

Committee Meeting Attendance Sheet

Senate Committee on Audit

Date: November 11, 1999 Meeting Type: Joint Audit Committee Hearing

Location: Room 417 North, State Capitol, Madison, WI

Committee Member

Present

Absent

Excused

Sen. Gary George, Chair

Sen. Judy Robson

Sen. Brian Burke

Sen. Peggy Rosenzweig

Sen. Mary Lazich

Totals:

4

1



Daniel M. Rossmiller, Committee Clerk

Committee Meeting Attendance Sheet

Assembly Committee on Audit

Date: November 11, 1999 Meeting Type: Public Hearing

Location: Room 417 North, State Capitol, Madison, Wisconsin

Committee Member

Rep. Carol Kelso, Chair

Rep. John Gard

Rep. Stephen Nass

Rep. Robert Ziegelbauer

Rep. David Cullen

Present

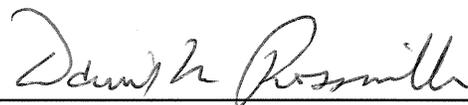
Absent

Excused

Totals:

5

0



Daniel M. Rossmiller, Committee Clerk

Committee Meeting Attendance Sheet

Senate Joint committee on Audit

Date: 12/07/00 Meeting Type: PUBLIC HEARING
Location: Room 411 SOUTH, STATE CAPITOL

Committee Member

- Sen. Gary George, Chair
- Sen. Judy Robson
- Sen. Brian Burke
- Sen. Peggy Rosenzweig
- Sen. Mary Lazich
- Rep. Carol Kelso, Chair
- Rep. John Gard
- Rep. Stephen Nass
- Rep. Robert Ziegelbauer
- Rep. David Cullen

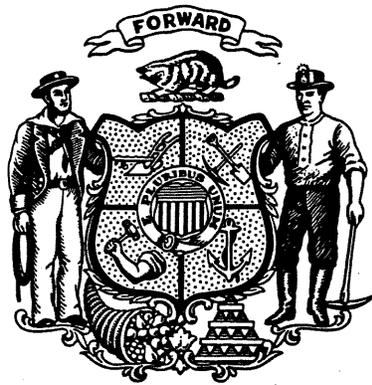
Present Absent Excused

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Totals: 7 3 3

David M. Rossillo
, Committee Clerk

END



END



State Senator
Chuck Chvala
SENATE MAJORITY LEADER

May 23, 2000

The Honorable Gary George
Wisconsin State Senator
Rm. No. 118 S., Capitol
Madison, WI 53703

Dear Senator George:

The Senate Committee on Organization has approved your request for the Senate Members of the Joint Committee on Audit to travel to Milwaukee, Wisconsin on May 30, 2000 for the purpose of conducting a Public Hearing.

It is the Committee's understanding that you are seeking reimbursement for all actual and necessary expenses associated with the committee members' attendance at this hearing. It is further understood that you are seeking approval for additional staff support from your committee clerk, the Senate Sergeant-at-Arms and the Legislative Council, as well as transportation, rental costs of the facility, and the use of the Senate's portable sound system.

Your request has been approved contingent upon the Senate not being in session. Please let me know if you have any questions.

Sincerely,

CHUCK CHVALA
Chairman
Senate Committee on Organization

State Capitol, Post Office Box 7882, Madison, WI 53707-7882 ■ Phone: (608) 266-9170 ■ Fax: (608) 266-5087

Legislative Hotline (Toll-Free) 1-800-362-WISC (9472) ■ E-Mail: chuck.chvala@legis.state.wi.us

World Wide Web: <http://www.legis.state.wi.us/senate/sen16/sen16.html>

Rossmiller, Dan

From: Rossmiller, Dan
Sent: Friday, May 26, 2000 12:13 PM
To: *Legislative All Assembly; *Legislative All Senate
Cc: Shannon, Pam; Mueller, Janice
Subject: Directions to Joint Audit Committee Hearing in Milwaukee--Tuesday May 30, 2000

Directions to Betty Brinn Childrens' Museum--Site of Joint Legislative Audit Committee hearing.

From Madison: Take I-94 to downtown Milwaukee and follow the signs for 794. Take 794 as far as you can go and follow the signs for the Lakefront Exit. Take the Lakefront Exit. At the stoplight make a left turn (I think that is the only way you can turn.) You will be on Lincoln Memorial Drive. Almost immediately you will come to a second stoplight. Make another left turn at this light. You will be on Michigan Avenue. Almost immediately after turning you will want to get into the right lane and make a quick right turn into the parking structure. (On the right you should see a big sign for the to Betty Brinn Childrens' Museum and O'Donnell Park. That is where you enter.) Once inside the parking structure you will see signs for the Betty Brinn Childrens' Museum. Take the elevators marked to Betty Brinn Childrens' Museum. Childrens' Theater is on the 3rd Floor.

From Green Bay: Take I-43 to downtown Milwaukee and then follow the signs for 794. Exit on 794 eastbound. Take 794 as far as you can go and follow the signs for the Lakefront Exit. Take the Lakefront Exit. At the stoplight make a left turn (I think that is the only way you can turn.) You will be on Lincoln Memorial Drive. Almost immediately you will come to a second stoplight. Make another left turn at this light. You will be on Michigan Avenue. Almost immediately after turning you will want to get into the right lane and make a quick right turn into the parking structure. (On the right you should see a big sign for the to Betty Brinn Childrens' Museum and O'Donnell Park. That is where you enter.) Once inside the parking structure look for the signs to the Betty Brinn Childrens' Museum. Take the elevators marked to Betty Brinn Childrens' Museum. Childrens' Theater is on the 3rd Floor.

From Beloit: Take I-43 to 894 intersection and continue eastbound to I-94 intersection. Take I-43/I-94 to downtown Milwaukee and then follow the signs for 794. Take 794 as far as you can go and follow the signs for the Lakefront Exit. Take the Lakefront Exit. At the stoplight make a left turn (I think that is the only way you can turn.) You will be on Lincoln Memorial Drive. Almost immediately you will come to a second stoplight. Make another left turn at this light. You will be on Michigan Avenue. Almost immediately after turning you will want to get into the right lane and make a quick right turn into the parking structure. (On the right you should see a big sign for the to Betty Brinn Childrens' Museum and O'Donnell Park. That is where you enter.) Once inside the parking structure look for the signs to the Betty Brinn Childrens' Museum. Take the elevators marked to Betty Brinn Childrens' Museum. Childrens' Theater is on the 3rd Floor.

Committee Meeting Attendance Sheet

Senate Joint committee on Audit

Date: MAY 30, 2000 Meeting Type: PUBLIC HEARING

Location: BETTY BRINN CHILDREN'S MUSEUM, MILWAUKEE, WI

<u>Committee Member</u>	<u>Present</u>	<u>Absent</u>	<u>Excused</u>
Sen. Gary George, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Judy Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Brian Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Peggy Rosenzweig	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mary Lazich	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Carol Kelso, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Gard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Stephen Nass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Robert Ziegelbauer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. David Cullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	<u> </u>	<u> </u>



, Committee Clerk

Committee Meeting Attendance Sheet

Senate Joint committee on Audit

Date: MAY 30, 2000 Meeting Type: EXECUTIVE SESSION

Location: BETTY BRINN CHILDREN'S MUSEUM, MILWAUKEE, WI

<u>Committee Member</u>	<u>Present</u>	<u>Absent</u>	<u>Excused</u>
Sen. Gary George, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Judy Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Brian Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Peggy Rosenzweig	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mary Lazich	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Carol Kelso, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. John Gard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Stephen Nass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Robert Ziegelbauer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. David Cullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 7 _____



, Committee Clerk

November 11, 1999

Senator Fred A. Risser and
Speaker Scott Jensen, Co-chairpersons
Joint Committee on Legislative Organization
State Capitol
Madison, WI 53702

Dear Senator Risser and Speaker Jensen:

As you are aware, audits conducted by the staff of the Legislative Audit Bureau can be selected in a number of ways, including being required by state legislation. The recently enacted biennial budget contained at least seven requests for audits. While we understand and agree that it may be desirable for some audit requests to be included in legislation, we strongly object to language that mandates that an audit be conducted. When this occurs, the Audit Committee co-chairs' role in deciding which audits will be conducted is seriously compromised. Further, if audit requests are to be included in legislation, it is our strong preference that the language state that the Audit Bureau "is requested to" rather than "shall" conduct an audit of a particular topic.

