



Vermont State Auditor

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14 March 2023

# 2022 PERFORMANCE REPORT

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**Vermont State Auditor**

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# CALENDAR YEAR 2022 PERFORMANCE REPORT

## Goal 1: Promote government accountability and improve the efficiency and effectiveness of state government through performance audits and reviews

Goal	Performance Measure	Target	CY 2022 Actual
1.a.	Number of performance audits (see note below)	5	4
1.b.	Average cost per completed audit (see note below)	\$200,000	\$231,027
1.c.	Value of potential savings or cost recovery (see note below)	Summary	
	i. <a href="#">Department of Environmental Conservation’s Dam Safety Program</a>	Some High Hazard Dams, Including State-Owned, Linger in Poor Condition for Years, Risking Human Lives	
	ii. <a href="#">Agency of Human Services (AHS): Health Care Provider Stabilization Grant Program</a>	Of \$92.7 Million Reviewed, AHS Overpaid 17 Providers by \$7 Million	
	iii. <a href="#">Vermont Criminal Justice Council (VCJC)</a>	VCJC Did Not Confirm That Law Enforcement Officers Met Training Requirements	
	iv. <a href="#">Department of Corrections: Prisoner Grievance Process</a>	Significant Deficiencies Demonstrate Need for Overhaul of the Prisoner Grievance Process	
1.d.	Percent of recommendations implemented – see table on p.14		

### Comments:

1.a.	<p>The number of audits reported includes portions of those initiated in 2021 but completed in 2022, as well as audits initiated in 2022 but not yet completed. We count only the percent of each conducted in 2022.</p> <p>Note that the audit of <b>the Burlington Waterfront TIF took over a year</b> due to serious delays in obtaining the necessary records from the City. This limited our ability to achieve the goal of five performance audits. The report was released in January 2023.</p>
1.b.	The cost of performance audits ranged from \$111,839 (DEC dams) to \$383,744 (VCJC). This reflects substantial differences in scope and, in some cases, delays in obtaining and validating the records from numerous small law enforcement entities for the VCJC audit.
1.c.	Among other things, we found that AHS overpaid 19 health care providers by <b>\$7 million</b> in the Health Care Provider Stabilization Grant Program.

## Goal 1: Continued

Goal	Performance Measure	Target	CY 2022 Actual
1.e.	Number of completed investigative reports (see note below)	4	3
1.f.	Summary and value of potential savings or cost recovery as appropriate		
	i. <a href="#">Examining Vermont State Spending on the Dairy Industry from 2010 to 2019</a>	From State fiscal year 2010 to 2019, Vermont spent more than \$285 million on programs and policies that support the dairy industry and/or address harmful environmental impacts of dairy farming.	
	ii. <a href="#">Department of Labor: The Workforce Innovation and Opportunity Act (WIOA)</a>	<ul style="list-style-type: none"> <li>• The Title I and III programs serve a small percentage of the eligible population of Vermonters.</li> <li>• There is little evidence that WIOA gets participants into high quality jobs.</li> <li>• 18% to 20% of Title 1 participants did not complete their training and approximately half who found employment were not working in a field related to their training.</li> <li>• Vermont's performance varies by program and metric but falls in the bottom half of all states for most measures.</li> </ul>	
	iii. <a href="#">Strategies to Control the Rising Cost of State Employee Health Care</a>	Reference-based pricing could save the State millions annually.	

### Comments

1.e.	The Government Investigator position was vacant for several months in 2022.
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1.d. Percent of recommendations implemented						
2019	Short Title		# of Recs.	# of Recs. Partially or Fully Implemented	Three-year Target	Actual
19-01	<a href="#">St. Albans City Tax Increment Financing District</a>	City	7	5	75%	71%
		VEPC	4	2		50%
19-02	<a href="#">Medicaid Dr. Dynasaur Program</a>		3	0		0%
19-05	<a href="#">Child Protection Registry: AHS</a>		4	2		50%
19-06	<a href="#">Child Protection Registry: Public Education</a>		4	4		100%
<b>Total 2019 – Three Years Out</b>			<b>22</b>	<b>13</b>		<b>59%</b>
19-01	Two of the recommendations directed at the City are no longer applicable. This leaves seven.					
19-07	The City of Winooski’s TIF audit report did not include any recommendations.					

2021	Short Title		# of Recs.	# of Recs. Partially or Fully Implemented	Three-year Target	Actual
21-01	<a href="#">K-12 Schools: Trends in students attending private schools</a>		7	3	50%	43%
21-03	<a href="#">Barre City Tax Increment Financing District</a>		4	4		100%
21-04	<a href="#">ACCD: COVID-19 Emergency Economic Recovery Grant Program</a>	ACCD	9	5		56%
		Leg.	2	1		50%
21-05	<a href="#">DVHA: All-Payer Model Implementation Costs: State Funding Exceeded Savings</a>		2	2		100%
<b>Total 2021 – One Year Out</b>			<b>24</b>	<b>15</b>		<b>63%</b>

