

DOUGLAS R. HOFFER
STATE AUDITOR



STATE OF VERMONT
OFFICE OF THE STATE AUDITOR

To: House and Senate Appropriations Committees
From: Doug Hoffer, Vermont State Auditor
Date: 30 January 2018
Re: SAO Budget

As you requested.

How much are we doing?

In CY 2017, we issued four performance audits,¹ along with one completed non-audit inquiry and two others nearing completion.² In addition, KPMG completed the required audit of the state's financial statements and the Federal Single Audit. Our office also fielded 66 inquiries including fraud allegations, whistleblower complaints, questions about state government, and questions from and about municipal government, all of which we either investigated or forwarded to the appropriate agencies.

How well are we doing it?

Our audits are required to meet the Generally Accepted Government Auditing Standards established by the Government Accounting Office. This is determined by a peer review conducted once every three years by auditors from other states under the auspices of the National State Auditors Association. Our last peer review was in 2015 and the multi-state team of auditors found that we were in full conformance with generally accepted government auditing standards.

Is anyone better off?

Our performance audits contain recommendations designed to improve the operations of state government. For the work to produce benefits, state entities and/or the General Assembly must

¹ Dept. of Buildings & General Services – Capital Projects; State Employee Misconduct – 1) Agency of Human Services and 2) Dept. of Human Resources; Dept. of Environmental Conservation – Environmental Compliance.

² State and Local Spending on Public Safety and 1) Economic Development Literature Review and 2) Assessment of the State's performance measurement efforts.

implement the recommendations. The greater the number of recommendations implemented, the more benefit will be achieved. Unfortunately, we have no power to compel adoption of our recommendations. But a measure of the quality and persuasiveness of our performance audits is the extent to which our recommendations are acted upon. Experience has shown that it takes time for some recommendations to be implemented so we track recommendation implementation in the years following the audits (one and three-years out). The results are encouraging and are reported in our annual recommendation follow-up as required by Act 155 (2012).

With a few exceptions, the most recent recommendation follow-up found considerable progress.

Auditee	Fully Implemented	Partially Implemented	Not Implemented
Sex Offender Registry – VT Criminal Information Center, DOC & DPS (2014)	2	4	1
Dept. of Liquor Control ³ (2014)	6	2	0
Designated Agencies (2014)			
DAIL	3	3	0
DMH	1	3	1
Judiciary ⁴ – Public Defender fee collections (2016):	6	1	0
Personnel Evaluations (2016):			
Finance & Management	2	1	0
Human Resources	6		1
Information & Innovation (ADS)	1	1	1
Tax Dept. ⁵ – Personal income tax collections (2016)	3	4	1
Dept. of Vermont Health Access – Oversight of VITL (2016)	2	3	2
Dept. for Children and Families - Beneficiary Fraud (2016)	1	3	9
AOE – Equalized Pupils (2016)	1	1	5
Vermont’s Self-Funded Web Portal – Portal Manager Fees (2016)	4	0	1

³ DLC reported that the changes resulted in \$600,000 in new revenue for the State.

⁴ These changes should help increase collections for the DG, but it’s too soon to tell.

⁵ These changes should result in increased collections, but it’s too soon to know.