At an Audit Committee hearing held today, the Committee approved two audits that were mandated by enactment of the budget bill. However, we have asked the State Auditor not to complete any of the other audits that were requested in the budget bill until and if the Audit Committee formally approves them. Further, we ask that, in the future, legislators be encouraged to request an audit by writing to us, as co-chairs of the Joint Legislative Audit Committee.

Thank you for your attention to this matter.

Sincerely,

Senator Gary R. George
Co-chairperson
Joint Legislative Audit Committee

Representative Carol Kelso
Co-chairperson
Joint Legislative Audit Committee

Rossmiller, Dan

From: Schneider, Christian
Sent: Wednesday, November 03, 1999 2:36 PM
To: Rossmiller, Dan; Shannon, Pam; Kelso, Carol; George, Gary; Mueller, Janice; Rosenak, Mary Jan
Subject: Audit Schedule

Everyone,

This is just to keep everyone straight on the conundrum that has become the Audit Committee schedule. As far as I understand, it is as follows:

Tomorrow - Senator George will meet with Representative Kelso sometime in the afternoon in the Assembly Parlor during Assembly session. (Dan - if you have a more solid time for this, I would appreciate it)

Next Thursday, the 11th before session (8:30 to 10:00) - Audit Committee hearing on a topic to be decided at the aforementioned co-chair meeting.

We are also considering a Leg. Council meeting on the morning of the 10th, just so Senator George knows.

Thanks,

Christian M. Schneider
Research Assistant
Office of State Representative Carol Kelso



State Senator
Chuck Chvala
SENATE MAJORITY LEADER

December 6, 2000

The Honorable Gary George
Wisconsin State Senator
Rm. No. 118 S., Capitol
Madison, WI 53703

Dear Senator George:

The Senate Committee on Organization has approved your request for the Senate Members of the Joint Committee on Audit to participate in a public hearing which is being held in conjunction with a simultaneous video conference at a site located in the Milwaukee State Office Building in Milwaukee, Wisconsin on December 7, 2000, beginning at 10:00 a.m.

It is the Committee's understanding that you are seeking reimbursement for all actual and necessary expenses associated with individual committee members who are in attendance at this hearing at the Milwaukee location. It is further understood that you are seeking approval for additional staff support from the Senate Sergeant-at-Arms, as well as transportation and rental costs of the Milwaukee facility.

Your request has been approved contingent upon the Senate not being in session. Please let me know if you have any questions.

Sincerely,

Chuck Chvala

CHUCK CHVALA
Chairman
Senate Committee on Organization

State Capitol, Post Office Box 7882, Madison, WI 53707-7882 ■ Phone: (608) 266-9170 ■ Fax: (608) 266-5087

Legislative Hotline (Toll-Free) 1-800-362-WISC (9472) ■ E-Mail: chuck.chvala@legis.state.wi.us

World Wide Web: <http://www.legis.state.wi.us/senate/sen16/sen16.html>

State of Wisconsin



GARY R. GEORGE
SENATOR

December 5, 2000

The Honorable Charles Chvala, Chairman
Committee on Senate Organization
Room 211 South, State Capitol
Madison, WI 53703

Dear Senator Chvala:

I am writing to request authorization to conduct the Joint Legislative Committee on Audit from both Madison and a remote video conferencing link in Milwaukee on Thursday, December 7, 2000. The hearing, which will begin at 10:00 A.M., will be held in Room 411 South, State Capitol and will allow the public to participate simultaneously from a remote site in Room 542 of the Milwaukee State Office Building, located at 819 N.6th Street, Milwaukee, Wisconsin. The committee has arranged for video-conferencing to be used in order that committee members and members of the public need not travel to Madison but may participate in the hearing from this remote location in the State Office Building in Milwaukee.

I request that all committee members who travel be reimbursed for all actual and necessary expenses associated with their attendance at this meeting as appropriate.

I further request that members of the Senate Sergeant At Arms staff be provided to staff the remote video conferencing site in Milwaukee as well a vehicle for their transportation. It is my understanding that there may be charges associated with the use of the facility where the hearing will be held, including charges for the use of the video-conferencing equipment. If that is the case I would request your committee to authorize payment of any such charges for facility use.

Thank you in advance for your prompt consideration of this request. If you have any questions or need additional information, please contact my Chief of Staff, Dan Rossmiller, who serves as the acting Committee Clerk.

Most sincerely,

A handwritten signature in cursive script that reads "Gary R. George".

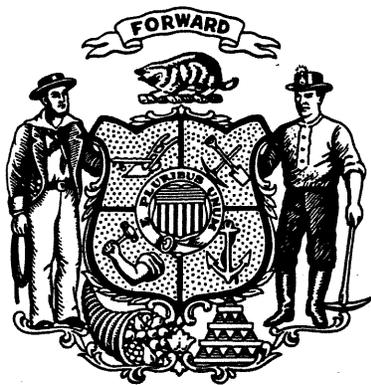
GARY R. GEORGE
State Senator
Sixth Senate District
Co-Chair, Joint Legislative Committee on Audit

STATE OF WISCONSIN COMPRESSED VIDEO SITE LIST

updated 10/16/00

Site Name (alphabetized by city)	Address	Room/Size - Maximum Number of People	Hours	Parking	Site Support / Room Charges
Eau Claire					
Eau Claire State Office Building*	718 W. Clairmont Ave Eau Claire, WI 54702	Room 139 - 15 ppl conf. style	7:45am-4:30pm Weekdays	35 visitor's stalls in front and more in back near Sacred Heart Hospital	No Charge for State Agencies
UW-Eau Claire	Old Library, 105 Garfield St Eau Claire, WI 54702	OL 1130 - 8 ppl conf. style; OL 1132 - 30 ppl classroom	Weekdays, evenings; weekends possible	Small visitor's lot near bldg; add'l parking may be requested.	~UW Rates
Green Bay					
Green Bay State Office Building*	200 N. Jefferson St. Green Bay, WI 54301	Room 618 - 12 ppl classroom	7:45am-4:30pm Weekdays	Limited metered parking on street. Shopping mall parking ramp 1/2 block from building	No Charge for State Agencies
UW-Green Bay	Instructional Services Bldg Green Bay, WI 54311	IS 1034 - 34 ppl classroom	Weekdays; Evenings & Weekends possible	Campus lots for \$1/day or \$3/week. Permits sold at parking office.	~UW Rates
Milwaukee					
Milwaukee State Office Building*	819 N. 6th St Milwaukee, WI 53203	Room 542 - 15 ppl U-shape	7:45am-4:30pm Weekdays	Ltd metered parking on street adjacent to bldg; public ramp 1/2 block from bldg	No Charge for State Agencies
UW-Milwaukee Univ. Ctr for Cont. Ed.	Plankington Bldg 161 W. Wisconsin Ave, Suite 6000 Milwaukee, WI 53203	Can receive CV in any 1 of 13 instructional rooms (seating 20-150) or 1 of 3 conference rooms (seating 15)	Weekdays/evenings Weekends possible	Parking in Grand Ave Mall ramp. Fee required.	LIMITED TO EDUCATIONAL USE & STATE OF WI AGENCIES ONLY. ~UW Rates + Room charges of \$50-200/day depending on size of room
UW-Milwaukee SOE	School of Education 2400 E. Hartford Ave. Milwaukee, WI 53211	Enderis Hall 264 Capacity: 12 persons, circle-shaped conference style	Weekdays Evenings/weekends possible	Very limited. Some on-street available. Weekends and evening parking in underground UWM Union garage.	~UW Rates + possible tech support fee depending on needs
UW-Milwaukee SBA	School of Business, N. Maryland Milwaukee, WI 53211	3202 Room S250, 50 people classroom style	Weekdays/Evenings	Very limited. Some on-street available. Weekends and evening parking in underground garage.	1) \$40/ hour (with at least 2 week notice) 2) \$20/ hour additional to above with less than 2 week notice Room is available to UW and State of Wisconsin agencies

END



END

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
Madison, WI 53708
Phone: 608-266-0485

JOINT COMMITTEE ON AUDIT

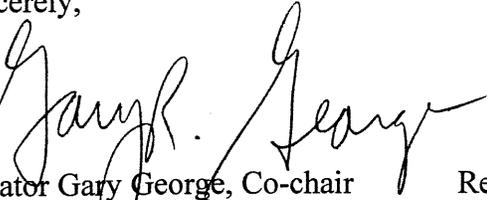
December 7, 2000

Senator Brian B. Burke
Room 316 South
State Capitol
Madison, Wisconsin 53702

Dear Senator Burke:

