
Wisconsin Economic Development Corporation

Legislative Audit Bureau

May 9, 2013

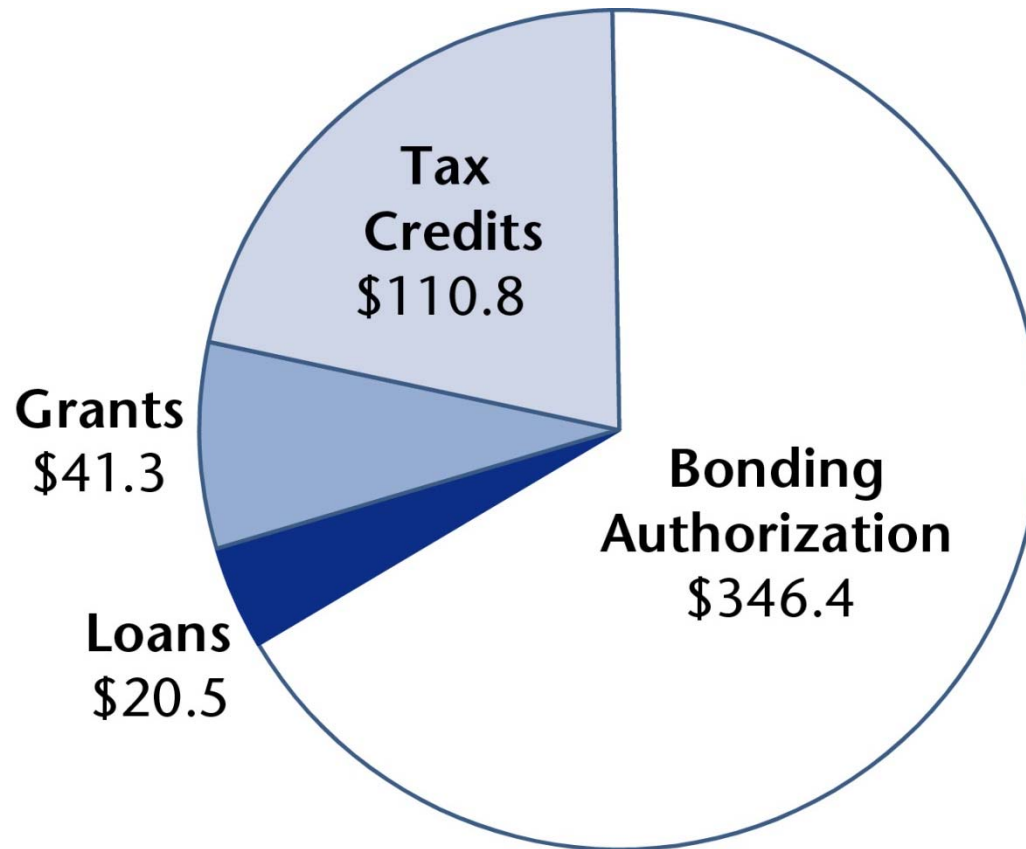
Overview

WEDC became fully operational in FY 2011-12 and is governed by a 15-member board.

WEDC remains subject to statutory reporting and oversight provisions that govern some of its programs.

Economic Development Awards

FY 2011-12
(in millions)



Delinquent Loans

As of December 2012, recipients of 60 loans were delinquent in repaying loans with a total outstanding balance of \$11.3 million.

WEDC had no policies for determining whether loans should be amended, forgiven, written off, or referred to DOJ for collection proceedings.

Program Administration

WEDC did not have sufficient policies, including some that are statutorily required, to administer its programs effectively.

WEDC awarded some grants, loans, and tax credits to ineligible recipients, for ineligible projects, and for amounts that exceeded specified limits.

Program Administration

Grant and loan recipients did not always submit statutorily required verified financial statements.

WEDC disbursed funds to award recipients that had not submitted documentation indicating that contractually authorized costs had been incurred.

Program Results and Accountability

Expected results were not established for 10 of 30 programs in FY 2011-12.

59 award recipients submitted 45.0 percent of contractually required progress reports.

WEDC did not conduct statutorily required verification of information submitted by award recipients.

Reporting Program Results

WEDC's 2012 economic development program report did not contain all statutorily required information, and some information was inaccurate.

It is difficult to assess the accuracy of the number of jobs that WEDC reported as being created or retained as a result of its programs.

Financial Management

WEDC did not monitor the amounts spent on each of its economic development programs in FY 2011-12.

Cardholders did not indicate the purpose for 56.0 percent of 141 purchasing card transactions made in FY 2011-12 that we reviewed.

We identified unknown, questionable, and excessive or unnecessary purchases.

Personnel Management and Governance

WEDC's full governing board has not always been informed about certain personnel policies and practices.

WEDC's policies pertaining to staff acceptance of gifts from businesses were incomplete, and some staff were unaware of them.

Reporting to the Legislature

WEDC has not always complied with statutes by submitting timely and complete reports to the Legislature.

WEDC's governing board should report to the Joint Legislative Audit Committee on:

- ◆ its plans to create a nonprofit foundation;
- ◆ the status of all outstanding economic development loans; and
- ◆ the status of its efforts to comply with statutes.

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