



**WISCONSIN LEGISLATIVE AUDIT BUREAU
LETTER OF TRANSMITTAL**

November 18, 1998

**Senator Mary Lazich and
Representative Carol Kelso, Co-chairpersons
Joint Legislative Audit Committee
State Capitol**

Madison, Wisconsin 53702

Dear Senator Lazich and Representative Kelso:

We have completed an audit of the Department of Regulation and Licensing as part of our audit responsibilities under s. 13.94, Wis. Stats. The primary focus of our audit was to review the Department's fiscal operations and administrative activities to ensure these activities are well controlled and in compliance with statutory requirements.

The Department is responsible for credentialing and regulating various professions and occupations in Wisconsin. It provides centralized administrative services and policy coordination for 23 state occupational licensing boards. Currently, the Department and licensing board are responsible for regulating 72 professions and 23 types of business establishments. The Department operations are funded with program revenue generated by license and examination fees. In fiscal year 1997-98, the Department collected \$11.4 million in revenues, including over \$1 million collected as general purpose revenue, and spent \$8.4 million to carry out its activities. Approximately 76 percent of expenditures represent salaries and fringe benefits for 127.5 full-time equivalent employes and compensation for board members.

Our audit of the Department's fiscal operations disclosed no major findings; further, we found the Department is taking steps to prepare itself for Year 2000. We did, however, note several areas in which the Department could improve its fiscal management, including improved controls over changes to computer programs, establishment of a disaster recovery and business resumption plan, further segregation of duties in several areas, and improved control and recording of fixed assets. We have included a number of recommendations for improvement in a separate management letter sent to the Secretary of the Department. The Department agrees with the recommendations and has identified its plans to implement the recommendations.

We appreciate the courtesy and cooperation extended to us by the Department staff.

Sincerely,

Janice Mueller

State Auditor

JM/DA/ce

cc:

Senator Peggy Rosenzweig

Senator Timothy Weeden

Senator Robert Wirch

Senator Kimberly Plache

Secretary Marlene A. Cummings

Department of Regulation and Licensing

Representative Stephen Nass

Representative John Gard

**Representative Gregory
Huber**

**Representative Robert
Ziegelbauer**

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