### Goal 2.a: Complete mandated financial audits on schedule

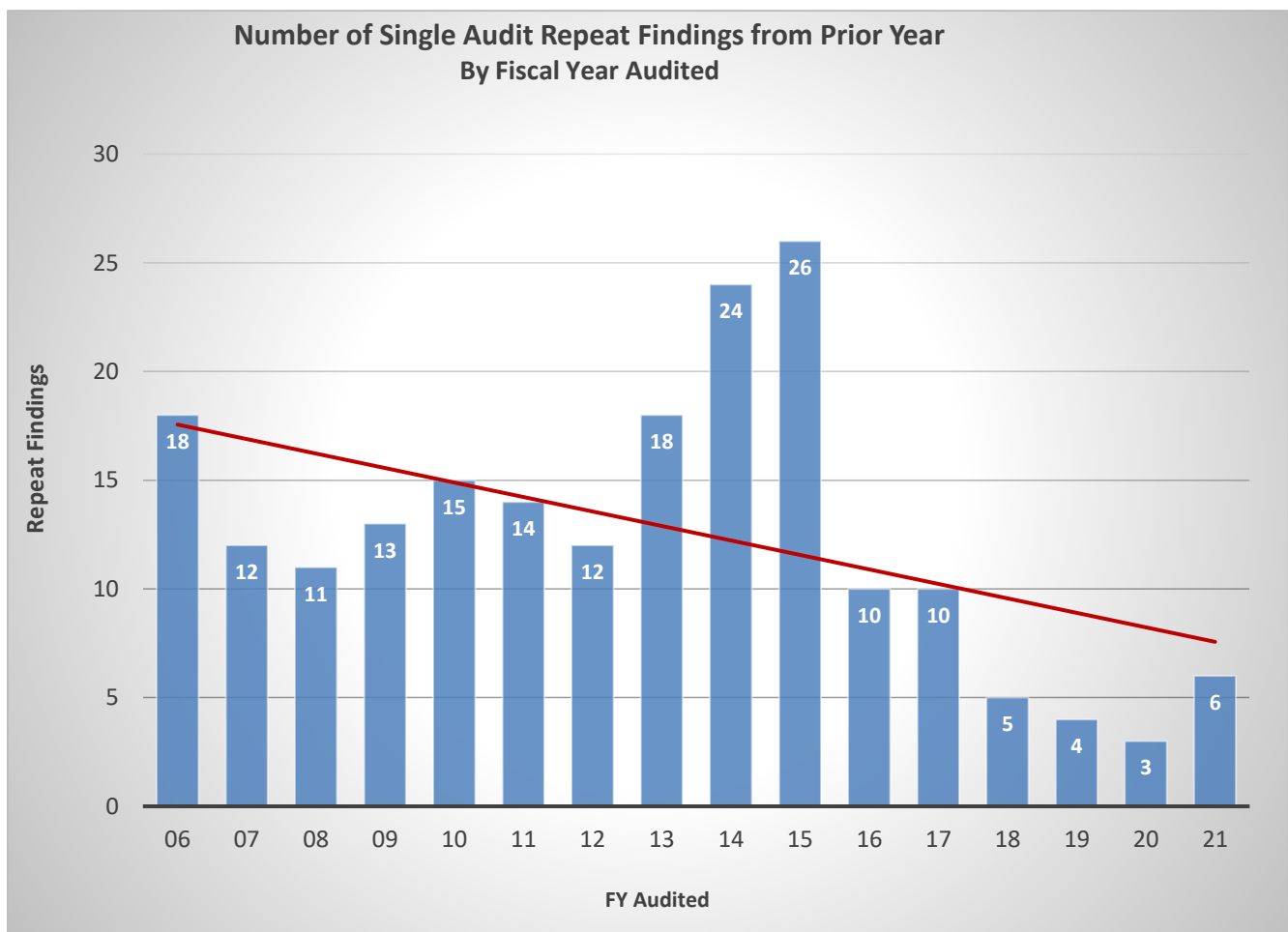
Goal	Performance Measure	Target	Fiscal Years
2.a.i.	Complete the audit of the State’s Annual Comprehensive Financial Report (ACFR) by statutory deadlines	12/31	FY 21 - On time
2.a.ii.	Complete the Single Audit by regulatory deadlines	9/30*	FY 21 - On time

\* Because of the pandemic and the CARES Act, the Federal government extended the deadline for 2021 from March 31 to Sept. 30.

## Measure 2b: Number of Repeat Single Audit Findings

After declining for a few years, repeat findings increased significantly in FY 2013 and continued upward in FY 2014 and FY 2015. The dramatic decline in FY 2016 reflects changing standards from the Office of Management and Budget (OMB) and the hard work of State financial staff who now provide more and better guidance and support to the various state agencies and departments.

Not surprisingly, the disruptions in State government caused by the pandemic in FY 2021 contributed to a small increase in repeat findings, especially in the Department of Labor, which had some problems to begin with but was overwhelmed by the COVID-related changes to the program and the volume of applicants.



## Measure 2c: Number of Programs with Adverse or Qualified Opinions

Auditors issue adverse or qualified opinions in the Federal Single Audit when the State does not comply with federal rules that have a direct and material effect on those programs. When such opinions are issued, the non-compliant programs must be re-audited the next year, which adds to the State's auditing expenses. An annual accounting of those opinions is shown in the graph below.

Here too, the disruptions caused by the pandemic (mostly personnel-related) contributed to a rise in adverse and qualified opinions.

