

STATE OF VERMONT
 Summary Schedule of Prior Audit Findings
 June 30, 2021

Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

Finding Number	CFDA Number	Description	Questioned Costs	Current Status
2019-001 2020-001	N/A	Deficiencies in accounts receivable reporting - Department of Liquor Control	None	In Progress See A-3

Findings Relating to Federal Awards

Agency of Human Services:

2018-011	93.658	Eligibility	None	In Progress See A-3
2019-008	84.126	Reporting	None	Corrected
2019-010 2020-014	93.775, 93.777 93.778	Special Tests and Provisions - Provider Health and Safety Standards	None	In Progress See A-4
2019-011 2020-012	93.775, 93.777 93.778, 93.767	Special Tests and Provisions - Provider Eligibility	None	In Progress See A-4
2020-011	93.568	Period of Performance	None	Corrected
2020-013	93.775 93.777 93.778 93.767	Eligibility	None	In Progress See A-5
2020-015	93.775 93.777 93.778	Reporting – CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program	None	Corrected
2020-016	96.001 96.006	Reporting – SSA-4514 – Time Report of Personnel Services for Disability Determination Services	None	Corrected

Center for Crime Victims Services:

2019-006	16.575	Subrecipient Monitoring	None	In Progress See A-7
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Findings Relating to Federal Awards (continued)

Finding Number	CFDA Number	Description	Questioned Costs	Current Status
Agency of Education:				
2019-004	10.555	Control and compliance deficiencies related to special test and provisions (food commodities)	None	In Progress See A-7
2018-004	10.559			
2017-012				
Department of Labor				
2020-006	17.225	Eligibility	None	In Progress See A-8
2020-007	17.225	Special Tests and Provisions: UI Program Integrity - Overpayments	None	Corrected
2020-008	17.225	Reporting: ETA 2112 - UI Financial Transaction Summary	None	In Progress See A-
2020-009	17.225	Reporting: ETA 191 - Financial Status of UCFE/UXC	None	In Progress See A-
2020-010	17.225	Special Tests and Provisions: UI Reemployment Programs: RESEA	None	In Progress See A-

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Management Response to Findings Relating to Financial Statements Reported in Accordance with Government Auditing Standards

Finding Number – 2019-001, 2020-001 – Accounts Receivable – Department of Liquor Control

Management Response:

In order to correct this finding, the Department of Liquor and Lottery (DLL) has updated its year-end Accounts Receivable reporting procedures to include the use of new query created by Department of Finance & Management (DFM). The new query will help identify accounts receivable payments deposited in the bank prior to the fiscal year end, but not recorded in the accounting system to after year end close. Any payments received that are identified as related to a prior year item ID will be accrued to cash.

Management Response to Findings Relating to Federal Awards

Agency of Human Services

Foster Care Title IV-E (CFDA 93.658)

Finding Number – 2018-011

Steps to Correct:

The enhancement of FOSDB/SSMIS (foster care database) to the system is tentatively scheduled to be completed by 4/1/23 subject to completing resource demands due to the ongoing declared Public Health Emergency in the State of Vermont.

Scheduled Completion Date of Corrective Plan:

April 1, 2023

Contact for Corrective Action Plan:

Brenda Gooley, DCF-FSD Director of Operations

brenda.gooley@vermont.gov

Medicaid Cluster (CFDA 93.775, 93.777, 93.778)

Finding Number – 2019-010, 2020-014

Steps to Correct:

License issue: In collaboration with Gainwell (3rd party service provider) it was noted there were a group of The Health and Safety Standards are outlined in the provider agreement which is part of the provider file. As Gainwell transitions to an online Provider Management Module (PMM) many records have been sent off-site for storage due to limitations in space available at Gainwell. Provider records prior to May 1, 2019 are paper files that are kept by Gainwell, either at the 312 Hurricane Lane Williston VT office or offsite at Iron Mountain Data & Records management. In 2019, Gainwell purged old documents in files to be stored off site due to file storage constraints. It was noted by Gainwell that some documents were mistakenly removed from files and destroyed. The one file that

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did not contain the agreement had several missing documents. At this time if it is noticed a file does not contain correct documentation the provider is contacted to revalidate their information within the PMM to assure we have current information. All providers enrolled or revalidated after May 1, 2019 will have their applications stored electronically in the PMM, therefore retrieval of records will be much more efficient and effective.