In your letter of November 21, 2000, you requested an audit of the Healthy Start Pregnant Women's program. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
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JOINT COMMITTEE ON AUDIT

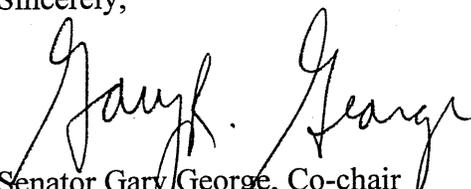
December 7, 2000

Representative Luther S. Olsen
Room 10 West
State Capitol
Madison, Wisconsin 53702

Dear Representative Olsen:

In your letter of February 16, 2000, you requested an audit of nurse wages. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George

118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso

16 West, State Capitol
P.O. Box 8952
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JOINT COMMITTEE ON AUDIT

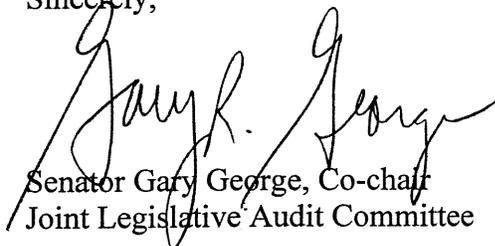
December 7, 2000

Senator Gwendolynne Moore
Room 409 South
State Capitol
Madison, Wisconsin 53702

Dear Senator Moore:

In your letters of December 1, 1999, and August 7, 2000, you requested an audit of the state's contracts with private prison companies. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
Madison, WI 53708
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JOINT COMMITTEE ON AUDIT

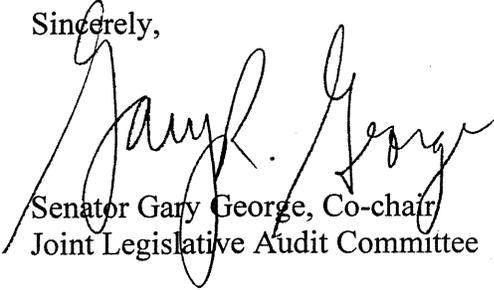
December 7, 2000

Senator Robert L. Cowles
Room 7 South
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles:

In your letter of October 31, you requested an audit of the effectiveness of state sanitary inspector positions and in a letter of May 19, 2000 you requested an audit of the Department of Natural Resources' Bureau of Water Regulation and Zoning. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
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Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
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JOINT COMMITTEE ON AUDIT

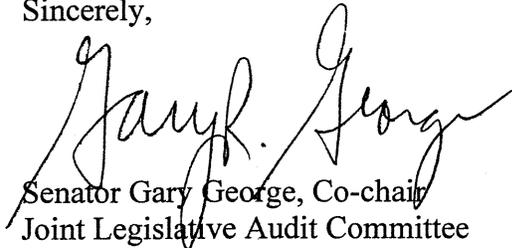
December 7, 2000

Representative James E. Kreuser
Room 208 North
State Capitol
Madison, Wisconsin 53702

Dear Representative Kreuser:

In your letter of January 31, 2000, you requested an audit of the KIDS Trust System. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George

118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso

16 West, State Capitol
P.O. Box 8952
Madison, WI 53708
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JOINT COMMITTEE ON AUDIT

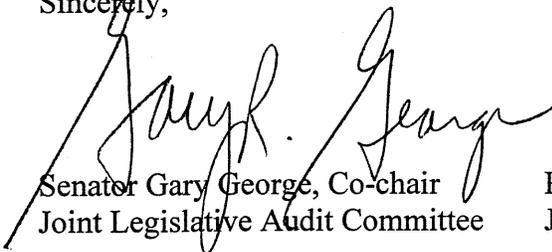
December 7, 2000

Representative David M. Travis
Room 223 North
State Capitol
Madison, Wisconsin 53702

Dear Representative Travis:

In your letter of November 14, 2000, you requested an audit of the issue of married couples working for government who elect to have dual coverage. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George

118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
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JOINT COMMITTEE ON AUDIT

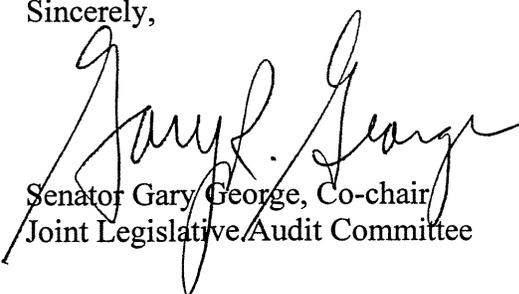
December 7, 2000

Representative Rick Skindrud
Room 18 West
State Capitol
Madison, Wisconsin 53702

Dear Representative Skindrud:

In your letter of August 1, 2000, you requested an audit of the financial aid programs of the Higher Educational Aids Board. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
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JOINT COMMITTEE ON AUDIT

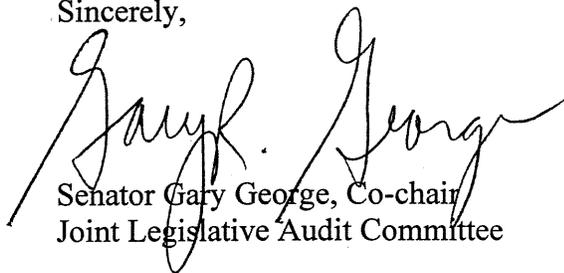
December 7, 2000

Representative Jon Richards
Room B41B West
State Capitol
Madison, Wisconsin 53702

Dear Representative Richards:

In your letter of September 13, 2000, you requested an audit of the Department of Natural Resources Air Management Program. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
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Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
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Phone: 608-266-0485

JOINT COMMITTEE ON AUDIT

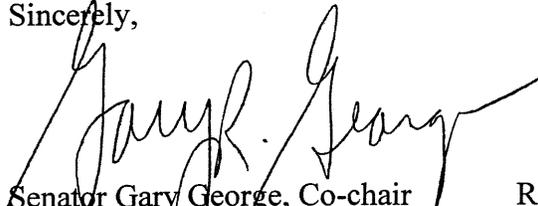
December 7, 2000

Mr. Thomas Lightfoot
Steward Local 1195 WSEU
515 S K St.
Sparta, Wisconsin 54656

Dear Mr. Lightfoot:

In your letter of September 21, 2000, you requested an audit of the Division of Motor Vehicles' Bureau of Field Services and its plan to privatize several aspects of the services it provides. We are writing to inform you that recently we met and decided against advancing any audit requests to the full Committee in the short time remaining in the current legislative session. The Legislative Audit Bureau has a full slate of audits currently underway and does not have the capacity to undertake new audits at this time. You are, however, welcome and encouraged to resubmit your request to the co-chairs of the 2001-03 Joint Legislative Audit Committee after January 3, 2001.

Sincerely,


Senator Gary George, Co-chair
Joint Legislative Audit Committee


Representative Carol Kelso, Co-chair
Joint Legislative Audit Committee

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
Madison, WI 53708
Phone: 608-266-0485

JOINT COMMITTEE ON AUDIT

June 20, 2000

Mr. George E. Meyer, Secretary
Department of Natural Resources
101 South Webster Street
Madison, Wisconsin 53702

Dear Secretary Meyer:

We have received and reviewed the single audit report (00-5) issued by the Legislative Audit Bureau on May 31, 2000. We understand that the findings and concerns that relate to your agency may be resolved through negotiations between you and affected federal agencies. In addition, the Audit Bureau, through normal follow-up during subsequent audits, will review your actions to address concerns and report on any matters still requiring attention.

We are, however, particularly concerned about the matters related to the amount of interest the State lost because your agency did not adequately address concerns identified in a prior audit. The Audit Bureau found that your agency continues to be tardy in drawing federal funds, resulting in at least \$85,000 in lost interest earnings for the Conservation Fund during fiscal year 1998-99 and at least \$10,400 in lost interest earnings for the General Fund. Because of your agency's delays, fewer funds were available to fund state programs. It is especially troublesome that your agency failed to maximize interest earnings at the same time you were seeking authority to increase fees for hunting and fishing licenses to fund Conservation Fund programs.

It is a well-established principle in state government that agencies should seek federal reimbursement as quickly as permissible to minimize any lost interest earnings. Therefore, we request that you provide us a written response by July 31, 2000, regarding your agency's intended actions to correct the deficiencies identified by the auditors.

Thank you for your attention to this request.

