, regardless of payment method, To search for a business or corporation with the Secretary of*

State's office, visit <http://apps.sos.wv.gov/business/corporations>. **Agencies must verify this compliance prior to award.**"

6. Affidavit:

Section 5.2.3 of the Handbook states:

"Purchasing Affidavit (required on all contracts exceeding \$5,000);"

7. Agreement Addendum: (WV-96)

Section 5.2.3 of the Handbook states:

"Required when vendors submit alternate terms and condition with their bid"

8. wvOASIS Procurement Award Document:

Section 5.1.2 of the Handbook states (for purchases \$2,500.01 to \$5,000.00)

"A wvOASIS procurement award document is required for purchases exceeding \$2500. Awards are to be made only to vendors who are properly registered with the Purchasing Division."

Section 5.1.3 of the Handbook states (for purchases of \$5,000.01 to \$25,000.00):

"An Agency Request for Quotation or a Centralized Request for Quotation should be used for documenting and making these requests."

9. Asset Number Required:

Section 5.5 of the Handbook states:

"Fixed Assets: After payment has been made to the vendor, reportable property must be added to the Fixed Assets module of wvOASIS."

10. Certificate of Non-Conflict of Interest:

Section 5.2.3 of the handbook states:

"A public record of all purchasing transactions must be kept on file at the agency location. . . This file must also include a Certificate of Non-Conflict of Interest."

11. Receiving:

Section 5.3 of the handbook states:

"In accordance with the West Virginia State Auditor's receiving report requirements (Code of State Rules, §155-1-4), materials must be opened and inspected within 24 hours of receipt. . . Agencies must verify the shipment against the specifications in the purchase order and retain a copy of the receiving report prepared for the Auditor's office with the purchasing file. For receipt of services, a receiving report similar in form to that required by the Auditor's office shall be completed, signed and retained with the purchasing file."

"

"spending units may include a memorandum to file in the purchasing file indicating the storage location of the receiving reports. The actual reports shall be produced on demand, in accordance with the Code of State Rules, §148-1-4-14"

12. Stringing:

According to the Purchasing Division's Procedures Handbook, the definition for "stringing" is "issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State purchasing card transaction or delegated purchasing limit."

The West Virginia Code, §5A-3-10 states:

(a) A purchase of and contract for commodities, printing and services shall be based, whenever possible, on competitive bids.

(b) The director shall solicit sealed bids for the purchase of commodities and printing which is estimated to exceed twenty-five thousand dollars. No spending unit shall issue a series of requisitions or divide or plan procurements to circumvent this twenty-five thousand dollar threshold or otherwise avoid the use of sealed bids. Any spending unit which awards multiple contracts for the same or similar commodity or service to an individual vendor over any twelve-month period, the total value of which exceeds twenty-five thousand dollars, shall file copies of all contracts awarded to the vendor within the twelve preceding months with the director immediately upon exceeding the twenty-five thousand dollar limit, along with a statement explaining how the multiple contract awards do not circumvent the twenty-five thousand dollar threshold. If the spending unit does not immediately report to the director, the director may suspend the purchasing authority of the spending unit until the spending unit complies with the reporting requirement of this subsection. The director may conduct a review of any spending unit to ensure compliance with this subsection. Following a review, the director shall complete a report summarizing his or her findings and forward the report to the spending unit. In addition, the director shall report to the Joint Committee on Government and Finance on the first day of January and July of each year the spending units which have reported under this subsection and the findings of the director. . . .

Additionally, the Legislative Rule §148-1 states that the Director shall:

7.2.b If an agency fails to comply with the procedures and requirements established for purchases of \$25,000 or less, the Director has the ability to:

7.2.b.1 Suspend or reduce purchasing authority for that spending unit,

7.2.b.2 Require the spending to provided additional reports and documentation relating to purchases of \$25,000 or less for Purchasing Division review,

7.2.b.3 Require the agency to submit to additional oversight tht the Director deems appropriate, or

7.2.b.4 Require that the agency personnel responsible for purchases of \$25,000 or less participate in remedial training provided by the Purchasing Division

13. Travel:

Section 5.2.2.1, 5.2.2.2 of the State Travel Policy states:

"Privately-owned vehicles may be used for state travel with agency approval when agency owned or leased vehicles are unavailable. A privately-owned vehicle should not be used when reimbursement costs are expected to exceed \$50.00 per day or mileage reimbursement is expected to cost more than the cost of commercial travel (air, rental car, etc.). Milage allowance for privately owned vehicles engaged in State business will be based on the GSA rate in effect at the trime of the travel. The rate covers all operating costs such as fuel, maintenance, insurance, etc., and no additional reimbursement will be made for such expenses."

