



**ALLAN L. MCVEY**  
CABINET SECRETARY

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

**W. MICHAEL SHEETS**  
DIRECTOR

August 23, 2019

Stefani Young, Administrative Assistant  
West Virginia Board of Accountancy  
405 Capital Street, Suite 908  
Charleston, West Virginia 25301-1744

Dear Ms. Young:

This is to transmit the final copy of the Purchasing Review of the West Virginia Board of Accountancy.

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 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: Brenda Turley, Executive Director, West Virginia Board of Accountancy

# WV PURCHASING DIVISION INSPECTION REPORT

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## *BOARDS & COMMISSIONS*

*West Virginia Accountancy Board*

FISCAL YEAR  
2018

## TABLE OF CONTENTS

1. <i>Introduction</i> .....	2
2. <i>Scope of Inspection</i> .....	3
3. <i>Inspection Summary</i> .....	4
4. <i>Findings Grid and Grading Sheet</i> .....	5
5. <i>Detailed Inspection Findings</i> .....	<i>Exhibit A</i>
6. <i>Comparison with Prior Inspections</i> .....	<i>Exhibit B</i>
7. <i>Agency Training Report</i> .....	<i>Exhibit C</i>
8. <i>Agency Response &amp; Purchasing Division Response to Inspection Findings</i> .....	<i>Exhibit D</i>

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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 Board of Accountancy for the period of July 1, 2017 through June 30, 2018. Notice of the inspection was provided on June 12, 2019, and the inspection commenced on July 22, 2019. The results of the inspection are contained within this report.

## SCOPE

The scope of the inspection was focused on determining whether the West Virginia Board of Accountancy's procurement transactions for the period of July 1, 2017 through June 30, 2018 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) Internal resources not utilized,
- (3) Statewide contract not utilized,
- (4) Failure to bid at delegated level,
- (5) Vendor registration unverified and wrong vendor fee exemption code utilized
- (6) Failure to verify compliance checks
  - a. Unemployment
  - b. Workers' compensation
  - c. Vendor status with Secretary of State's office
  - d. Debarred vendor list
- (7) Failure to include notarized Purchasing Affidavit,
- (8) Failure to issue wvOASIS procurement award document,
- (9) Lack of compliance with fixed asset requirements (asset tags),
- (10) Failure to include Certification of Non-Conflict of Interest form,
- (11) 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 290 procurement transactions with a value of \$117,862.58. (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 15 findings associated with 5 of the selected transactions. This means that approximately 33% 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.

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 75% on the inspection and there was a pattern of findings or one or more case of stringing, 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

<b>West Virginia Accountancy Board FY2018 Statistics</b>				
<b>Transactions Reviewed</b>	15			
<b>Non-Conformance Rate (See Summary Page)</b>	33.0%			
<b>Conformance Rate</b>	67.0%			
<b>Findings Summary</b>				
<i>Finding Category</i>	Number of Findings	Finding Percentage	Points possible	Points Received
Failure to Bid at Central Level (Stringing)	0	0.00%	30	30
Internal resources not utilized	1	6.67%	15	12
Statewide contract not utilized	0	0.00%	15	15
Failure to Bid at Delegated Level	0	0.00%	15	15
Vendor registration unverified/Wrong fee	3	20.00%	5	1
Failure to verify compliance checks	3	20.00%	5	1
Purchasing Affidavit not included	0	0.00%	5	5
wvOASIS award document not issued	4	26.67%	3	0
Asset Tag/Number not affixed	0	0.00%	3	3
Cert. of Non-Conflict not included	4	26.67%	3	0
Miscellaneous Issue	0	0.00%	1	1
<b>Total</b>	<b>15</b>		<b>100</b>	<b>83</b>
<b>Overall Agency Score</b>				
<b>Non-Conformance &amp; Findings Average</b>			<b>Overall Letter Grade</b>	
<b>75.0%</b>			<b>C</b>	
<i>Scale (See Weight Application*)</i>				
91.66 -- 100 = A	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.			
83.33 -- 91.65 = B				
75 -- 83.32 = C				
66.66 -- 74.99 = D				
<66.65 = F				