Sincerely,

Senator Gary R. George
Senate Co-chairperson
Joint Committee on Audit

Representative Carol Kelso
Assembly Co-chairperson
Joint Committee on Audit



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TTY 608-267-6897

July 10, 2000

Senator Gary R. George and
Representative Carol Kelso, Co-chairpersons
Joint Committee on Audit
State Capitol
Madison, Wisconsin 53702

Dear Senator *George* and Representative *Kelso*:

This correspondence is in response to your letter dated June 20, 2000, regarding the single audit report (00-5) issued by the Legislative Audit Bureau. Your concern specifically was related to the Department of Natural Resources cash management and lost interest to the State due to the Department's late drawing of federal funds.

The Department of Natural Resources shares your concern regarding lost interest to the State. As the auditors indicated in their report, beginning in FY 2000 the DNR has begun monthly draws of federal funds for our grants of \$200,000 or larger. However, some grants include specific and complicated restrictions on expenditures allowable for reimbursement. These grants require extensive manual calculations to determine allowable costs and are, therefore, billable only as frequently as staff size will allow.

We are working toward developing less cumbersome methods to determine allowable costs for these grants. Additionally, we have recently reallocated staffing resources to the grants accounting function. We have recently hired a full time permanent grants accountant. The primary objective of both of these steps is to speed up grant reimbursements.

Please realize the Department is aware of the importance of effective cash management. We will continue to work toward further improving the timeliness of the federal draws.

Respectfully submitted,

George
George E. Meyer, Secretary
Department of Natural Resources

Carol, Gary - We were not seeking the increase of hunting & fishing licenses at the time referenced in your letter.

Senator Gary R. George
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707
Phone: 608-266-2500



Representative Carol Kelso
16 West, State Capitol
P.O. Box 8952
Madison, WI 53708
Phone: 608-266-0485

JOINT COMMITTEE ON AUDIT

June 20, 2000

Ms. Linda Stewart, Secretary
Department of Workforce Development
201 East Washington Avenue
Madison, Wisconsin 53702

Dear Secretary Stewart:

We have received and reviewed the single audit report (00-5) issued by the Legislative Audit Bureau on May 31, 2000. We understand that the findings and questioned costs that relate to your agency will be resolved through negotiations between you and affected federal agencies. In addition, the Audit Bureau, through normal follow-up during subsequent audits, will review your actions to address concerns and report on any matters still requiring attention.

The Department of Workforce Development administers large and complex programs, but we are concerned that the number of findings and amount of questioned costs may be indicative of larger, systemic financial oversight issues within your agency. The nature of many of the findings indicates that your agency does not consistently adhere to basic accounting practices, such as ensuring that amounts reported to the federal government are well-documented and consistent with agency accounting records. We note that the auditors have not found similar problems at other agencies that administer large and complex grant programs. In addition, we are concerned that the Department may be required to pay the federal government up to \$556,000 in questioned because your department charged federal programs for unallowable expenditures or because of lost interest earnings to the federal government.

We request that you provide us a written response by July 31, 2000, regarding your agency's intended actions to correct the deficiencies identified by the auditors. Your response should include the dates by which you expect your corrective actions to be implemented and your plans to fund the amounts, if any, that may need to be repaid to the federal government.

Thank you for your attention to this request.

Sincerely,

Senator Gary R. George
Senate Co-chairperson
Joint Committee on Audit

Representative Carol Kelso
Assembly Co-chairperson
Joint Committee on Audit

Tommy G. Thompson
Governor

Linda Stewart, Ph.D.
Secretary

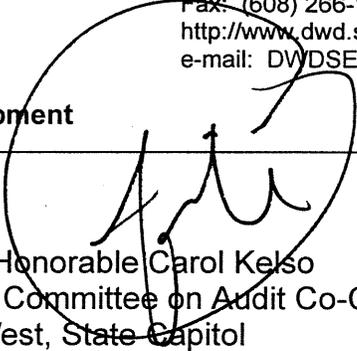


State of Wisconsin
Department of Workforce Development

OFFICE OF THE SECRETARY
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e-mail: DWSEC@dwd.state.wi.us

July 21, 2000

The Honorable Gary R. George
Joint Committee on Audit Co-Chairperson
118 South, State Capitol
P.O. Box 7882
Madison, WI 53707


The Honorable Carol Kelso
Joint Committee on Audit Co-Chairperson
16 West, State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senator George and Representative Kelso:

This is in response to your letter dated June 20, 2000 on the single audit report (00-5) issued by the Legislative Audit Bureau on May 31, 2000. You requested in your letter that DWD provide you with information on its intended actions to correct accounting deficiencies identified in the audit.

The attachment to this letter provides:

- The actions that DWD is taking to correct the specific deficiencies identified by the auditors.
- The dates by which our corrective actions will be implemented.
- Our plans to fund the amounts that need to be repaid to the federal government.

As I mentioned in correspondence to the Legislative Audit Bureau, as a result of the merger that created DWD in 1996, there have been significant challenges to developing financial processes and systems for DWD.

The financial aspects of merging disparate fiscal programs into one Department was not addressed at the time of the creation of DWD. Culturally, the new DES and DVR divisions working in a decentralized business environment were faced with the fiscal systems of the old DILHR. There were no policies and procedures in place for the complicated DES and DVR programs to function in the new environments. DWD requested assistance and even DOA did not have the expertise available to be of assistance with this consolidation effort.

The merger brought with it unreconciled appropriations and new and complex accounting subsystems. The following are examples of the complexity of this effort:

- TANF funds are used to support at least forty-five different programs.

- The pre Support Collection Trust Fund Child Support appropriation, which came to DWD unreconciled, is still being reviewed for reconciliation, requiring research back to 1996.
- The monthly Child Support reconciliations include determining and documenting the variances among five different financial systems.
- There are now at least twenty different automated systems that are either directly associated or affiliated with DWD's fiscal activities—systems required to be manually reconciled and interfaced, even though they were not originally designed to do so (see attached DWD Finance Systems Linkages).

The number and level of positions transferred from DHSS (D&HFS) to DWD in the merger of DVR and DES with DILHR was inadequate to address the high level of complexity and multiple funding streams associated with those programs.

Prior to the merger that created DWD, these accounting systems in DHSS and DILHR were already experiencing problems. Wisconsin's child support program had a history of programmatic and fiscal difficulties which carried forward to the new department and have added to the challenges faced by this program. A 1989 Wisconsin Legislative Audit Bureau report on DHSS stated, "...Much of this management letter consists of recommendations to improve fiscal controls and create greater efficiency and effectiveness in areas such as the tax refund intercept process, receivables, federal reporting, monitoring counties and the medical support liability program. The size of this letter alone suggests much needs to be done..."

Concurrent with the merger, the Bureau of Child support was in the process of implementing a statewide child support case management system (KIDS), which moved all case management and account maintenance from the counties to the KIDS system resulting in centralized records of all support payments. The timing of the merger and the KIDS implementation made child support fiscal activities a moving target and added complexity to both implementation and merger activities.

DILHR Administrative Services focused on processing financial transactions rather than controlling the financial transactions. Because DILHR finance staff were responsible for processing, the positions were primarily clerical and technical rather than senior professional accounting positions. In the LAB ranking of state agencies, DILHR ranked first or second with the most audit findings for 1993 to 1995.

The new Department (DWD) was required to create an entirely new cost allocation plan—a substantial undertaking given the number and size of our various federal funding sources. As a result of the merger, DWD now has three cognizant federal agencies: US Department of Labor for indirect costs, US Department of Health and Human Services for public assistance, and the US Department of Education, each with different accounting and reporting standards.

More recently, we have been through testing and implementing three new Y2K-compliant fiscal systems, lengthy hiring processes for new bureau directors in both the Bureau of Child Support and Bureau of Finance, and other key personnel changes. At the same time, substantial effort continues to go into the system modifications necessary to bring the KIDS system into compliance with Personal Responsibility Work Opportunities Reconciliation Act of 1996 (PRWORA) requirements.

However, In addition to addressing the specific audit findings, DWD is taking aggressive action to correct systemic deficiencies in DWD's financial systems and processes.

What we've done...

