



*The Legislative Audit Bureau makes 60 recommendations
to State of Wisconsin Agencies*

Department of Administration (p. 33)

We recommend the Wisconsin Department of Administration:

1. review its procedures for Federal Funding Accountability and Transparency Act (FFATA) reporting and make any needed adjustments to ensure all original subaward agreements and amendments are updated in FSRS in a timely manner (p. 36);
2. develop and implement procedures to ensure subawards funded by program income for the Community Development Block Grant program are reported in the FFATA Subaward Reporting System accurately and in a timely manner or document why the subaward was exempt from FFATA reporting (p. 36);
3. obtain the service organization audit report for the computer system used to administer the Homeowner Assistance Fund (p. 39);
4. complete a review of the service organization audit report, assess the effectiveness of the internal controls on the computer system maintained by the service organization, and document its review (p. 39);
5. complete a review of the complementary user entity controls at the Department of Administration that are required to be in place for it to rely on the service organization audit report, document its review, and implement user entity controls, if needed (p. 39);
6. obtain the required documentation for the four applicants we identified or seek to recoup improper benefit payments it made to these applicants (p. 42);
7. provide additional training and technical assistance to the community action agencies and Energy Services, Inc. (ESI) on the adequacy of supporting documentation that is to be obtained and entered into Home Energy (HE) Plus by the community action agencies and ESI (p. 42);
8. review its existing monitoring procedures and ensure adequate management oversight procedures are established, documented, and followed (p. 45);
9. complete review and follow-up with the community action agencies or Energy Services, Inc. (ESI) identified by its existing monitoring procedures (p. 45);
10. consider if additional monitoring should be completed for the community action agencies or ESI for the months during FY 2022-23 when the Department of Administration paused monitoring for the Emergency Rental Assistance Program (p. 45);
11. revise its procedures to ensure the Department of Administration completes a sufficient review to ensure adequate supporting documentation is included in the Homeowner Assistance Fund program's computer system prior to an approval of the benefit payment (p. 47);

12. provide training or other technical assistance to the community action agencies on the adequacy of supporting documentation agencies are to obtain, evaluate, and enter into the Homeowner Assistance Fund program's computer system (p. 47);
13. ensure only allowable costs are charged to federal grant programs, and work with the U.S. Department of the Treasury to resolve the questioned costs we identified related to the Coronavirus State and Local Fiscal Recovery Funds program (p. 49);
14. alter its approach to report only the amount of the subaward modifications into the FFATA Subaward Reporting System (FSRS) based on the guidance on *FSRS.gov* (p. 51);
15. update the existing Department of Administration guidance being used by state agencies to provide subaward modifications to the Department of Administration for submission to FSRS (p. 51);
16. provide training to all state agencies to ensure consistent reporting across state agencies (p. 51);
17. maintain its current approach of reporting cumulative amounts of the subaward only if it receives specific guidance from the Office of Management and Budget indicating that it should report subaward modifications cumulatively (p. 51);

We recommend the Department of Administration, Division of Enterprise Technology:

18. for certain types of accounts, develop access review requirements by December 29, 2023 (p. 122);
19. for certain types of accounts, work with a vendor to obtain an automated tool to perform access review in accordance with the State of Wisconsin *IT Security Policy Handbook*, including updating access based on the review and retaining documentation of the review and the updates made to access by June 30, 2024 (p. 122);
20. for other types of accounts, perform access reviews in accordance with the State of Wisconsin *IT Security Policy Handbook*, including by updating access based on the review and retaining documentation of the review and the updates made to access, by December 29, 2023 (p. 122);
21. develop a plan and begin to identify and document exceptions where agencies are noncompliant or partially compliant with controls listed in the State of Wisconsin *IT Security Policy Handbook* and related standards by April 30, 2024 (p. 125);

We recommend the Wisconsin Department of Administration, Division of Enterprise Technology comply with its statutory responsibilities to provide oversight and monitoring of executive branch agency adherence to the State's IT policies by:

22. developing and communicating to executive branch agencies by May 31, 2024, a monitoring plan to review the effectiveness of all agency-reported compliance with controls in the State of Wisconsin *IT Security Policy Handbook and related standards* (p. 128);
23. updating its risk management program by December 29, 2023, including by considering the risks related to approved policy exceptions and remediating known vulnerabilities (p. 128);

Department of Children and Families (p. 55)

We recommend the Wisconsin Department of Children and Families:

24. inform the counties of any Social Services Block Grant funding provided in subrecipient contracts for the children and family aids program (p. 57);
25. implement procedures to identify federal funding that is received as a transfer from another state agency when subgranting funds (p. 57);
26. develop a subrecipient monitoring plan based on the risk assessment process to identify the specific monitoring steps necessary (p. 59);
27. establish and implement procedures to ensure risk assessments are completed for each subrecipient of the Refugee and Entrant Assistance State/Replacement Designee Administered Programs (p. 59);
28. maintain documentation of all subrecipient monitoring activities performed (p. 59);
29. review the query used to determine subawards and its overall procedures for Federal Funding Accountability and Transparency Act (FFATA) reporting and make any needed adjustments to ensure all original subaward agreements and amendments are input and updated in the FFATA Subaward Reporting System in a timely manner (p. 61);

Department of Health Services (p. 63)