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## EXHIBIT A: DETAILED INSPECTION FINDINGS

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### 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: Internal Resource Not Utilized**

**Authority:** W. Va. Code §§ 25-7-5 and 5A-3-10; Procedures Handbook Section 3.6.1

**Explanation:** State law mandates that certain social welfare programs be utilized prior to a spending unit obtaining commodities and services in the open market. Those programs include the Sheltered Workshops established to assist disabled individuals in finding employment, and the Correctional Industries program that provides prison inmates with meaningful work. The transactions listed below should have been obtained from one of these programs, or a waiver should have been obtained. The inspection revealed that the transactions were outside of the internal programs and no waiver was granted.

**Transactions in Violation: (1 Instance)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
2/14/2018	Desk	Hayneedle	\$303.03	PRCC,0918,PC18063163

**Additional Detail:** The item is available through Correctional Industries. If for some reason they could not provide it in a timely manner, a waiver should have been obtained from them.

**Purchasing Division Recommendation:**

1. The Purchasing Division recommends that the spending unit personnel become familiar with what is available from internal sources and either procure those commodities and services from internal sources 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.

### **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: (0 Instances)**

**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.

**Issue 4: 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, and above \$2,500.01. For those transactions listed below, the spending unit has failed to obtain and document competitive bids as required.

**Transactions in Violation: (2 Instances) Findings Rescinded-See Exhibit D**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/25/2018	Hearing Examiner	Carbone & Blades Pllc	\$1,722.50	GAX,0918,1800123528

**Additional Detail:** Although the transaction falls below bid limits, the aggregate amount spent with the vendor totaled \$3,185.00. Additionally, there was an agreement for \$4,999.00. When there is an agreement, the file must contain all required documentation for that dollar amount.

4/25/2018	Calligraphy on Certificates	Karen S Sponaugle	\$144.50	GAX,0918,1800123193
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**Additional Detail:** Although the transaction is below bid limits, the agreement was for \$4,999.00 and should have contained documentation for that dollar amount.

**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 5: 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: (3 Instances)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/25/2018	Hearing Examiner	Carbone & Blades Pllc	\$1,722.50	GAX,0918,1800123528
4/25/2018	Calligraphy on Certificates	Karen S Sponaugle	\$144.50	GAX,0918,1800123193
3/28/2018	Court Reporter	Margaret E Billanti	\$635.00	GAX,0918,1800118266

**Additional Detail:** Although the transactions are below bid limits, the agreements were for \$4,999.00 and should have contained documentation for that dollar amount.

**Purchasing Division Recommendation:**

1. The Purchase Division recommends that the spending unit only utilize vendor fee exemption codes for transactions that would allow 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 6: Failure to Verify Compliance Checks**

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

**Authority:** W. Va. CSR § 148-1-6.1.e.; Procedures Handbook Section 5.2.3.

**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: (3 Instances)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/25/2018	Hearing Examiner	Carbone & Blades Pllc	\$1,722.50	GAX,0918,1800123528
4/25/2018	Calligraphy on Certificates	Karen S Sponaule	\$144.50	GAX,0918,1800123193
3/28/2018	Court Reporter	Margaret E Billanti	\$635.00	GAX,0918,1800118266

**Additional Detail:** Although the transactions are below bid limits, the agreements were for \$4,999.00 and should have contained documentation for that dollar amount.

**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 7: Purchasing Affidavit Not Included**

**Authority:** W. Va. Code §§ 5A-3-10a and 5-22-1; Procedures Handbook Section 5.2.3.

**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: (0 Instances)**

#### **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 \$5,000.01 (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 8: wvOASIS Award Document Not Issued**

**Authority:** Procedures Handbook Section 5.1.2

**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: (4 Instances)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/25/2018	Hearing Examiner	Carbone & Blades Pllc	\$1,722.50	GAX,0918,1800123528
4/25/2018	Calligraphy on Certificates	Karen S Sponaugle	\$144.50	GAX,0918,1800123193
3/28/2018	Court Reporter	Margaret E Billanti	\$635.00	GAX,0918,1800118266

Additional Detail: Although the above transactions fall below the \$2,500 limit, each had an agreement of \$4,999.00 and should have had all of the necessary documents in the file.

