



Biennial Report

January 1, 2023 – December 31, 2024

As a legislative service agency, the Legislative Audit Bureau supports the Legislature in its oversight of Wisconsin government and its promotion of efficient and effective state operations by providing nonpartisan, independent, accurate, and timely audits and evaluations of public finances and the management of public programs.

The Legislative Audit Bureau performs four types of work:

- financial audits, which are detailed, impartial reviews that focus on the accuracy of financial statements prepared by an audited entity; the effectiveness of internal controls, which are the policies and procedures established by management to ensure the integrity and accuracy of financial reporting and proper administration of state and federal funds; and compliance with required accounting or other standards, including laws, regulations, and contracts or grant agreements;
- performance evaluations, which establish performance criteria; measure existing conditions, their probable causes, and actual and potential effects; and typically include recommendations for improving agency operations or enhancing legislative oversight;
- investigative audits, which assess information reported to the Bureau’s Fraud, Waste, and Mismanagement Hotline (1-877-FRAUD-17); and
- best practices reviews, which are periodic reviews of governmental service delivery in counties and municipalities.

The Legislative Audit Bureau released 49 reports in 2023 and 2024

The Legislative Audit Bureau conducts financial audits and performance evaluations of state agencies and programs as required by statutes, as directed by the Joint Legislative Audit Committee, or at the discretion of the State Auditor who leads the activities of the Bureau. In 2023 and 2024, the 49 reports released by the Bureau included 344 recommendations to auditees for improvements and four issues for legislative consideration.

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In 2023 and 2024, the Bureau reported 11 material weaknesses and 49 significant deficiencies in internal control at state and local agencies. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements or material noncompliance will not be prevented or will not be detected and corrected on a timely basis.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance, which includes those responsible for oversight of the financial reporting process or oversight of compliance.

In 2023 and 2024, the Bureau reported 11 material weaknesses and 49 significant deficiencies in internal control at state and local agencies.

In 2023 and 2024, the Bureau identified 13 areas of statutory and administrative rule noncompliance by state and local agencies. The Bureau also reported noteworthy findings related to financial reporting, information technology, the administration of federal funds, and program operations and effectiveness.

In 2023 and 2024, 195 concerns were reported to the Legislative Audit Bureau's Fraud, Waste, and Mismanagement Hotline

As required by statute, the Bureau operates a toll-free hotline at 1-877-FRAUD-17 that allows the public and state employees to report alleged fraud, waste, and mismanagement within

Of the 195 concerns reported to the hotline in 2023 and 2024, 112 were state-related concerns.

state government. Callers may remain anonymous, and the statute governing the hotline specifically requires the Bureau to protect their identities even when other information related to calls is made public. Of the 195 concerns reported to the hotline in 2023 and 2024, 112 were state-related concerns and most were about alleged agency mismanagement.

The Bureau reports semiannually to the Joint Legislative Audit Committee on hotline activity, which also may be included in other performance evaluation or financial audit reports. The *Biennial Report* also includes highlights of selected hotline activities for 2023 and 2024.

The Legislative Audit Bureau earned national recognition in 2024 for its work

The Legislative Audit Bureau earned the highest rating possible from an external peer review conducted in August 2024. The independent peer review team, which included auditors from other states and the federal government, reviewed policies and procedures as well as the written documentation used to support selected financial audits issued from July 1, 2023, through June 30, 2024. This outcome is consistent with results earned by the Bureau in past external peer reviews, which are conducted every three years.

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The Bureau was the recipient of the 2024 Excellence in Evaluation Award from the National Legislative Program Evaluation Society (NLPES) of the National Conference of State

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Legislatures (NCSL). The 2024 Excellence in Evaluation Award is presented to the audit organization determined to have made significant contributions to the field of legislative program evaluation and performance auditing during the four-year period beginning January 1, 2020, and ending December 31, 2023.

The Bureau's evaluations of *Certain Broadband Expansion Grant Programs* (report 22-11) and the *Community Corrections Program* (report 23-5) were recognized for "significant impact on public policy" by NLPES in 2023 and 2024, respectively.

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The Bureau was selected as a recipient of a 2024 Notable Documents Award.

The Bureau was selected by the Legislative Research Librarians Professional Staff Association of NCSL as a recipient of a 2024 Notable Documents Award.

The Notable Documents Award, which was presented to the Bureau at the 2024 Legislative Summit in August 2024, was granted in the category of Labor and Employment for the Bureau's publication of:

- *Telework, Space Management, and Risk Management: Department of Administration* (report 23-22); and
- *Telework, Space Management, and Risk Management: University of Wisconsin System* (report 23-23).