We recommend the Wisconsin Department of Health Services

30. work with the federal government to resolve these improper payments, including the determination of the total amount of improper payments, and return these amounts to the federal government, as appropriate (p. 67);
31. update its procedures for contract development to ensure information provided in its subrecipient contracts identified the Social Services Block Grant as the federal funding source for the basic county allocation of the community aids program related to the transferred Temporary Assistance for Needy Families funds (p. 69);
32. revise its procedures for Federal Funding Accountability and Transparency Act reporting to ensure all subawards funded by federal grants are included in reports used to identify subawards for reporting (p. 71);
33. develop procedures to identify and report subawards made by the state agencies to which it has transferred federal funding (p. 71);
34. implement the financial integrity and accountability oversight activities in its approved waiver (p. 73); or
35. determine if alternative oversight activities that meet the objective to provide financial integrity and accountability oversight can be performed (p. 73);
36. work with the federal government to determine whether an amendment to its current waiver is needed (p. 73);
37. improve its Federal Funding Accountability and Transparency Act reporting procedures to accurately report required award information in a timely manner, including the date the subaward agreement was signed, and develop procedures to identify and report subawards made by state agencies to which it has transferred federal funding (p. 76);

38. develop a written monitoring plan for the Health Disparities program that includes a description of the subrecipient monitoring expected for low-, moderate-, and high-risk subrecipients; procedures for completing and documenting desk reviews of subrecipient invoices; procedures for assessing and documenting the reliance that can be placed on review of subrecipient single audit reports; and procedures for documenting management oversight of the monitoring plan (p. 78);
39. develop a central location to maintain documentation related to the subrecipient monitoring, including email correspondence (p. 79);
40. provide sufficient training to the Department of Health Services staff administering the Health Disparities program to ensure all subrecipient monitoring responsibilities are completed consistently and are based on the risk assessment level determined (p. 79);
41. review the tracking spreadsheets completed in fiscal year 2022-23, and complete the assessment of the progress and fiscal reports and consideration of potential unallowable costs, document the conclusions, and return funding to the federal government if costs were determined to be unallowable (p. 82);
42. develop a written monitoring plan for the Cooperative Agreements program that includes a description of the subrecipient monitoring expected for low-, moderate-, and high-risk subrecipients; procedures for completing and documenting review of the progress and fiscal reports; procedures for completing and documenting desk reviews or on-site visits; procedures for assessing and documenting the reliance that can be placed on review of a subrecipient's single audit report; and procedures for documenting management oversight of the monitoring plan (p. 82);
43. develop a central location to maintain documentation related to the subrecipient monitoring, including email correspondence (p. 82);
44. provide sufficient training to Department of Health Services staff administering the Cooperative Agreements program to ensure all subrecipient monitoring responsibilities are completed consistently and are based on the risk assessment level determined (p. 82);
45. review its current procedures for approving invoices related to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program to ensure the steps required for approving invoices are appropriate and documented, and that documentation is maintained either in STAR or in a central location accessible in the event of employee turnover (p. 85);
46. take additional steps to ensure that expenditures charged to the CSLFRF program are within the period of performance (p. 85);
47. provide training to staff responsible for approving invoices to ensure staff understand what documentation is required to support approvals and the required period of performance for the CSLFRF program (p. 86);
48. work with the Wisconsin Department of Administration and the U.S. Department of the Treasury to resolve the questioned costs related to the CSLFRF program (p. 86);
49. create a centralized tracking process to monitor the receipt of the quarterly financial reports and semiannual financial reports from each Area Agency on Aging, including follow-up procedures when reports are not provided (p. 88);

50. implement procedures to document the review and approval of the quarterly financial reports and semiannual financial reports, including related follow-up and resolution (p. 88);
51. develop and maintain in a central location documentation related to the monitoring procedures performed, including email correspondence or documentation of oversight meetings such as agendas and significant discussion topics (p. 88);
52. ensure it retains documentation to support the costs charged to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, and work with the Department of Administration and the U.S. Department of the Treasury to resolve the questioned costs we identified (p. 91);

Department of Justice (p. 93)

We recommend the Wisconsin Department of Justice:

53. review its procedures for Federal Funding Accountability and Transparency Act (FFATA) reporting and make any needed adjustments to ensure all original subaward agreements and amendments are updated in the FFATA Subaward Reporting System in a timely manner (p. 95);

Department of Natural Resources (p. 97)

We recommend the Wisconsin Department of Natural Resources develop a written monitoring plan for the Geographic Programs - Great Lakes Restoration Initiative program that includes policies and procedures for:

54. completing risk assessments for each subrecipient (p. 99);
55. the specific monitoring steps that are required based on the level of subrecipient risk identified in a risk assessment (p. 99);
56. independently identifying and reviewing subrecipient single audit reports, if applicable (p. 99);
57. maintaining documentation of all subrecipient monitoring activities performed (p. 99);

Department of Public Instruction (p. 101)

We recommend the Wisconsin Department of Public Instruction:

58. make changes to its grant management system or develop alternative procedures to ensure that all expenditure information is accurately reported for the Elementary and Secondary School Emergency Relief Fund program (p. 103);

Department of Transportation (p. 105)

We recommend the Wisconsin Department of Transportation:

59. ensure only allowable costs are charged to federal grant programs, and work with the Department of Administration and the U.S. Department of the Treasury to resolve the questioned costs related to the Coronavirus State and Local Fiscal Recovery Funds program (p. 107); and

Department of Workforce Development (*p. 109*)

We recommend the Wisconsin Department of Workforce Development:

60. implement procedures for review and oversight of its Federal Funding Accountability and Transparency Act reporting to ensure all required subawards of \$30,000 or more, including amendments or modifications, are identified and submitted in a timely manner and accurate award information, including the date the subaward agreement was signed, is reported (*p. 111*).