Section 5.2.4.1 of the State Travel Policy states:

A commercial rental vehicle should only be used when a temporary need arises, a state vehicle is unavailable and the cost will be less than the reimbursement associated with a privately-owned vehicle. Only the Traveler renting the commercial rental vehicle is permitted to operate the vehicle. If state employees are traveling together it must be noted on the rental agreement if they will operate the vehicle.

COMPARISON WITH PRIOR INSPECTION

A previous inspection of the WV Prosecuting Attorneys Institute was conducted in January of 2015. The review consisted of 24 selected transactions from an approximate 511 total transactions from July 1, 2013 through June 30, 2014. This review resulted in 22 findings associated with 11 of the selected transactions. This indicated that 46% 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 2014 to the current 2018 inspection, below is a summary of the issues identified during the 2014 inspection, as compared to the findings from the current inspection.

| Summary of Problem Transactions | | |
|---|-------------|-------------|
| <i>Findings</i> | 2014 | 2018 |
| Stringing | 0 | 0 |
| Statewide Contract | 1 | 1 |
| Internal Resources | 0 | 0 |
| Failure to Bid at Delegated Level | 2 | 0 |
| Vendor Registration | 6 | 5 |
| Verification Searches | 3 | 3 |
| Affidavit | 3 | 1 |
| wvOasis Award Document | 3 | 5 |
| Asset Tag/Number | 2 | 0 |
| Certification of Non-Conflict of Interest | 2 | 4 |
| Miscellaneous Issue | 0 | 0 |
| <i>Total</i> | 22 | 19 |

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>.



JOHN A. MYERS
CABINET SECRETARY

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

W. MICHAEL SHEETS
DIRECTOR

September 21, 2018

Philip W. Morrison, Executive Director
Prosecuting Attorneys Institute
1124 Smith Street, Suite 4500
Charleston, West Virginia 25301

Dear Executive Director Morrison:

The attached documentation following this letter is a grading system which the West Virginia Purchasing Division has developed as a mechanism for evaluating agency conformance to purchasing policies and procedures. This tool has been created with the intent of assessing the progress of those directly responsible for agency procurement related transactions to identify areas which are deficient. Several agencies were selected as a test case for review of this system.

The following is an explanation of the grading system:

"Transactions Reviewed" is the number of transactions under examination for the given fiscal year.

"Non-Conformance Rate" as found in the draft and final report summary pages, is the overall agency error-rate, as a percentage, in which the agency is not in compliance with purchasing policies and procedures. This figure is determined by summing the number of problem transactions then dividing that total by the number of transactions under review.

"Conformance Rate" is the percentage of overall agency compliance with purchasing policies and procedures.

"Finding Summary" is the collection of issues (i.e. "findings") discovered during the inspection of agency transactions. The finding categories are a weighted points system. Findings deemed to be more serious are allotted a larger possible point deduction than those of a more administrative nature. Deductions are based on the percentage of findings in relation to the number of transactions reviewed. See attached weight application chart.

As an example: If under the "Finding Category" of "Stringing" the "Number of Findings" were 6, and the number of "Transactions Reviewed" were 635, the "Finding Percentage" would be .94%. This percentage would yield a point deduction of -6 (as explained in the weight application chart). This number is then reduced from the "Points Possible" column.

"Overall Agency Score" is the total number of the "Findings Summary" "Points Received" column averaged with "Non-Conformance Rate" as determined by the following equation: ("Findings Summary - Points Received" column + "Non-conformance Rate") / 200))

"Overall Letter Grade" is the global result of inspection report.

Should you have any questions or require further clarification, please contact Greg Clay, at (304) 558-5780. Your assistance is greatly appreciated.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg Clay".

Greg Clay, Contracts Manager
State Purchasing Contracts Manager

Enclosure

cc: Luke McVay, Information Systems Coordinator II, Prosecuting Attorneys Institute

West Virginia Prosecuting Attorneys Institute FY2017 Statistics

Transactions Reviewed 19

Non-Conformance Rate (See Summary Page) 63.0%

Conformance Rate 37.0%

Findings Summary

| <i>Finding Category</i> | Number of Findings | Finding Percentage | Points possible | Points Received |
|---|---------------------------|---------------------------|------------------------|------------------------|
| Stringing | 0 | 0.00% | 30 | 30 |
| Statewide Contract | 1 | 5.26% | 15 | 12 |
| Internal Resources | 0 | 0.00% | 15 | 15 |
| Failure to Bid | 0 | 0.00% | 15 | 15 |
| Vendor Registration | 5 | 26.32% | 5 | 0 |
| Verification Searches | 3 | 15.79% | 5 | 2 |
| Affidavit | 1 | 5.26% | 5 | 4 |
| wvOasis Award Document | 5 | 26.32% | 3 | 0 |
| Asset Tag/Number | 0 | 0.00% | 3 | 3 |
| Certification of Non-Conflict of Interest | 4 | 21.05% | 3 | 0.6 |
| Miscellaneous Issue | 0 | 0.00% | 1 | 1 |
| Total | 19 | | 100 | 82.6 |