- 1) An accounting firm has been under contract since September 1999 performing a review of DWD's fiscal systems. The deliverables include –
 - Prepare a graphic and narrative description of the department's fiscal processes.
 - Prepare an internal control manual.
 - Develop recommendations and rationale for improving checks and balances, financial management reporting, organizational structure, internal controls, streamlining work processes, workload distribution, training and contracting function.
 - Review the department's automated systems and provide recommendations and rationale for better integration, including but not limited to moving i.e.FARS accounting activities to WiSMART.
 - Prepare an asset management plan.
- 2) We have expanded the consultant deliverables to include additional activities. Thus far, new deliverables include –
 - Assist with documenting and improving the processes associated with the Child Support program
 - Reconciling the Child Support intercept accounts in the general fund
 - Complete and revamp our Public Assistance Cost Allocation Plan
- 3) We have already implemented some of the consultant's preliminary recommendations such as –
 - Moving Child Support reconciliation duties to from DES/BCS to DWD Finance
 - New separation of duties in Accounts Payable

- Revise the process for Job Service contract payments.
- 4) Bureau of Finance currently has eleven LTEs on staff to assist with invoice processing and project work. Two contractors are also working on special projects associated with the year-end closing of DWD's books and preparation of DWD's portion of the state's Consolidated Annual Financial Report (CAFR).
 - 5) Effective October 1, 1999, we implemented an IT enhancement to the RAPIDS accounts payable system. The enhancement, called RAPWeb, brought DVR consumer payments onto DWD and WiSMART financial records. However, improving fiscal practices by automating and developing accountability, such as with RAPWeb, often results in more work for the same staff and with the same funding. For example, RAPWeb has resulted in a nearly a three fold increase (from 3,500 vouchers per month to 10,000) in workload for Finance staff.
 - 6) We continue to address historical problems stemming from the merger:
 - Effective May 1, 2000, we implemented a new automated match process that improves the timeliness and accuracy of our federal draws by automatically making the match at the time the expenditure is entered in the books.
 - We have determined that the Finance bureau past organizational structure is unbalanced and inefficient. We are in the initial stages of reorganizing DWD Finance and filling vacant positions. The new structure will provide for more supervisory oversight of critical activities in all functional areas and includes a new Policy and Audit unit to assure compliance with department, state, and federal guidelines and development of internal controls. A position was reallocated and a GAAP accountant hired.
 - Administrative Services cost pools were created in DWD in a very short time frame to get the new Department functioning. An extensive effort has been undertaken in the past year to review, document and modify, if necessary, these cost pools. These cost pools will be continuously reviewed and refined.
 - A Finance Re-engineering team has been appointed to spend full time for a year reviewing, improving and changing DWD financial processes, developing an internal controls manual and developing business requirements for "fixes" to the Department's financial systems and processes. IT programming staff will be assigned to these fixes as a very high priority. The Finance Re-engineering Team began its assignment on July 10, 2000.

What we plan to do...

The financial consultant and the re-engineering team are working on modifications to the twenty some current financial systems so that accounting transactions are timely and accurate. However, many of these systems are very old, running on old IT platforms and

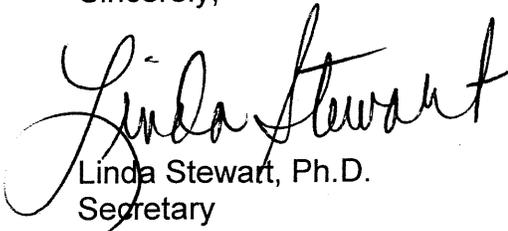
The Honorable Gary R. George
The Honorable Carol Kelso
Joint Committee on Audit Co-Chairpersons
July 14, 2000
Page 5

systems and have limited functionality and limited interfaces to each other and to WiSMART. Eventually we must build a new financial computer system that has more consistency with the state WiSMART system and consolidates functionality (for example, a single accounts payables system rather than four, and a single vendor database). This will be a huge, multi-year undertaking. As with other major IT systems, it will also be very costly and we do not have funding to undertake this project.

Please be assured that we are most concerned with having a sound and accurate financial processes in DWD. Fixing the problems resulting from the merging of many non-related and troubled financial systems when creating DWD is one of DWD's top priorities. However, given that funding was not provided to address this as part of the creation of DWD, it takes much longer to accomplish these kinds of significant system and process changes within base funding and base staffing.

I share your concerns about the LAB Audit findings and the challenges with the DWD financial systems and processes. Our financial consultants have made it clear that we need to upgrade our current systems to accommodate the complexity of the DWD's accounting requirements. I have directed that these items be addressed as a top priority. The amount and complexity of work to be done will require significant funding. DWD's 2001-03 budget will include an initiative to support this critical effort.

Sincerely,



Linda Stewart, Ph.D.
Secretary

cc: Janice Mueller, Director, Legislative Audit Bureau

***DWD Findings from 1999-2000 Single Audit Report
(LAB Report 00-5)***

Planned Actions, Dates and Funding Sources

Finding WI-99-6; Child Support Delayed Return of Federal Share of Collections for Public Assistance Programs

Corrective Action Plan: DWD will work through the State Controllers Office, who normally handles CMIA (Cash Management Investment Act) issues, to get the appropriate adjustment made for the amount of the interest. The State Controllers Office will complete this process and issue its CMIA report in December.

Beginning for June, 2000, DWD began processing a monthly revenue transfer based on the KIDS reports. The SAS report run of the 0262 account needed to prepare the OCSE-34 quarterly report will be done before the last day of the month, so the report can be completed within the 30 day timeframe. When the quarterly OCSE 34 report is done, the monthly transfers will be reviewed for any needed adjustments.

Questioned Costs: \$300,148. No special DWD funding is required. The State Controllers Office will include this amount as part of the annual CMIA report calculations and related adjustments.

Finding WI-99-7; Child Support Quarterly Report of Collections

Corrective Action Plan:

- Procedures are now being instituted that will ensure that the reports are prepared and filed on time. These procedures were referred to in our response to the finding on *Late Return of Federal Share of Collections for Public Assistance Programs*, and include running KIDS reports as soon as all month-end processing is complete. The internal general ledger report will be run on approximately the 20th of the month following quarter-end. This is used to reconcile the OCSE-34 to cash. This procedure has been put into place and will be reviewed periodically for completeness and for any needed updates. This process will be used for the first time for the quarterly report covering the period ending June 30, 2000.
- DWD is currently setting up a meeting with the system architect from IBM who designed the KIDS system. The purpose of the meeting is to review the C836 report design and identify revisions and improvements. The report will be reviewed and needed changes made by December 31, 2000.

Questioned Costs: Undetermined

Finding WI-99-8; Child Support Quarterly Report of Expenditures and Estimates

Corrective Action Plan: The net Federal share of collections from the Quarterly Report of Collections is included on The Quarterly Report of Expenditures and Estimates. The Federal Region V has indicated that they do not want the Expenditure Report without the net Federal share of collections included, and they do not want to receive revised quarterly Expenditure reports. The improvements to the accuracy and timeliness of the Collections Report as detailed in audit finding WI-99-7 on that topic, will improve the timeliness and accuracy of the Report of Expenditures.

Questioned Costs: None

Finding WI-99-9; Accounting for and Reporting State Matching Expenditures

Corrective Action Plan:

- A correcting voucher for the identified under-match amounts is in the process of being prepared by the Finance Bureau. It will be processed by July 31, 2000.
- A SAS run will be developed and run for the period July 1, 1999 through May 31, 2000 to identify if any items have not been matched properly. If any are found, correcting entries will be made in the current ledgers by August 4, 2000.
- Since the 1998 Single Audit, we have developed and implemented an automated federal matching system, and a review of match amounts can more easily be accomplished at the time federal reports are prepared. The Federal Reporting Unit will review match ledgers whenever they prepare federal reports. Adjusting entries, if needed, will also be made at that time.

Questioned Costs: \$167,353. SFY 2000 GPR will be used to the extent it is available. Any overages will be charged to SFY 2001 GPR.

Finding WI-99-10; Non-Federal Match for the Head Start Grant

Corrective Action Plan: DWD agrees *in part* with this finding. DWD did not obtain the necessary documentation before submitting the claim and has worked with Head Start to obtain documentation for additional match amounts claimed.

Documentation to support over \$50,000 of additional non-federal match was recently received from Head Start. This is more than sufficient match to cover the federal grant funds drawn.

In the future, DWD will obtain documentation for Head Start match amounts prior to the submittal of federal financial reports.

Questioned Costs: None

Finding WI-99-11; Non-Federal Match for the Vocational Rehabilitation Grant

Corrective Action Plan: Some of the third-party match documentation was not immediately available to the auditors. DVR compiled and submitted the necessary documentation when asked. In the future, DVR will submit quarterly reports to the Bureau of Finance, and only documented match will be reported. This will require preparation of the third-party match documentation before the quarterly financial status report (FSR) is submitted to the U.S. Department of Education.