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/16/2017	Postage	US Postmaster	\$3,000.00	GAX,0918,1800046169

**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 \$2,500.01 (the threshold for obtaining verbal 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 9: 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 10: Cert. of Non-Conflict Not Included**

**Authority:** W. Va. Code §§ 5A-3-31 and 6B-2-5; Procedures Handbook Section 3.7.1.5.2

**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>
4/25/2018	Hearing Examiner	Carbone & Blades Pllc	\$1,722.50	GAX,0918,1800123528
4/25/2018	Calligraphy on Certificates	Karen S Sponaugle	\$144.50	GAX,0918,1800123193
3/28/2018	Court Reporter	Margaret E Billanti	\$635.00	GAX,0918,1800118266

**Additional Detail:** : Although the above transactions fall below the \$2,500 limit, each had an agreement of \$4,999.00 and should have had all of the necessary documents in the file.

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/16/2017	Postage	US Postmaster	\$3,000.00	GAX,0918,1800046169

**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 \$2,500.01 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 11: 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.

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## EXHIBIT B: COMPARISON WITH PRIOR INSPECTIONS

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A previous inspection of the West Virginia Board of Accountancy was conducted in November of 2016. The review consisted of 11 selected transactions from an approximate 253 total transactions from July 1, 2015 through June 30, 2016. This review resulted in 2 findings associated with 1 of the selected transactions. This indicated that 9% 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 2016 to the current 2018 inspection, below is a summary of the issues identified during the 2016 inspection, as compared to the findings from the current inspection.

<b>Summary of Problem Transactions</b>		
<b><i>Findings</i></b>	<b>2016</b>	<b>2018</b>
Failure to Bid at Central Level (Stringing)	0	0
Internal Resources not utilized	0	1
Statewide Contract not utilized	0	0
Failure to Bid at Delegated Level	1	0
Vendor Registration unverified/wrong Fee Code	0	3
Failure to verify Compliance Checks	0	3
Purchasing Affidavit not included	0	0
wvOasis Award Document not issued	1	4
Asset Tag/Number not affixed	0	0
Cert. of Non-Conflict of Interest not included	0	4
Miscellaneous Issue	0	0
<b>Total</b>	<b>2</b>	<b>15</b>

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>.

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## EXHIBIT C: AGENCY TRAINING REPORT

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**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 as shown below:

*Stefani Young : attended 7 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.

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**EXHIBIT D: AGENCY COMMENTS & PURCHASING DIVISION  
RESPONSE TO INSPECTION FINDINGS**

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## SUMMARY OF AGENCY COMMENTS & PURCHASING DIVISION RESPONSE

On August 6, 2019 the West Virginia Purchasing Division provided the West Virginia Board of Accountancy with a draft copy of the Purchasing Division Inspection Report for Fiscal Year 2018. Comments from the agency were received on August 20, 2019. There were 15 findings from 15 selected transactions reviewed by the Inspector. This indicates that approximately 33% of the transactions reviewed had one or more problems of potential nonconformity with Purchasing Division laws, rules and/or regulations.

