



## **Biennial Report** *January 1, 2015 to December 31, 2016*

### **Background**

The Legislative Audit Bureau is a nonpartisan service agency created to assist the Legislature in maintaining effective oversight of state operations. The Bureau conducts objective financial audits and performance evaluations of state agency operations to ensure financial transactions have been made in a legal and proper manner and to determine whether programs are administered effectively, efficiently, and in accordance with the policies of the Legislature and the Governor. The results of these audits and evaluations are provided to the Legislature, along with recommendations for improvements in agency operations.

This biennial report, which is required under s. 13.94 (1) (j), Wis. Stats., summarizes the Bureau's statutory responsibilities and highlights noteworthy findings from January 1, 2015, through December 31, 2016.

### **Financial Audits and Performance Evaluations**

From January 2015 through December 2016, the Bureau [published more than 36 reports](#) including:

- financial audit reports, including two single audits that tested compliance with federal grant requirements related to approximately \$12 billion in federal financial assistance administered annually by state agencies;
- performance evaluations and reviews designed to measure the extent to which state agencies or programs have achieved their intended objectives;
- annual independent auditor's reports on the State of Wisconsin's general financial statements and on the financial statements of the University of Wisconsin System;
- an actuarial audit of the Wisconsin Retirement System; and
- numerous other audit opinions and certifications, including those published in annual reports prepared by the State of Wisconsin Investment Board and the Department of Employee Trust Funds.

### **Noteworthy Findings**

The Bureau's audit and evaluation work frequently identifies opportunities for the Legislature to increase its oversight of high-profile initiatives, important policy issues, and government operations. In 2015 and 2016, the [Bureau's work identified](#):

- improvements that could be made to financial reporting by state agencies;
- instances in which we questioned whether a fund administered by a state agency or that is funded by state revenue had a balance that was larger than necessary;
- areas where improvements to program operations and effectiveness could be achieved;
- matters that are likely to be topics of ongoing legislative consideration; and
- issues related to information technology.

### **Fraud, Waste, and Mismanagement Hotline**

Since its inception in April 2008, [the hotline](#) has addressed 895 reports. From January 1, 2015, through December 31, 2016, 143 of the 185 concerns reported to the hotline were state-related issues. The majority of these reports related to concerns about state agency mismanagement, such as compliance with applicable laws, personnel matters, or policy issues. Individuals may report concerns to the hotline by calling 1-877-FRAUD-17. Persons contacting the hotline may remain anonymous, and state law specifically requires the Bureau to protect callers' identities. Additional information is available on the [Bureau's website](#).