For this federal fiscal year, the December 1999 and March 2000 federal reports have been filed, although due to staff shortages, the reports were filed past the thirty-day timeline requested by the federal cognizant agency. The June 2000 report will be filed on a timely basis.

Questioned Costs: None

Finding WI-99-12; Joint Income Maintenance Cost Allocations

Corrective Action Plan:

- Complete correcting adjustments to each of the benefiting programs to reflect the correct CARES ratios. This work will be complete by August 9, 2000.
- Perform an expanded analysis of all costs allocated with incorrect case count ratios for the months of July 1998, October 1998, and January 1999 and develop an estimated fiscal impact. This work will be complete by September 20, 2000.
- If the fiscal impact is material, calculate and complete correcting adjustments to each of the benefiting programs. This work will be complete by October 27, 2000.

Questioned Costs: \$76,092 Funds will be reallocated based on the revised ratios. Additional funding, if needed, will be determined once the benefiting programs are identified.

Finding WI-99-13; Salary and Fringe Benefits

Corrective Action Plan:

Salaries: Beginning April 1999, DWD modified its collection of time when it implemented its new Time Distribution system. Time periods are now established at the beginning of the calendar year. Each of these periods equate to two or three biweekly pay periods. The data collected on the new system for a time period is used to allocate time charges for that same period, so there is no longer a variance between pay periods and time periods being charged. Balances remaining on the accounting records are coded to balance sheet accounts on the State accounting system. The balance sheet accounts are equal to the accrual for the remaining days of payroll and fringe benefits through June 30, 2000. The year end reconciliation process assures that there is no undistributed time.

Fringe Benefits: Prior to April 1999 and the implementation of the Time Distribution system, DWD calculated a monthly fringe benefit percentage for each type of benefit (e.g., health insurance, life insurance) for each division. Time was collected through a separate process and distributed to fund sources on a monthly rather than on a biweekly basis. When the fringe benefit percentages were applied to the monthly allocated salary costs, adjustments were necessary to reconcile allocated fringe benefits to actual benefits paid.

Under the new system, fringe benefits are still calculated on a monthly basis by benefit type for each division. However, the percentages are based on the actual fringes paid for each of the payroll periods included in the Time Distribution period. Therefore, the size and number of adjustments has been significantly reduced. The year-end reconciliation for fringe benefits assures that only appropriately accrued fringe benefit amounts (e.g., prepaid health insurance) remain in the accounts at year-end.

Finance Bureau staff have been assigned to review the salary and fringe benefit allocations to assure that these accounts are being charged accurately, and to document a process for verifying the accuracy of the data on a regular basis in the future. This review will be completed by July 17, 2000.

Questioned Costs: None

Finding WI-99-14; Excess Cash Balances in Cost Pools

Corrective Action Plan: SFY 1999 and SFY 2000 rates were established using the best available data at the time. The size and new and complex needs of DES and DVR made this very rough estimate. Better-trained staff, more data and better analysis have been directed at this process. The DWD PR-S rates for SFY 2001 have been developed and published and reflect no more than a fifteen percent working capital reserve, which in all cases is less than 60 days cash expenditures.

Questioned Costs: None

Finding WI-99-15; Allowable Costs for Client Services

Corrective Action Plan:

- DWD agrees the client in the second case must return \$1,286 in funds that were not used by the individual toward the stated purpose in the individual's rehabilitation plan. The individual has agreed to a reimbursement plan. The plan calls for complete repayment by May 2001. As of July 1, 2000 the individual had yet to make a payment, and DVR staff are working to collect the funds.
- DWD/DVR has already initiated corrective action regarding the review of direct payment requests and expenditures. On December 16, 1999, DVR issued guidance to District Office Supervisors concerning the review of all direct payments in accordance with state purchasing and procurement requirements as well as DVR policy. In addition, a training session was held at the April 4, 2000 DVR state-wide conference which provided training on proper procedures for obtaining and documenting receiving evidence related to all purchases, including direct payment to clients. DVR personnel were instructed to complete a case note within the IRIS case file to provide documentation of the monitoring of the direct payment transaction.
- DVR will develop a plan to sample direct payments to clients for the July 1999 to December 1999 period. DVR will continue to implement these new procedures for direct payment activity.

DVR's plan goes beyond a sampling plan. They now pre-audit all direct payments to clients amounting to more than \$200. In addition, DVR has implemented a monthly review where supervisors review direct payments made to clients amounting to more than \$3000 over the past twelve months, and more than \$1000 in the past three months. Monthly reports of these reviews are submitted to the Regional Managers and the Director of DVR's Bureau of Consumer Services.

- DWD will also investigate options to reduce or even eliminate direct payments to consumers. As of July 1, 2000, DVR's new review process has significantly reduced the number of direct payments to clients.

Questioned Costs: \$1,286. Client has agreed to a reimbursement plan.

Finding WI-99-16; Cash Management for the Vocational Rehabilitation Grant

Corrective Action Plan: Some costs were not drawn because the reporting category was missing. The \$49,670 has been identified as costs for the month of July, 1999, and has been corrected. A monthly report listing items that were not

drawn because they were missing the reporting category is sent to the Federal Reporting staff. This report is reviewed by Federal Reporting staff and corrections are made periodically to assure all costs are drawn appropriately before the federal reports are prepared.

Questioned Costs: None

Finding WI-99-17; Property Records

Corrective Action Plan: Incomplete and inaccurate property records came along with the new DES and DVR divisions. The move to Job Center We are continuing our efforts to build an inventory system that includes both new acquisitions and old equipment that predates the department.

- DWD Asset Management will add payment funding source to all permanent property records currently on the Tivoli Asset Management (TAM) system that will include both the ieFARS project code and fiscal year indicator (IYY). This will be completed by August 1 for all assets received before June 30, 2000.
- DWD Asset Management will receive a monthly report that will list all payments processed through RAPIDS coded to the capital line. This report will allow DWD Asset Management to verify the completeness of TAM records added each month. Asset management is using currently this report to add the funding source to the TAM records described in the preceding paragraph.
- DWD Finance will receive an annual report summarizing capital assets on the TAM system by funding source. DWD Finance will reconcile TAM balances with capital balances reported on the ieFARS system. DWD Asset Management will adjust TAM to reflect any coding transfers or corrections made after the initial payment is made through RAPIDS. This report will be run August 1, 2000 for the SFY 2000 Consolidated Annual Financial Report.

Finding WI-99-18; Proceeds from Sale of Fixed Assets

Corrective Action Plan: Prior to disposal of any assets valued at greater than \$5,000, DWD Asset Management will provide DWD Finance with a report detailing the assets, including funding source used to acquire the assets. DWD Finance will review this list to determine if any federal grant funding was involved in the acquisition of the asset and to what extent proceeds from the sale must be reported back to the Federal overseeing agency. Proceeds from sales will be reported as program income when required. This procedure was in place as of June 1, 2000.

Questioned Costs: \$12,000. DWD will work with DOA and the State Treasurer to recover the \$12,000 that lapsed to the general fund and repay the federal government.

Finding WI-99-19; Subrecipient Monitoring

Corrective Action Plan:

- *Failure to have a 1997 and 1998 audit done for one subrecipient.*
DWD agrees with this finding. We obtained the 1997 and 1998 MAXIMUS, Inc. reports on April 17, 2000 and are in the process of resolving the audit issues. The deadline for resolving issues in these audits is October 17, 2000.
- *The need to transfer cognizant agency functions from DHFS/OPRA to DWD/DES.*
DWD agrees with this finding. We are negotiating with DHFS to develop a future course and timetable. Decisions will be made in time to assure that the 1999 audits are handled on a timely basis. Effective June 30, 1999, DWD/DES assumed responsibility for the SFY 1999 audits. Responses to these audits were due June 30, 2000. DWD/DES is currently preparing follow-up letters for missing audits.
- *DVR should implement a grant tracking system.*
DWD agrees with this finding. DVR does have in place a database system which tracks subgrant expenditure and utilization activity. DVR will enhance the existing database to monitor and track audits to these subgrant recipients for the period July 1996 to present as required by the State Single Audit Guidelines. In addition, DVR will coordinate with other DWD divisions to monitor and review grants that fall within the State Single Audit Guidelines for implementation of state agency cognizant duties. DVR's Cooperative Agreements Contract Officer will fully implement this process by July 1, 2000.

Due to staffing shortages, DVR has not yet been able to establish the grant-tracking system. DVR's Cooperative Agreements Officer position, will be filled by October 2000. The tracking system will be established by the end of this calendar year.

