



Vermont State Auditor

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2023 PERFORMANCE REPORT

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CALENDAR YEAR 2023 PERFORMANCE REPORT

Goal 1: Promote government accountability and improve the efficiency and effectiveness of state government through performance audits and reviews

Goal	Performance Measure	Target	CY 2023 Actual
1.a.	Number of performance audits (see note below)	5	6
1.b.	Average cost per completed audit (see note below)	\$200,000	\$145,998
	i. City of Burlington Waterfront Tax Increment Financing District	Numerous errors in TIF district administration: City owes TIF district \$1.2 million and State Education Fund \$197,510.	
	ii. Vermont Agency of Transportation Paving Projects: Performance	Significant deviations in cost & schedule estimates for complex projects underscores the need for performance measures.	
	iii. Department of Disabilities, Aging and Independent Living: Oversight of senior living facilities	DAIL needs to comply with requirements for timeliness of inspections of assisted living residences and residential care homes.	
	iv. City of South Burlington Tax Increment Financing District	City managed TIF district according to requirements.	
	v. Agency of Digital Services: Project Management	Selected information technology projects had cost increases, schedule delays, and poorly defined performance measures.	
	vi. Public Utility Commission	Performance reporting on case decision timeliness is accurate but is of limited usefulness without more detail.	
1.c.	Percent of recommendations implemented – see table on p.4		

Comments:

1.a.	The number of audits reported includes portions of those initiated in 2022 but completed in 2023, as well as audits initiated in 2023 but not yet completed. We count only the work done in 2023.
1.b.	The cost of performance audits ranged from \$95,302 (S. Burlington TIF) to \$198,131 (DAIL Long-term Care). This reflects substantial differences in scope and, for the VCJC audit, delays in obtaining and validating the records from numerous small law enforcement entities.

Goal 1: Continued

Goal	Performance Measure	Target	CY 2023 Actual
1.d.	Number of completed investigative reports	4	6
	i. Universal Broadband in Vermont: Managing Risks		Risks include uncertainties in construction funding, materials and labor; CUDs have varying levels of expertise and capacity; statutory confidentiality provisions shield some CUD decisions from policymakers and public; lack of affordability definitions; etc.
	ii. VT Labor Dept. Needs to Bring Closure to Vermonters Being Billed for Pandemic Era UI Overpayments that Weren't Their Fault		Matters of concern: claimants not informed about their right to request overpayment waivers; waiver requests do not stop overpayments from going to Tax Dept. for collection; etc.
	iii. Dental Check Up: Vermont State University		Seven years after Dental Therapists authorized (and \$2 million spent), State University program remains years from enrolling students.
	iv. Concerns Regarding Vermont's 10-Year Telecommunications Plan: Public Service Dept.		Matters of concern: No performance measures; plan doesn't address each of the State's Telecom policies and goals; Plan did not meet all statutory requirements for its preparation; etc.
	v. The Rules are the Rules: A Primer on Legislative Rulemaking Requirements, with Recommendations		Recommendations on how to improve rulemaking, including bill drafting, rulemaking process, reporting, monitoring and compliance.
	vi. Incentive Programs for Nursing Workforce		No performance measures; gaps in data collection; lack of internal controls; and no coordination between State and hospital programs.

1.c. Percent of audit recommendations implemented					
2020	Short Title	# of Recs.	# of Recs. Partially or Fully Implemented	Three-year Target	Actual
20-01	Milton TIF: North – South District	0*	NA		NA
20-02	Vermont’s All-Payer Accountable Care Organization Model	2	0	75%	0%
20-03	EB-5 Interim	0*	NA		NA
20-04	Hartford TIF	6*	5		83%
20-08	Vermont Schools – Public and Private	0*	NA		NA
Total 2020 – Three Years Out		8	5		63%

- 20-01 Milton’s final TIF audit. The Town met all their statutory obligations, so there are no recommendations
- 20-03 As a descriptive and interim report, there were no recommendations.
- 20-04 One of the recommendations directed at the City is not applicable. This leaves six.
- 20-08 As a descriptive audit report, there were no recommendations.

2022	Short Title	# of Recs.	# of Recs. Partially or Fully Implemented	Three-year Target	Actual	
22-02	Dept of Environmental Conservation’s Dam Safety Program	9	7	50%	78%	
22-03	Agency of Human Services: Health Care Provider Stabilization Grants	AHS	7		4	57%
		Leg.	1		0	0%
22-05	Vermont Criminal Justice Council	AHS	12		9	75%
		Leg.	1*		0	0%
22-06	Dept. of Corrections: Prisoner Grievance Process	10	5		50%	
Total 2022 – One Year Out		40	25		63%	

- 22-05 One of the recommendations directed at the Legislature is not applicable. This leaves one.