Overall Agency Score

| Non-Conformance & Findings Average | Overall Letter Grade |
|------------------------------------|----------------------|
| 59.8% | F |

Scale (See Weight Application*)

91.66 --100 = A
 83.33 --91.65 = B
 75 -- 83.32 = C
 66.66 -- 74.99 = D
 <66.65 = 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.

Attachment B

Agency Comments

CHAIRPERSON
JOHN L. BORD

VICE CHAIRPERSON
TIMOTHY HAUGHT

EXECUTIVE DIRECTOR
PHILIP W. MORRISON, II



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October 17, 2018

EXECUTIVE COUNCIL
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JOSH DOWNEY
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JUSTIN ST. CLAIR
AGNES QUEEN
JACK DAVID WOODRUM

Gregory Clay, Contracts Manager
Purchasing Division
Department of Administration
2019 Washington Street East
Charleston, WV 25305-0130

Dear Sir;

I am in receipt of your packet containing the findings of the purchasing audit of the West Virginia Prosecuting Attorneys Institute for fiscal year 2017. Please accept this letter as the institute's reply thereto. We were caught a bit off guard at the volume of issues with the 19 transactions reviewed and even more so that many of these issues carried with them multiple findings which indicate that we have become more out of step with the purchasing rules.

In retrospect I believe these results are, in part, the product of the death of the employee who was tasked with purchasing during the early portion of the year in question and our inability to get anyone else designated, trained and likewise tasked with purchasing for our agency. We are a very small agency with only four employees and we only have one support staff person here at the Institute in a position to take this on and she has just recently gotten used to all the other duties she absorbed as a result of this tragedy. In order to begin to address this oversight I have designated her as the single purchaser for the agency. I'm going to assist her in becoming acquainted with the purchasing rules and how to purchase using the new enterprise resource program, OASIS.

In that respect I am taking this opportunity to reach out and ask you what the best training regimen for her would be, who the best contact persons would be to achieve this end and who you would recommend to teach her about how to use Oasis.

Based upon our phone conversation, I believe these steps will resolve the bulk of the findings in the purchasing audit which seem to be the result of our inability to properly characterize many of these transactions in Oasis as well as ensuring vendor registration. Further, operating in the manner you described to me would also most likely ease the tension between our obligations under WV Code 61-8B-16 and the purchasing rules with respect to the medical service payments made to hospitals for sexual assault examinations as explained in the memo I supplied with the audit materials. Further we could negative findings with respect to speakers for Prosecutor and Law Enforcement training.

Thank you for your time and until we speak again, I remain

Sincerely


Philip W. Morrison, II

Attachment C

Purchasing Division Response

SUMMARY OF AGENCY COMMENTS & PURCHASING DIVISION RESPONSE

On September 28, 2018 the West Virginia Purchasing Division provided the West Virginia Prosecuting Attorneys Institute, with a draft copy of the Purchasing Division Inspection Report for Fiscal Year 2017. Comments from the agency were received on October 17, 2018. There were 19 findings from 12 of the 19 selected transactions reviewed by the Inspector. This indicates that approximately 63% of the transactions reviewed had one or more problems of potential nonconformity with Purchasing Division laws, rules and/or regulations.

| Agency Comments & Purchasing Division Response | |
|---|--|
| Agency Response | Purchasing Response |
| <i>See Attachment B</i> | <p>The Purchasing Division provides a variety of training to state agencies in an effort to increase the level of proficiency. Annual conferences are usually conducted for agency procurement officers. In addition, on-going training is offered by the Purchasing Division in various methods, including the in-house training curriculum which offers classes throughout the year at the State Capitol Complex and online modules available on the Purchasing Division's website. Webinars on various topics are also offered throughout the year. The 2019 West Virginia Purchasing Division Training Schedule will be posted to the Purchasing Division website in the month of December 2018. See attached for 2018 In-House Training Programs. http://www.state.wv.us/admin/purchase/training/inhouse.html</p> <p>Additional training resources are located on the Purchasing Division website, which can be found at http://www.state.wv.us/admin/purchase/training/mandatory.html</p> <p>The Purchasing Division Procedures Handbook is a helpful tool for all procurement officers to use in learning more about programs, procedures and services administered through the Purchasing Division. http://www.state.wv.us/admin/purchase/handbook/2018/handbook.pdf</p> |

