Virginia Economic Development Partnership

Internal Audit Report - Business Investment (BI) Division

January 5, 2021

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Executive Summary

We have completed an internal audit of the controls over the Business Investment (BI) Division. Based on our procedures, we identified a few recommendations to strengthen data access and integrity controls, and to update the BI Handbook to reflect recent updates in business processes.

Below is an explanation of the Finding Classifications associated with the findings identified during our audit. See detailed summary of the Findings, Recommendations, and Management's Responses on page six.

Finding Classifications	Quantity
Critical—Matter is urgent and requires immediate action by the Board of Directors and Executive Management.	0
High—Matter is a high priority that requires Executive Management's immediate attention and correction.	0
Medium—Matter is a priority that requires Executive Management's attention and a commitment to correct in a reasonable timeframe.	0
Low—Corrective action is necessary. These items represent infrequent errors or opportunities to improve internal controls or processes.	3
Best Practice—These items represent observations where there may not be an error, but controls or processes could be improved to better align with best practices.	0

Audit Rating: Satisfactory

A "Satisfactory" rating, as defined below, was assigned based on the results of this audit.

Satisfactory	Strong internal controls exist, and they are generally working as intended. No findings rated Critical, High or Medium were noted.
Satisfactory with Exceptions	Audit area does not contain any findings rated Critical or High. However, some Medium rated findings were noted that do require a commitment to correct by Management.
Improvement Required	Audit area contains findings rated High or Medium that, when aggregated, result in an elevated level of risk that require timely attention and correction by management.

Unsatisfactory	Significant internal control weaknesses exist. The overall number / extent of control weaknesses represents unacceptable exposure and risk.

Overview of BI

The BI division at the Virginia Economic Development Partnership (VEDP) oversees lead generation, project management, and business retention and expansion efforts. BI also manages the VEDP Call Center, as well as the Governor's Marketing Missions for both domestic and international travel activities related to economic development.

The Lead Generation Team identifies new prospective opportunities, both domestically and globally. In addition to the Richmond, VA office, the team has offices in Europe, Japan, and Korea. Lead Generation Managers build relationships with potential clients through continued communication and touchpoints with the client. Frequency of communication is based on the status of the client readiness until the client is ready to officially launch the project and/or site search. Once an opportunity reaches this stage, the project is turned over to a member of the Project Management Team for a more tailored relationship based on the client's business sector.

The Project Management Team is divided into two main groups – Products and Technologies & Services. The Products team works with clients who work with advanced materials, aerospace/unmanned, automotive, food & beverage, life sciences (manufacturing), supply chain management (distribution), and wood products. The Technologies & Services team manages client relationships for those in corporate services (HQ and BPO), information technology (cybersecurity, data centers, and software), and life sciences (research and development).

The Business Retention and Expansion (BRE) team meets with existing companies in Virginia that were identified by the Research division at VEDP as being a major contributor to Virginia's economy. The BRE team meets with these companies to understand any issues that may prevent the company from growing or expanding in Virginia or cause the company to relocate out of the state. In meeting with these companies, the BRE team has a set questionnaire to help guide the conversation and ensure consistency in obtaining the challenges faced by the companies. When possible, the BRE team may refer the client to the Lead Generation team, or other divisions such as Trade, Talent Solutions, or the Virginia Jobs Investments Program.

The Call Center team supports BI and VEDP through client outreach. The clients or potential clients that the Call Center reaches out to are identified by the Research or Lead Generation team.

VEDP also works with the administration of the Governor of Virginia to schedule Governor Marketing Missions that are focused on bringing business opportunities to the state. The trips may be domestic or international and are coordinated by VEDP based on the availability of the Governor.

Salesforce is the primary system of record for the BI team.

Objective and Scope

The objective of this audit was to assist VEDP in evaluating processes and controls for the BI division, and to provide any recommendations for improvement. As part of the audit plan for Fiscal Year 2021, we performed testing of select internal controls over BI business processes during the period of July 1, 2019 - September 30, 2020. We conducted meetings with management and process owners to understand the current processes and control activities in place. The following functional areas and activities were included within the scope of our testing procedures:

- Lead Generation: Consistent and timely communication with the client based on the client status; client surveys sent to all clients
- Call Center: Appropriate metrics and reports for management oversight; tracking and coordination of call center activity with the Lead Generation or Project Management team when a lead is identified
- Business Retention and Expansion: Appropriate documentation of BRE visits including, documentation of the meeting in Salesforce and results of the meeting with lead follow-up, if applicable
- Governor-led Marketing Missions: Documentation of Governor Marketing Missions completed per the BI Handbook, and documentation of the trip and all clients involved completed in Salesforce.
- Salesforce: Appropriate user access was given to all employee roles within BI; individual BI employees had quantitative performance metrics derived from Salesforce data; BI performance metrics reported on the VEDP Annual Marketing Plan, and the Lead Effectiveness report can be validated using Salesforce data

We cannot guarantee that a third party would agree with our analysis or that this internal audit will identify all issues that may exist or become apparent in the future.

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Findings, Recommendations, and Management's Responses

LOW RATED FINDINGS				
NUMBER	**FINDING**	**RECOMMENDATION**	**MANAGEMENT'S RESPONSE**	**EXPECTED REMEDIATION DATE**
L-1	Call Center User profiles in Salesforce have deletion capabilities for fields and information relating to Campaigns, Employees, Incentives, and Leads (potential contacts - individual call records that are part of calling lists). VEDP confirmed that Call Center users should not have those capabilities and have since restricted this access. All other profiles reviewed had reasonable access to create, read, edit, delete, and modify data and fields in Salesforce.	We recommend implementation of a regular review of Salesforce access profiles, to ensure that roles have the correct capabilities based on any updates to job roles and responsibilities.	VEDP concurs with the finding and recommendation, and will: • Work with the Salesforce Administration team to develop Salesforce access permission profiles for each BI team member • Conduct annual review to ensure correct access levels for BI team members	March 1, 2021
L-2	Leads Converted data used for the FY21 VEDP Annual Marketing Plan and the FY20 VEDP Lead Generation Effectiveness report was not archived after preparation of these reports.	We recommend that all data used for reporting be saved and archived at the time it is pulled to ensure there is support for VEDP reports.	VEDP concurs with the finding and recommendation, and will: • Work with the Salesforce Administration team to develop a converted lead report that automatically archives the data • Manually archive monthly data until the new converted lead Salesforce report is completed	March 31, 2021
L-3	We tested a sample of 25 Leads Generated and found that eight leads did not have timely follow-up as stipulated in the BI Handbook. Per inquiry with VEDP management, VEDP noted that a new exceptions report was created in September 2020 to identify projects with status updates	For both exception items noted, we recommend that the BI Handbook be updated to include the new automated processes. Additionally, we recommend that the BI Handbook cover instances where a closed project may not receive a survey (i.e. closed	VEDP concurs with the finding and recommendation, and will: • Update the BI Handbook to reflect the new automated processes	January 15, 2021

	outside the established timeframes. BI Managers with projects on this exceptions report will receive an email alerting them to review and update the opportunity record. We deem this to be a suitable measure to ensure appropriate follow-up occurs. Additionally, of the five projects tested with a closed status, three were not sent the project management survey following the closure of the project. Per VEDP Management, the survey process was automated in August 2020 to be automatically issued once the project opportunity is closed. We deem this to be a suitable measure to ensure surveys are sent on all closed projects.	projects due to client disengagement, or projects beneath a certain threshold).	• Update the BI Handbook to note when a closed project may not receive a survey	