

STATE AUDITOR DOUG HOFFER

PRESS RELEASE

For Immediate Release: Contact Angela Lee at 802.828.2281 or angela.lee@state.vt.us

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Hoffer announces audits

State Auditor Doug Hoffer today announced that his office has initiated five performance audits. Auditor Hoffer commented, “After conducting preliminary risk assessments and consulting with my Deputy Auditor and the senior staff, I have selected five audits to begin our work together.” They include the following:

- **Department of Corrections – Correct Care Solutions:** The preliminary objective is to determine the extent to which the department has implemented effective oversight of the Correct Care Solutions contract for verification of cost and performance consistent with the terms of the contract. The value of the current three-year contract is \$53 million (\$17.7 million per year).
- **Agency of Transportation** (two large contracts to be identified in the planning phase): The preliminary objectives are to assess the extent to which the contracts were completed on-time, within budget, and if the contractor met the performance specifications.
- **Agency of Administration’s Workers’ Compensation and Injury Prevention Program:** The preliminary objectives are 1) summarize and identify trends related to the number, types, and causes of approved state government workers’ compensation claims over the past five years and 2) evaluate whether the Program has focused its resources on preventing the most common causes of claims. The amount paid in claims in FY12 was \$7.3 million.
- **State-Issued Cell Phones:** The preliminary objectives are 1) assess whether state-issued cell phones are underused and 2) assess whether agencies and departments could reduce their costs for cell phones. In addition, we will engage with Buildings & General Services, which manages the cell phone contracts. Expenditures for cell phones were about \$2 million in FY12.

Finally, according to Hoffer, “There are two very large state initiatives that we intend to audit, but they will require considerable background research and analysis before we can determine a manageable scope of work and specific objectives. The two programs are the state’s “last mile” telecom project and the health information technology investments in the health care reform effort. Together, the state and federal governments are spending over \$200 million for these two initiatives so it is essential that we audit both.