



*The Legislative Audit Bureau makes 25 recommendations
to State of Wisconsin Agencies*

Department of Administration (p. 29)

1. We recommend the Wisconsin Department of Administration:
 - complete a timely assessment of changes in federal regulations and revise its policies and practices, as appropriate (p. 31);
 - ensure the Schedule of Expenditures of Federal Awards accurately reflects the amounts provided to subrecipients (p. 31); and
 - communicate the change in designation and the effect of the change to those organizations that were provided Coronavirus Relief Fund funding (p. 31).
2. We recommend the Wisconsin Department of Administration:
 - ensure it maintains documentation related to federal program administration in accordance with federal regulations (p. 33).
3. We recommend the Wisconsin Department of Administration:
 - inform the community action agencies of the assistance listing number for the Emergency Rental Assistance Program and the applicability of this program to the audit requirements of Uniform Guidance (p. 35);
 - ensure that all subaward agreements include all information required by federal regulations (p. 35);
 - establish and implement procedures to conduct risk assessments for each federal program and contract period (p. 35); and
 - provide additional training to DOA staff responsible for subrecipient monitoring procedures (p. 35).
4. We recommend the Wisconsin Department of Administration:
 - update its procedures to prioritize Wisconsin Emergency Rental Assistance program applications as required by federal regulations (p. 37).
5. We recommend the Wisconsin Department of Administration:
 - obtain the required documentation for the 14 individuals we identified or seek to recoup improper benefit payments it made to these individuals (p. 40);
 - update its procedures to ensure that it is following the U.S. Department of the Treasury guidance in administering the Wisconsin Emergency Rental Assistance program (p. 40); and
 - provide additional training and improve oversight over Energy Services, Inc., and the community action agencies to ensure only eligible individuals receive benefit payments (p. 40).

6. We recommend the Wisconsin Department of Administration:
 - establish, implement, and consistently follow procedures for DOA staff to randomly select the month of program expenditures and the case files for which it plans to review supporting documentation (p. 43);
 - provide additional training to DOA staff responsible for subrecipient monitoring procedures (p. 43); and
 - ensure its method for accepting confidential information in client case files is secure (p. 43).

7. We recommend the Wisconsin Department of Administration:
 - complete collection of information to develop the dashboard and analyze executive branch agency adherence to the State of Wisconsin IT Security Policy Handbook and related standards by December 30, 2021 (p. 94);
 - respond to the analyses by working with executive branch agencies that are not adhering to the State of Wisconsin IT Security Policy Handbook and related standards to bring them into compliance by September 30, 2022 (p. 94);
 - review and update the monitoring program, including establishing specific ongoing monitoring processes that DOA will perform to be assured that executive branch agencies continue to adhere to the State of Wisconsin IT Security Policy Handbook and related standards by December 30, 2022 (p. 94);
 - work with the executive branch agencies by January 31, 2022, to develop the timeline for purchase, implementation, and configuration of the vulnerability management tool (p. 94);
 - establish detailed plans by June 30, 2022, for how DOA will perform ongoing vulnerability assessments with the new vulnerability management tool, respond to those assessments, and make changes to further strengthen the State's IT environment (p. 94); and
 - review and continue to update its risk management program including considering the risks related to approved policy exceptions and remediating known vulnerabilities (p. 94).

In addition, we recommend the Wisconsin Department of Administration report to the Joint Legislative Audit Committee by April 1, 2022, on the status of its efforts to implement these recommendations (p. 95).

Department of Health Services (p. 45)

8. We recommend the Wisconsin Department of Health Services:
 - seek to recoup improper Medical Assistance Program payments it made to 5 ineligible providers during FY 2020-21 for services provided after their effective termination dates (p. 48); and
 - implement by June 30, 2022, changes to its weekly report to accurately identify all instances in which payments were made to providers who were subsequently identified to be ineligible, including identifying all claims where providers were terminated between the beginning and ending date of a service range (p. 48).