Questioned Costs: None

Finding WI-99-20; Temporary Assistance for Needy Families

Corrective Action: None required. Following offered for clarification: In the second to last paragraph, the narrative includes the phrase, "The amount of profits the agencies will earn, however, is much higher than what was expected..." This phrase may lead a reader to believe that there was some sort of expected profit

The Honorable Gary R. George
The Honorable Carol Kelso
Joint Committee on Audit Co-Chairpersons
July 14, 2000
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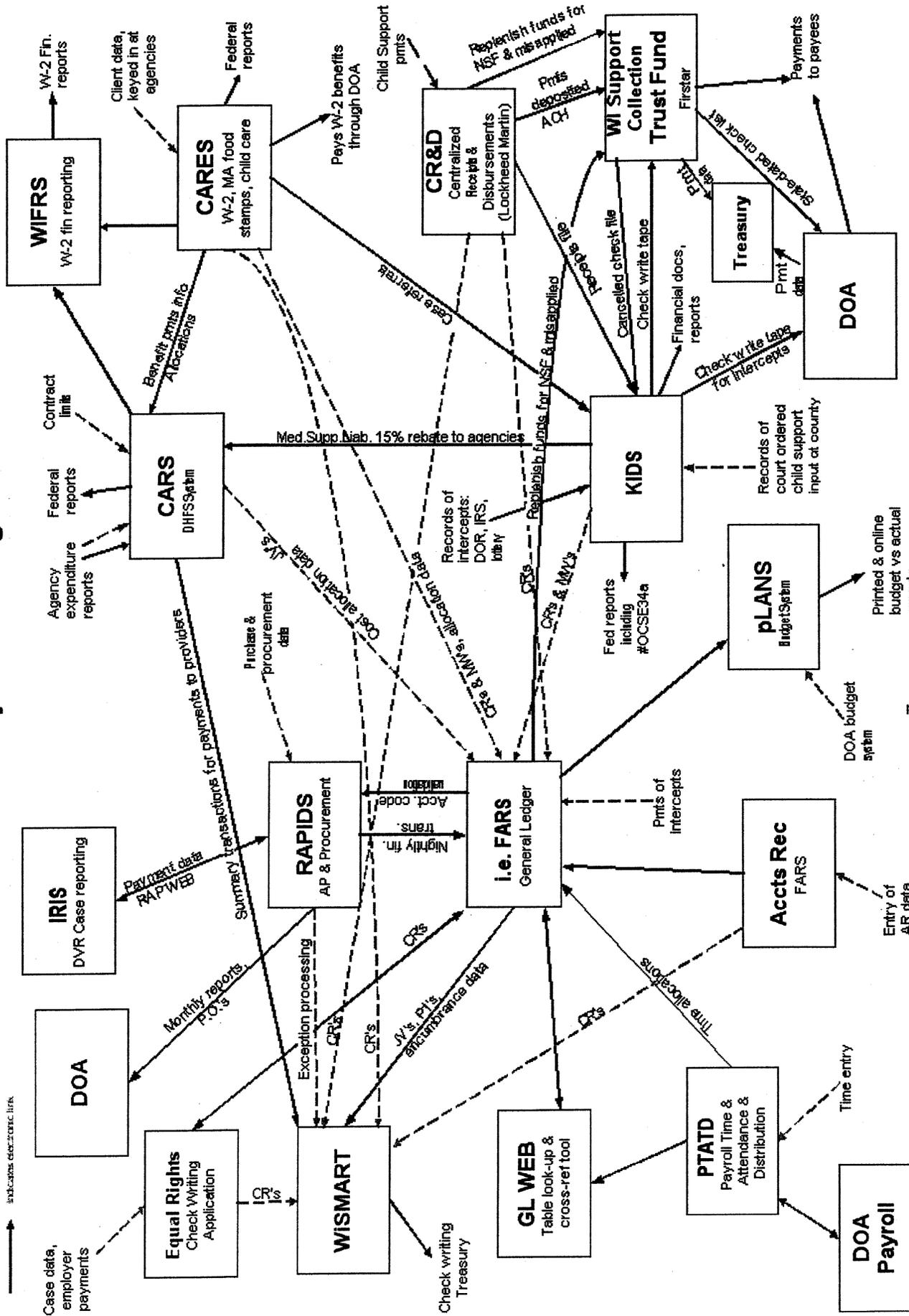
level, when in fact there was not. The seven percent unrestricted profit was a reasonable incentive given the unknown risk in these contracts. It was also modest enough not to provide an incentive to reduce services. Ninety percent of any remaining unspent funds were retained or directed to the program. Paragraph five of the auditor's narrative accurately describes why profit was included in the contracts. DWD has clearly and fully disclosed the profit aspects of the W-2 program to Federal officials, both in its plans and in its funding claims.

Questioned Costs: None

Department of Workforce Development Finance Systems' Linkages

Chart 1

---> indicates manual input of data from another system
-> indicates electronic link





State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

May 1, 2000

The Honorable Gary R. George, Co-Chair
Joint Legislative Audit Committee
Room 118 South, State Capitol
Madison, WI 53702

The Honorable Carol Kelso, Co-Chair
Joint Legislative Audit Committee
Room 16 West, State Capitol
Madison, WI 53702

Dear Senator George and Representative Kelso:

In January, the Legislative Audit Bureau submitted a report to the Joint Legislative Audit Committee on County Nursing Home Funding. The Bureau recommended the Departments of Administration (DOA) and Health and Family Services (DHFS) report to the Joint Legislative Audit Committee on the results of a consultant's study contracted by DOA and "whether the aggregate payments made for nursing home services should be adjusted."

Statutory language established in 1997, Act 27, called for a study "to determine and recommend to the Department of Health and Family Services the aggregate payments that should be made for inpatient nursing home services under medical assistance...such that the aggregate payments will not exceed the amount that would have been paid under the federal Medicare program's payment principles..." In preparing the request for proposal (RFP) for the study, DOA looked to the original language passed by the Joint Committee on Finance (JFC) during 1997-1999 biennial budget deliberations. The motion passed by JFC called for a study to determine "the amount that should be used for the Medicare upper limit for nursing home payments under the Medical Assistance program..." We believe that the RFP prepared by DOA reflected the legislative intent of the provision, thus calling for a calculation of the Medicare upper limit. The Medicare upper limit sets the maximum aggregate payment level that states may pay for services provided through the Medical Assistance program. The upper limit is a limiting factor on the level of federal funds claimed under the Intergovernmental Transfer program (IGT). The other factor is the county nursing home operating losses.

The consultant, Myers and Stauffer, Certified Public Accountants, concluded that the State did not exceed the upper limit in 1998 or 1999. The report concurs with the Department's methodology for calculating the upper limit. Only in SFY 1995-96 has the Medicare upper limit been a factor in limiting the IGT funds distributed to counties. All budgeted funds were claimed, but supplemental funding was not requested because the Department was at the Medicare upper limit. In all other years, the State has claimed the maximum amount of federal IGT funds possible using the full amount of county nursing home losses.

The Honorable Gary R. George
The Honorable Carol Kelso
May 1, 2000
Page 2

With the change in the Medicare upper limit under Medicare's Prospective Payment System, we do not see the requirement limiting nursing home payments to the Medicare upper limit becoming a problem for the IGT program. The only factor currently limiting the amount of federal IGT funds captured by the State is the amount of county nursing home losses. As such, a discussion of changes to aggregate payment levels for nursing homes under Medical Assistance is not relevant to the issue of maximizing the amount of IGT the State claims from the federal government. For a more comprehensive discussion of the DHFS position regarding payments for long-term care, please refer to our response to the audit findings, included as appendix IV of the final report.

We have enclosed a copy of the consultant's report. We are prepared to continue to work with the Audit Bureau staff, nursing home officials and the Legislature to find solutions that are consistent with our common objective of providing cost-effective long-term care in the least restrictive environment possible.

Sincerely,



Joe Leean, Secretary
Department of Health and Family Services



George Lightbourn, Secretary
Department of Administration

Enclosure



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

CONTACT: Jim Malone
(608) 266-1683

FOR IMMEDIATE RELEASE

**LEEAN "VERY CONCERNED" ABOUT PROPOSED CHANGES IN FEDERAL
INTERGOVERNMENTAL TRANSFER PROGRAM**

Wisconsin could lose \$104 Million in Federal Funds this year alone

(MADISON, May 8, 2000)—Department of Health and Family Services Secretary Joe Leean today said the U.S. Department of Health and Human Services is considering changes to the Intergovernmental Transfer program, which enables Wisconsin to use federal Medicaid funds to cover operating deficits of government-owned nursing homes.