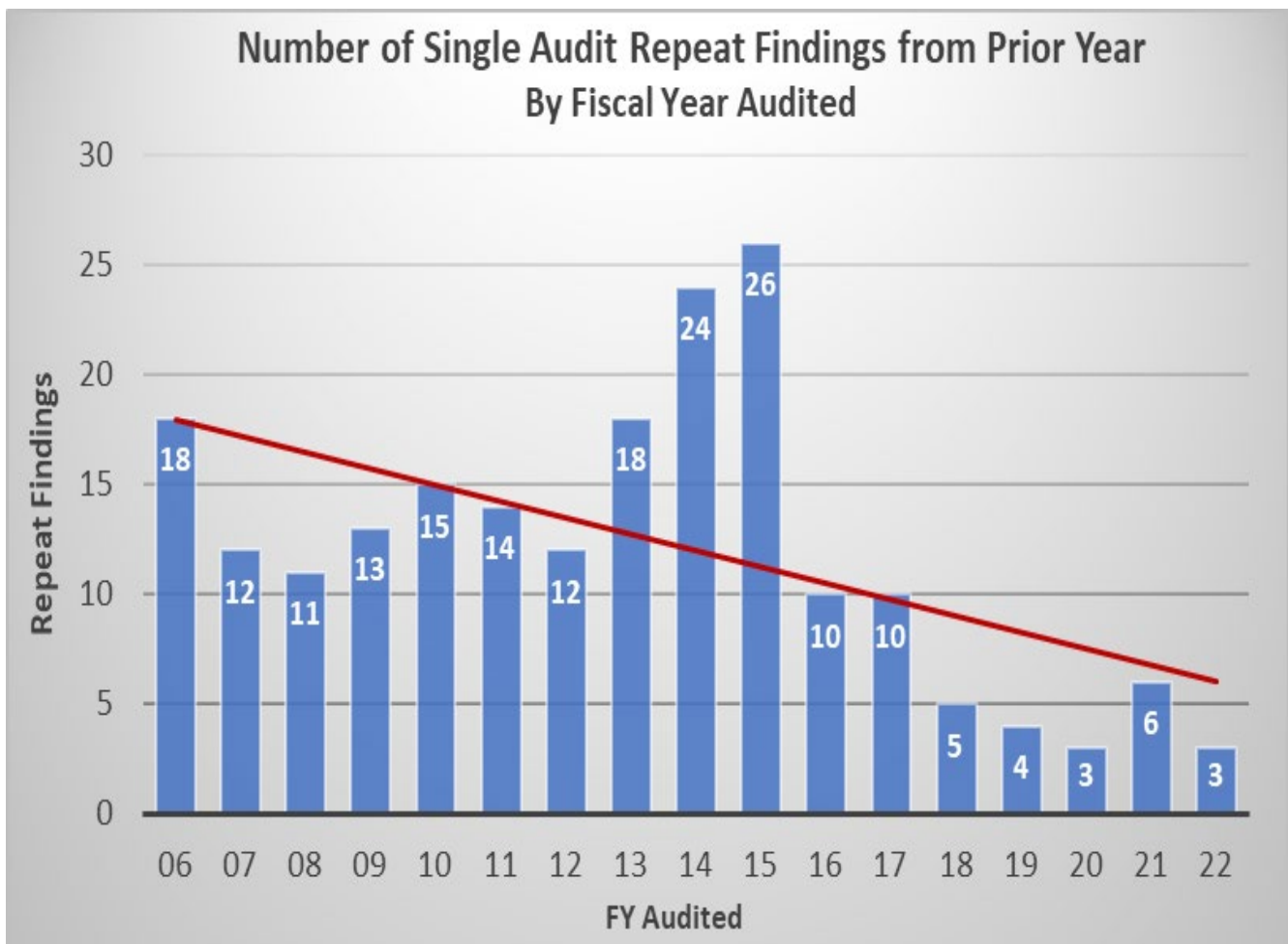
Goal 2: Complete mandated financial audits on schedule

Goal	Performance Measure	Target	Fiscal Years
2.a.i.	Complete the audit of the State’s Annual Comprehensive Financial Report (ACFR) by statutory deadlines	12/31	FY 22 - On time
2.a.ii.	Complete the Single Audit by regulatory deadlines	3/31	FY 22 - On time

Measure 2b: Number of Repeat Single Audit Findings

After declining for a few years, repeat findings increased significantly in FY 2013 and continued upward in FY 2014 and FY 2015. The dramatic decline in FY 2016 reflects changing standards from the Office of Management and Budget (OMB) and the hard work of State financial staff who now provide more and better guidance and support to the various state agencies and departments.

Not surprisingly, the disruptions in State government caused by the pandemic in FY 2021 contributed to an increase in repeat findings, especially in the Department of Labor, which had some problems to begin with but was overwhelmed by the COVID-related changes to the program and the volume of applicants.



Measure 2c: Number of Programs with Adverse or Qualified Opinions

Auditors issue adverse or qualified opinions in the Federal Single Audit when the State does not comply with federal rules that have a direct and material effect on those programs. When such opinions are issued, the non-compliant programs must be re-audited the next year, which adds to the State's auditing expenses. An annual accounting of those opinions is shown in the graph below.

Here too, the disruptions caused by the pandemic (mostly personnel-related) contributed to a rise in adverse and qualified opinions.