9. We recommend the Wisconsin Department of Health Services:
 - train all staff administering grant programs on existing policies for subrecipient monitoring requirements (*p. 50*);
 - follow policies for conducting risk assessments for each federal subaward and for each federal program and contract period (*p. 50*); and
 - implement a tracking system to ensure that it conducts risk assessments for all subawards in a timely manner (*p. 50*).
10. We recommend the Wisconsin Department of Health Services:
 - update its written procedures to require documentation of any approval to waive the two-person requirement, including the reasons a waiver was requested, the duration of the waiver, and steps required to mitigate the increased risk (*p. 52*); and
 - document the supervisor's monthly review of the returned-card log (*p. 52*).
11. We recommend the Wisconsin Department of Health Services:
 - develop formal, written procedures to identify the steps needed to compile accurate and complete information for the ELC performance reports (*p. 54*);
 - retain in a central location for the time period required by federal regulations copies of all performance reports it submits to the federal government (*p. 54*);
 - retain in a central location for the time period required by federal regulations all documentation that is used to support information included in each performance report it submits to the federal government (*p. 54*); and
 - provide training to staff responsible for preparing reports (*p. 54*).
12. We recommend the Wisconsin Department of Health Services:
 - ensure it requires and obtains audited financial statements specific to the Medical Assistance contract from all managed care providers each year (*p. 56*); and
 - ensure it complies with all federal requirements for posting audit results for each managed care provider to the state website (*p. 57*).
13. We recommend the Wisconsin Department of Health Services:
 - ensure it maintains documentation related to federal program administration in accordance with federal regulations (*p. 59*).
14. We recommend the Wisconsin Department of Health Services:
 - return to the federal government the unallowable costs identified (*p. 61*);
 - train all staff reviewing eligibility applications on existing policies for verification requirements (*p. 61*);
 - retain all documentation to support participant eligibility determinations (*p. 61*); and
 - communicate the eligibility status to all participants (*p. 61*).

15. We recommend the Wisconsin Department of Health Services:
- return the \$72,523 in questioned costs related to the allocation of STAR development costs to the Wisconsin Department of Administration (DOA) for reallocation to allowable uses or return the \$72,523 to the federal government (*p. 63*); and
 - reassess and determine the appropriate amount of the DOA Division of Personnel Management allocation to charge to the Coronavirus Relief Fund and return the remaining amount to DOA for reallocation to allowable uses or return the amount to the federal government (*p. 63*).
16. We recommend the Wisconsin Department of Health Services improve its written procedures related to the Federal Funding Accountability and Transparency Act reporting process, including:
- reviewing monthly that all required subawards are reported (*p. 65*);
 - identifying and reporting accurately all key data elements for each subaward (*p. 65*); and
 - ensuring all subawards, including any amendments or modifications to a subaward, greater than \$30,000 are reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System in a timely manner (*p. 65*).

Department of Public Instruction (*p. 67*)

17. We recommend the Wisconsin Department of Public Instruction:
- develop formal written procedures to identify the sources of information necessary and steps needed to compile complete and accurate information for the ESSER Fund annual reports (*p. 69*); and
 - retain in a central location all supporting documentation for the amounts included in the annual report it submits to the U.S. Department of Education (*p. 69*).
18. We recommend the Wisconsin Department of Public Instruction:
- improve its Federal Funding Accountability and Transparency Act submission process to ensure all required subawards, including any amendments or modifications to a subaward, greater than \$30,000 are identified in a timely manner and submitted to the Federal Funding Accountability and Transparency Act Subaward Reporting System (*p. 71*).

Department of Workforce Development (*p. 73*)

19. We recommend the Wisconsin Department of Workforce Development:
- develop and implement adequate procedures for the preparation and review of the UI performance and special reports to ensure the accuracy of amounts reported to the federal government (*p. 76*); and
 - retain documentation that supports the amounts included in each report it submits to the federal government (*p. 76*).
20. We recommend the Wisconsin Department of Workforce Development:
- ensure that the timeliness requirements of the Benefit Accuracy Measurement program are being met and that the minimum number of denied claims are being investigated (*p. 78*).

21. We recommend the Wisconsin Department of Workforce Development:

- follow its written procedures for the Benefit Accuracy Measurement program and ensure that a detailed supervisory review of each investigation report occurs before the report is submitted to the U.S. Department of Labor (*p. 80*).

22. We recommend the Wisconsin Department of Workforce Development:

- seek written assurance from the U.S. Department of Labor that the predictive analytics model is meeting federal requirements for DWD to review the facts and circumstances when making decisions that affect whether or not an individual is eligible to receive benefits (*p. 100*); and
- implement and document adequate procedures to monitor the ongoing accuracy of the predictive analytics model in assessing whether a hold could be appropriately removed (*p. 100*).

23. We recommend the Wisconsin Department of Workforce Development:

- complete full implementation of its corrective action plan by March 2022 (*p. 104*); and
- address the specific concerns included in the confidential communication by June 2022 (*p. 104*).

Office of the Commissioner of Insurance (*p. 81*)

24. We recommend the Wisconsin Office of the Commissioner of Insurance:

- follow its established, written procedures for conducting verification audits (*p. 83*); and
- develop written procedures for a secondary review of the audits, including steps for conducting a secondary review and documentation of the secondary review (*p. 83*).

University of Wisconsin System (*p. 95*)

25. We recommend University of Wisconsin System Administration complete implementation of the systemwide policy monitoring program by:

- collecting and analyzing UW institution compliance reports (*p. 97*); and;
- continuing to work with UW institutions to achieve compliance in a timely manner when noncompliance is identified (*p. 97*).