"We confirmed this weekend that federal officials are weighing changes to their rules on IGT, which could come as early as October 1st. I am very concerned about this, and legislators should be as well. If the feds proceed, it could cost Wisconsin up to \$104 million this year alone," Leean said. "It could put a huge hole in the state budget."

Leean said the proposed revision of the federal regulations for determining the Medicare upper limit (MUL) would establish a separate test for all government-owned and operated facilities. This revision to the MUL would dramatically reduce the federal matching funds (FFP) claimed under the Medicaid program.

"This would be devastating to a state that already does not receive its fair share of federal funds," Leean said.

Since State Fiscal Year 1985, DHFS has claimed federal Medicaid funds using the certified operating deficits of nursing homes operated by local units of government.

"I urge Wisconsin's congressional delegation to work together in bipartisan fashion to protect the Badger State's interests," Leean said. "I also advise the Wisconsin legislature that they take this very real possibility into account as they discuss spending issues."

-30-



*Senator Gary R. George
State of Wisconsin
Sixth Senate District*

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Facsimile Cover Sheet

Please deliver to the individual named below.

To: Janice Mueller, State Auditor
Legislative Audit Bureau

Phone: (608) 259-9800

Fax: (608) 267-0410

From: Dan Rossmiller, Chief of Staff

Number of pages: 4 pages, including this cover sheet

Message: Attached please find a copy of the letter the co-chairs received from DHFS Sec. Leean regarding the audit of County Nursing Home Funding and a copy of a press release issued by the DHFS this morning. (Please call me (266-2500) if you have any questions or if you have trouble receiving this fax.

Tommy G. Thompson
Governor

Linda Stewart, Ph.D.
Secretary



State of Wisconsin

Department of Workforce Development

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December 27, 1999

The Honorable Gary George, Co-Chair
Joint Committee on Audit
State Capitol, Room 118 South
Madison, WI 53702

Dear Senator George:

I am pleased to submit to the Joint Committee on Audit the eighth group of reports requested as follow up to the Kids Information Data System (KIDS) audit. Attached to this letter are the following reports:

1. **County Priority Requests for KIDS Enhancements** – This report explains the current status of system enhancements requested by the counties and referred to as the County A List. The October through December reporting period was effectively reduced to a one-month window – October – due to the Y2K-related freeze on system changes that started November 1. This freeze was imposed by the Department of Administration to help ensure that no last-minute system changes jeopardized Y2K readiness. Despite the reduced time frame, three new changes were implemented in KIDS during October. An additional nine County A List changes are in the testing, coding, or requirements and design stages.
2. **Other Federal, State and County KIDS Enhancements** – This report details nine federal and state requirements and non-County A requests that were incorporated into KIDS during this reporting period and provides information about the status of 14 other federal and state requirements and non-County A List requests that are in progress.

The Department continues to take an aggressive approach to complete all PRWORA system change requirements, plus 26 additional County A enhancement requests by the PRWORA deadline of October 1, 2000. Definition of business requirements, design and coding are currently underway for numerous initiatives in this arena.

I am pleased to report that child support collections have continued to increase in 1999. The total amount of child support and support-related collections during the first 11 months of 1999 puts us on track to collect approximately \$900 million for the year. This is an increase of more than 6% over 1998.



The Honorable Gary George
December 27, 1999
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The Department has focused substantial effort on guaranteeing that the KIDS system will continue to function smoothly in January 2000. Our efforts have been cited as a model of good Y2K planning. In the unlikely event that KIDS has a Y2K-related problem, we have a plan in place to issue an advance emergency payment to families by the end of January.

In summary, my office continues to exercise close oversight of all child support operations, and is working to solve problems as soon as they are identified. Our systems and management structures have allowed us to work effectively with IBM Global Services so that all required system change work will be completed in a timely manner. I am encouraged by the progress that has been made simultaneously with our thorough and substantive Y2K safeguards.

If you have further questions, do not hesitate to contact my office so that my staff can respond to your questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Linda Stewart', with a stylized flourish at the end.

Linda Stewart, Ph.D.
Secretary

Enclosures

cc Members of the Joint Committee on Audit
Elaine Richmond, President, Wisconsin Child Support Enforcement Association



State of Wisconsin • DEPARTMENT OF REVENUE

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Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

December 2, 1999

The Honorable Gary R. George, Co-Chair
Joint Legislative Audit Committee
State Capitol - Room 118 South
Madison, WI 53702

The Honorable Carol Kelso, Co-Chair
Joint Legislative Audit Committee
State Capitol - Room 16 West
Madison, WI 53702

Dear Senator George and Representative Kelso:

The Department of Revenue appreciates the opportunity to report its progress on the issues you raised in the 1999 Biennial Program Evaluation of the Wisconsin Lottery.

You asked us to address vacancies in the marketing bureau and the efforts of the Lottery to develop performance measurement goals for the telemarketing staff.

Vacancies

Field Marketing Staff: At the time of the collection of data by Legislative Audit Bureau for the program evaluation, the Lottery had 13 of 18 field marketing positions filled, with five vacant positions. The vacancies were, as indicated in the evaluation by LAB, due to employee classification drafting issues and the need for supervisors to have Lottery industry knowledge so as to select staff with the necessary skills and abilities for a well-rounded marketing program. The vacancies are also related to on-going competition from similar private sector job opportunities that offer many of the same employment opportunities, often with very competitive and attractive benefit packages.

As of November 1, 1999, the Lottery field marketing vacancy number was reduced to two positions of 18. Of those two vacancies, one position has been filled, pending completion of the required security background check. The other position is a supervisor position, which became vacant late this summer. The classification for this supervisory position is being reviewed for realignment with the strategic plan of the Lottery. Preparations are underway for the position to be posted soon in the Career Opportunities Bulletin.

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Telemarketing Staff: At the time of the collection of data by LAB for the program evaluation, the Lottery had 9 of 12 telemarketing positions filled. As indicated in the evaluation, there have historically been two additional significant recruitment efforts to fill out the ranks of telemarketers, with mixed results.

Currently, there are three vacancies. It should be noted that while the number of vacancies has not changed, there have been changes in personnel. One of the previously open positions was a half-time position, which has now been filled. However, another full-time position has become vacant due to the movement of one of the telemarketers into the field marketing section. The Lottery on October 25, 1999, began the process of filling both of full-time positions. Additionally, the Lottery has reviewed and improved its interviewing techniques to allow for more rapid and accurate identification of strong potential candidates.

Performance Measurement and Team Integration

Performance Measures: Lottery administrative staff has reviewed the recommendation for performance measurement of telemarketing staff. Marketing staff has researched and discussed different performance measurement tools. We believe that implementing performance measurement tools should not occur until after the integration of telemarketing staff with field marketing counterparts.

This is because these performance measures, if implemented before the re-alignments were to occur, would provide potentially inaccurate or skewed base information from which to measure results. Therefore, the Lottery will implement performance measures such as retailer recruitment tracking concurrent with the team integration discussed below.

Team Integration: Marketing management has been directed to reorganize the telemarketing and field marketing sections. The goal is to create a cross-coordinated team in which each telemarketer develops a long-term relationship with both the field representatives and retailers from a specific region of the state to act as a central conduit for sales information and ticket ordering processes. Currently, telemarketers were rotated out of regions on a regular and frequent basis, to ensure broad statewide knowledge.

However, such a broad perspective does not foster a strong integrated team concept, nor does it allow for customer service that is crafted to the specific needs of the Lottery's long-standing retailers.

December 2, 1999

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These newly created regional focus teams will then identify, for their region, what types of marketing activities are best deployed. For example, one region may use performance measurement tools that produce data which indicates that recruitment initiatives are needed, while in another region the performance measures may indicate that a new piece of retailer equipment is very popular in that region and has significant effect on sales.

The overall expectation is that team integration will help the Lottery focus on each market region more effectively, and respond to regional needs more quickly. Each integrated regional team will maintain certain base data performance measurements and will also develop measures most useful in their region. We believe that integration of the teams can occur by March 1, 2000, and that performance measures can be identified and implemented by July 1, 2000.

We think these changes will produce a stronger Lottery operation for the benefit of the taxpayers of Wisconsin. I hope we have fully responded to the audit report and on behalf of the Wisconsin Lottery, I thank you for your consideration.

Sincerely,


Cate Zeuske
Secretary of Revenue

CC: Janice Mueller, State Auditor