

# **Recommendations: Virginia Department of Health's Financial Management, Staffing, and Accountability**

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## **RECOMMENDATION 1**

The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Health to report on progress implementing the recommendations made by the Department of Planning and Budget to improve its grants management capabilities to the Joint Subcommittee on Health and Human Resources Oversight no later than September 1, 2025. (Chapter 3)

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## **RECOMMENDATION 2**

The secretary of administration should direct the Department of Human Resource Management to lend its expertise, as time and resources permit, to (i) identify key vacant financial management positions at the Virginia Department of Health (VDH), (ii) develop a plan and timeline for filling those positions, (iii) assist VDH with recruiting candidates for those positions, and (iv) provide a status report on this effort to the staff of the House Appropriations and Senate Finance and Appropriations committees by October 1, 2025. (Chapter 3)

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## **RECOMMENDATION 3**

The secretary of finance should direct the Department of Accounts to lend its expertise, as time and resources permit, to (i) help identify key vacant financial management positions at the Virginia Department of Health; (ii) advise on the qualifications necessary for each vacant position; (iii) assess the quality of the applicant pools; and (iv) provide limited participation in the final interviews of selected candidates with the recommended qualifications. (Chapter 3)

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## **RECOMMENDATION 4**

The secretary of administration should direct the Department of General Services to, with the assistance of the Virginia Department of Health (VDH), (i) identify VDH staff with procurement and contract administration responsibilities, (ii) determine the extent to which staff need additional training, and (iii) provide procurement and contract administration training to those staff or facilitate training through appropriate providers. (Chapter 3)

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## **RECOMMENDATION 5**

The Virginia Department of Health's chief financial officer should examine the agency's strategy for staffing its financial management functions and (i) determine whether the agency has an appropriate number of staff with the right qualifications and training to carry out these functions, (ii) take appropriate steps to ensure that all staff with financial management responsibilities are trained or otherwise qualified to perform those responsibilities, and (iii) propose changes to the agency's financial management workflows, if needed, to improve their efficiency and accuracy. (Chapter 3)

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### **RECOMMENDATION 6**

The Virginia Department of Health should (i) fully utilize the state's online procurement system, Electronic Virginia (eVA), for purchasing goods and services, receiving, and paying vendor invoices, and (ii) arrange training through the Department of General Services for relevant employees on how to use eVA. (Chapter 3)

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### **RECOMMENDATION 7**

The General Assembly may wish to consider amending § 32.1 of the Code of Virginia to require the Virginia Department of Health (VDH) to designate a senior staff member, such as the chief financial officer, to be responsible for (i) ensuring and certifying the adequacy of the agency's internal controls over its financial processes, and (ii) taking all necessary steps to ensure the correction of any identified deficiencies in internal controls, including those identified by the VDH Office of Internal Audit, the Auditor of Public Accounts, or the Department of Accounts, in a timely manner. (Chapter 3)

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### **RECOMMENDATION 8**

The Virginia Department of Health should have its new controller position report to its chief financial officer instead of the director of the Office of Financial Management. (Chapter 3)

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### **RECOMMENDATION 9**

The Department of Accounts should complete a quality assurance review of the Virginia Department of Health's key financial processes, internal controls, and implementation of Virginia's Agency Risk Management and Internal Control Standards as soon as practicable. (Chapter 3)

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### **RECOMMENDATION 10**

The Department of Accounts should complete a second quality assurance review of the Virginia Department of Health between six months and one year following the completion of its initial quality assurance review to determine whether previously identified deficiencies have been addressed and what additional changes, if any, should be made. (Chapter 3)

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### **RECOMMENDATION 11**

The General Assembly may wish to consider including language in the Appropriation Act to direct the Virginia Department of Health (VDH) to (i) identify the causes for problems related to late payments and funding underutilization for VDH-administered nursing incentive programs, (ii) develop and implement a plan to address the causes, and (iii) report to the Joint Subcommittee on Health and Human Resources on its progress in addressing identified problems, including the percentage of payments made within 30 days and the proportion of available funding that VDH has utilized. (Chapter 3)

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### **RECOMMENDATION 12**

The Virginia Department of Health, in consultation with the Department of Human Resource Management and the Department of General Services, should (i) develop an internal policy that specifies the circumstances under which offices and health districts may use contract employees, including guidelines for the maximum length of time a contract employee should be allowed to work at the agency; (ii) restrict offices and health districts to hiring contract employees in the circumstances enumerated in the policy; and (iii) implement a process to ensure offices and health districts are following this policy. (Chapter 4)

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### **RECOMMENDATION 13**

The Virginia Department of Health should (i) review its use of contractors to determine whether each contract position is necessary and, if so, whether it should be converted into a classified position; and (ii) develop a plan, as needed, to replace contractors with classified staff or transition contract employees to classified positions. (Chapter 4)

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### **RECOMMENDATION 14**

The Office of the Commissioner of the Virginia Department of Health (VDH) should (i) develop and implement a plan to improve the management, culture, and accountability within the Office of Human Resources (OHR) in consultation with the Department of Human Resource Management; (ii) monitor and document OHR's progress in implementing the recommendations in this report and improving the timeliness, consistency, and reliability of services provided to VDH offices and districts; and, if necessary, (iii) take steps to support OHR leadership in this effort and hold them accountable for improvements. (Chapter 5)