<b>Agency Comments &amp; Purchasing Division Response</b>	
<b>Agency Response</b>	<b>Purchasing Response</b>
<p><b>Issue 4: Failure to Bid at Delegated Level</b>  <b>04/25/2019-Hearing Examiner-Carbone &amp; Blaydes-\$3,185.00</b></p> <ul style="list-style-type: none"> <li>• The bids for this service were taken over the telephone. Please see the attached reference sheet of those calls and the subsequent bid amounts. This documentation was believed to be included in the original submission of the documents requested by the Purchasing Division for our Inspection Report. The bid was awarded to Carbone &amp; Blaydes due to they were the vendor who fit the schedule of availability needed by the Board.</li> <li>• The contract was set at \$4,999.00 due to the Board cannot foresee the total amount that will be paid to this vendor since the services are only needed when the Board has found probable cause in a complaint and a hearing date has been set. The amount of \$4,999.00 was used due to that the Board knew that this type of service would not go over the \$4,999.00 total (total paid to this vendor under contract was \$3,185.00)</li> </ul> <p><b>04/25/2019-Calligraphy on Certificates-Karen S. Sponaugle-\$144.50</b></p> <ul style="list-style-type: none"> <li>• The contract was set at \$4,999.00 due to the Board cannot foresee how many new licensees we will acquire in any given year, so an exact amount cannot be listed. As you can see from your findings, the amount paid to the vendor under contract was well below the amount required for bids. We have search for competitors, but found only one other local calligrapher, which fees were higher than the calligrapher that the Board currently utilizes (please see included email correspondence). All other calligraphers found were out of state vendors who wanted to provide the service via the USPS. The Board wanted this service to be provided in person, since the certificates have to be accounted for and checked for error in time for corrections to be made before the quarterly, scheduled Board meetings.</li> </ul>	<p>The finding has been rescinded. The verbal bid documentation was not included in the original submission of the documents requested. Going forward, we recommend a copy to be kept in each file.</p>

**Agency Comments & Purchasing Division Response**

**Agency Response**

**Purchasing Response**

Issue 8: wvOASIS Award Document Not Issued.

**10/16/2017-Postage-US Postmaster-\$3,000.00-GAX,0918,1800046169**

- Postage bought for agency use comes from the Sole Provider of the US Postmaster. Since this vendor is a sole source, bids were not applicable. Therefore, there was not an Award document generated through wvOASIS.

Issue 10: Cert. Of Non-Conflict Not Included.

**10/16/2017-Postage-US Postmaster-\$3,000.00-GAX,0918,1800046169**

The US Postal Service is an independent agency of the Executive branch of the United States federal government, and a sole source provider. There would be not be conflict with West Virginia state government, therefore the Cert. Of Non-Conflict was not generated and presented with contract nor payment.

***Reference Purchasing Handbook Section 9***

**Documentation Requirements:**

Even though competitive bidding and Purchasing Division approval are not required for most Impossible to Bid List procurements, the spending unit must continue to follow documentation requirements associated with the applicable spend threshold, unless otherwise noted below with each item. For example, all vendors must complete vendor registration with the Purchasing Division, Secretary of State Registration, and the Purchasing Affidavit. Additionally, the spending unit must complete compliance checks such as vendor debarment, workers compensation, etc., prior to completing the transaction. **The use of a purchase order is required on all purchases over \$2,500, and spending units must continue to submit contracts to the Attorney General's office for approval, as to form, in accordance with that Office's requirements.**

***Reference Purchasing Handbook Section 9.11***

**Postage:** This item includes stamps and other non-competitive mailing services from the United States Postal Service, but this does not include services available from statewide contracts. The Purchasing Affidavit and Secretary of State registration are not required for transactions processed under this item.

***Reference Purchasing Handbook Section 3.7.7***

The Certification for Non-Conflict of Interest is required for agency delegated purchases exceeding \$2,500.00. Agencies may adopt this policy at their discretion for purchases \$2,500 or less.

**Agency Comments & Purchasing Division Response**

**Agency Response**

**Purchasing Response**

Issue 8: wvOASIS Award Document Not Issued.

**04/25/2018-Calligraphy on Certificates-Karen S. Sponaugle-\$144.50-GAX,0918,1800123193**

- The calligraphy service fees that this vendor was paid under contract with the Board were well below the dollar threshold that required bid. Therefore, there was not an Award document generated through wvOASIS.

Although the transaction falls below the bid limits, the agency signed an agreement (WV-48) with this vendor for service date 7/1/2017 to 6/30/2018 not to exceed \$4,999.00.

***Reference Purchasing Handbook Section 5.2.2***

A wvOASIS procurement award document is required for purchases exceeding \$2,500.