2018 West Virginia Purchasing Division Training Schedule

*All sessions are worth one credit per one hour of training for the 10-hour training requirement for designated procurement officers, per § 148 C.S.R. 1-3.2. The approved CPEs column noted on this grid refers to continuing professional education approved by the West Virginia Board of Accountancy for Certified Public Accountants.

| 2018 Dates | Workshop Title | CourseMill Catalog ID | Time | Method | Approved CPEs |
|--|---|-----------------------|---------------------------------|----------|--------------------------|
| January 10 | Public Procurement Basics & Tools/Resources | PUR112W | 9 a.m. – 11 a.m. | Webinar | N/A |
| January 24 | Technical & Special Purchases | PUR204 | 9 a.m. – 11 a.m. | In-House | 2 CPE Hours |
| January 31 | Certification Study Group | PUR301 | 10 a.m. – 11:30 a.m. | In-House | 1.5 CPE Hours |
| February 14 | Statewide Contracts | PUR109W | 10 a.m. – 11 a.m. | Webinar | N/A |
| February 28 | Preparing & Evaluating RFPs | PUR303 | 9 a.m. – 12 p.m. | In-House | 3 CPE Hours |
| March 7 | Fixed Assets and Surplus Property | PUR110W | 10 a.m. – 11:30 a.m. | Webinar | N/A |
| March 21 | An Introduction to West Virginia Purchasing | PUR102 | 9 a.m. – 4 p.m. | In-House | 6.5 CPE Hours |
| March 28 | wvOASIS Procurement | PUR208 | 9 a.m. – 11 a.m. | In-House | 2 CPE Hours |
| April 11 | EOIs & Construction Purchases | PUR302 | 9 a.m. – 11 a.m. | In-House | 2 CPE Hours |
| April 18 | Travel Management CANCELLED | PUR205W | 10 a.m. – 11:30 a.m. | Webinar | N/A |
| April 25 | Purchasing Ethics, Risks, & Common Pitfalls | PUR211 | 9 a.m. – 12 p.m. | In-House | 3 CPE Hours |
| May 16 | Solicitation Process: From Pre-Planning to Post Award | PUR202W | 9 a.m. – 12 p.m. | Webinar | N/A |
| May 23 | Inspection Services & Statewide Contracts | PUR114 | 9 a.m. – 11 a.m. | In-House | 2 CPE Hours |
| June 6 | Preparing & Evaluating RFPs RESCHEDULED FOR JULY 25, 2018 | PUR303 | 9 a.m. – 12 p.m. | In-House | 3 CPE Hours |
| June 13 | Purchasing as a Privacy Powerhouse | PUR201W | 10 a.m. – 11:30 a.m. | Webinar | N/A |
| June 27 | Fixed Assets and Surplus Property | PUR110 | 10 a.m. – 11:30 a.m. | In-House | 1 CPE Hour |
| July 11 | An Introduction to West Virginia Purchasing | PUR102 | 9 a.m. – 4 p.m. | In-House | 6.5 CPE Hours |
| July 18 | Electronic Business with West Virginia | PUR105 | 10 a.m. – 11:30 a.m. | In-House | 1 CPE Hour |
| July 25 | Preparing & Evaluating RFPs | PUR303 | 9 a.m. – 12 p.m. | In-House | 3 CPE Hours |
| August 1 | Travel Management CANCELLED | PUR205 | 10 a.m. – 11:30 a.m. | In-House | 1.5 CPE Hours |
| August 15 | wvOASIS Procurement | PUR208W | 9 a.m. – 11 a.m. | Webinar | N/A |
| August 29 | Solicitation Process: From Pre-Planning to Post Award | PUR202 | 9 a.m. – 12 p.m. | In-House | 3 CPE Hours |
| <i>*There will be no trainings in September due to conference prep</i> | | | | | |
| October 24 | Technical & Special Purchases | PUR204 | 9 a.m. – 11 a.m. | In-House | 2 CPE Hours |
| October 31 | EOIs & Construction Purchases | PUR302 | 9 a.m. – 11 a.m. | In-House | 2 CPE Hours |
| November 14 | Developing Specifications & Contracting | PUR113W | 9 a.m. – 11 a.m. | Webinar | N/A |
| November 28 | Purchasing Ethics & Risks | PUR210W | 9 a.m. – 11 a.m. | Webinar | N/A |
| December 5 | Vendor Registration | PUR111W | 9:30 a.m. – 12 p.m. | Webinar | N/A |
| December 12 | Inspection Services | PUR107W | 10 a.m. – 11 a.m. | Webinar | N/A |