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### **RECOMMENDATION 15**

The Virginia Department of Health's Office of Human Resources should work with staff from the Department of Human Resource Management (DHRM)—and human resources leaders in other executive branch agencies recommended by DHRM—to identify ways to increase the efficiency of its hiring process and the timeliness of filling vacant positions and, as soon as practicable, modify its hiring processes accordingly. (Chapter 5)

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### **RECOMMENDATION 16**

The Virginia Department of Health (VDH), in consultation with the Department of Human Resource Management, should develop a written description of the agency's hiring process and make it available to all staff involved in hiring, including human resources staff and hiring managers. The description should be kept current, differentiate between practices to be followed for central office versus district-level positions, identify by position who is responsible for completing each component of the hiring process, and assign approximate timeframes for each component that reflect VDH's hiring timeframe goals. (Chapter 5)

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**RECOMMENDATION 17**

The Virginia Department of Health should ensure that all advertisements for open positions (i) include only the job duties and minimum qualifications for the specific position to be filled and (ii) include enough detail to attract interested and qualified applicants, even if doing so requires more detail than is reflected in the official position description (“Employee Work Profile”) adopted by the agency. (Chapter 5)

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**RECOMMENDATION 18**

The General Assembly may wish to consider including general funds in the Appropriation Act for at least four full-time classified recruiter positions within the Office of Human Resources at the Virginia Department of Health (VDH). These positions should be dedicated exclusively to recruiting qualified candidates into especially critical or hard-to-fill positions within the central office and health districts, and VDH should base the responsibilities and objectives of the new positions on successful examples at other executive branch agencies. (Chapter 5)

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**RECOMMENDATION 19**

The Virginia Department of Health (VDH) should—with input from the Department of Human Resource Management, newly hired employees, and VDH’s director of workforce development and employee engagement—revise the new employee onboarding process to ensure that all new employees receive within the first 90 days of their start date (i) similar information about working for the agency and state government and the resources available to acclimate them to the agency, their office, and their work unit; (ii) a comprehensive and understandable description of their job responsibilities; and (iii) relevant and useful guidance and training to fulfill their roles and responsibilities. (Chapter 5)

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**RECOMMENDATION 20**

The Virginia Department of Health should develop and maintain, in consultation with the Department of Human Resource Management, a comprehensive, official human resources manual that provides the agency’s policies and procedures for all key human resources activities. (Chapter 5)

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**RECOMMENDATION 21**

The Virginia Department of Health (VDH) should develop and implement a process to ensure that all VDH staff are provided with employee work profiles that (i) reflect their actual job responsibilities to the greatest extent practicable, (ii) include qualitative and quantitative measures against which their performance will be assessed; and (iii) are reviewed at least annually for any modifications that may be necessary. (Chapter 6)

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### **RECOMMENDATION 22**

The Virginia Department of Health (VDH) should conduct a targeted review of the employee work profiles (EWPs) of all agency supervisors and ensure that all supervisors' EWPs include detailed tasks related to performance management, including providing onboarding and training, establishing clear expectations, and documenting underperformance. (Chapter 6)

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### **RECOMMENDATION 23**

The Virginia Department of Health (VDH) should (i) develop a standard training program for all VDH supervisors about the executive branch's performance management requirements and supervisors' related responsibilities and (ii) provide it annually to all supervisors. (Chapter 6)

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### **RECOMMENDATION 24**

The Virginia Department of Health (VDH) should require its Office of Human Resources to develop and implement a process to ensure that every classified VDH employee receives a timely annual performance evaluation. (Chapter 6)

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### **RECOMMENDATION 25**

The Virginia Department of Health (VDH) should identify supervisory positions that have either too many (more than 13) or too few (one or two) direct reports and develop and implement a plan to ensure supervisors have appropriate spans of control. (Chapter 6)

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### **RECOMMENDATION 26**

The Virginia Department of Health should develop and maintain an agency management dashboard that (i) provides agency leaders with up-to-date and actionable information on the operations and performance of each of its program offices, administrative offices, and health districts; and (ii) includes appropriate measures and benchmarks to assess whether the key functions in each office or health district are being performed adequately. (Chapter 6)

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### **RECOMMENDATION 27**

The Office of the Governor should direct the Office of the State Inspector General to assign all waste, fraud, and abuse hotline investigations relating to the Virginia Department of Health (VDH) to its own staff rather than VDH's Office of Internal Audit. (Chapter 6)

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### **RECOMMENDATION 28**

The General Assembly may wish to consider including general funds in the Appropriation Act for at least two additional IT auditor positions within the Office of Internal Audit at the Virginia Department of Health. (Chapter 6)

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**RECOMMENDATION 29**

The General Assembly may wish to consider amending §32.1 of the Code of Virginia to establish a chief operating officer (COO) for the Virginia Department of Health, which shall be a full-time classified position, and require that the COO have an advanced degree in, and at least five years of experience in, healthcare administration or business administration. (Chapter 6)

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**RECOMMENDATION 30**

The General Assembly may wish to consider amending §32.1-17 of the Code of Virginia to add “organizational leadership and administration experience” to the required qualifications for the commissioner of health. (Chapter 6)

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**RECOMMENDATION 31**

The General Assembly may wish to consider including language in the Appropriation Act to require the commissioner of the Virginia Department of Health to provide semi-annual written and in-person reports on the agency's progress implementing the recommendations in this report to the Joint Subcommittee on Health and Human Resources Oversight through at least December 2026, and, thereafter, until the Joint Subcommittee is satisfied with the agency's performance and operations. (Chapter 6)

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