We are currently in the process of revalidation of all our providers so that complete files should exist in the electronic system for all providers by March 1, 2022. The electronic files contain the provider agreement which is taking the place of the hard provider agreement.

Scheduled Completion Date of Corrective Plan:

March 1, 2022

Contact for Corrective Action Plan:

Suellen Bottiggi, DVHA Director Member and Provider Services suellen.bottiggi@vermont.gov

Rebecca Rivers, Gainwell Provider Services Manager rebecca.l.gangl@gainwelltechnologies.com

Peter Moino, AHS Director of Internal Audit peter.moino@vermont.gov

**Medicaid Cluster (CFDA 93.775, 93.777, 93.778)
Children's Health Insurance (CFDA 93.767)**

Finding Number – 2019-011, 2020-012

Steps to Correct:

License issue: In collaboration with Gainwell (3rd party service provider) it was noted there were a group of providers (within an 18- month window) whose license expired in the MMIS system. This backlog was due to downtime associated with the Provider Management Module (PMM) implementation. Currently, a monthly screening process is performed to capture any providers whose licensing is set to expire in the upcoming month. Gainwell team pulls this monthly report and works through all providers on the expiring license list, verifying that the provider has an updated license either via Provider Management Screening Tool and/or License Board, and Gainwell makes the update in PMM before the current record expires.

Gainwell is working this monthly process while also working to update those in the backlog and expects the backlog to be fully completed by April 1, 2021. A sweep of 26,836 providers has been completed and currently none have an expired license although in the MMIS System the license is expired. The monthly screening process will ensure we have no expired license. Using the Provider Management module as the source record for license review in future audits will ensure compliance.

Application and Check list not available: As Gainwell transitions to an online PMM many records have been sent off-site for storage due to limitations in space available at Gainwell. Provider records prior to May 1, 2019 are paper files that are kept by Gainwell, either at the 312 Hurricane Lane Williston VT office or offsite at Iron Mountain Data& Records management. In 2019, Gainwell purged old documents in files to be stored off-site due to file storage constraints. It was noted by Gainwell that some documents were mistakenly removed from files and destroyed. At this time if it is noticed a file does not contain correct documentation the provider will be contacted to revalidate their

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information within the Provider Management Module to assure we have current information. Due to COVID-19 pandemic some files were not easily obtained. One provider application was obtained weeks after the review period due to Iron Mountain having to physically search for the actual file. All providers enrolled or revalidated after May 1, 2019 will have their applications stored electronically in the Provider Management Module, therefore retrieval of records will be much more efficient and effective.

We are currently in the process of revalidation of all our providers so that complete files should exist in the electronic system for all providers by March 1, 2022. The electronic files contain an audit trail which is taking the place of the hard copy checklist.

Scheduled Completion Date of Corrective Plan:

April 1, 2021: Provider license backlog review.

March 1, 2022: Revalidation and transfer of provider files to electronic/on-line system.

March 1, 2022: Replacement of checklist with electronic audit trail.

Contact for Corrective Action Plan:

Suellen Bottiggi, DVHA Director Member and Provider Services suellen.bottiggi@vermont.gov

Rebecca Rivers, Gainwell Provider Services Manager rebecca.l.gangl@gainwelltechnologies.com

Peter Moino, AHS Director of Internal Audit peter.moino@vermont.gov

Medicaid Cluster (CFDA 93.775, 93.777, 93.778)

Children's Health Insurance (CFDA 93.767)

Finding Number – 2020-013

Steps to Correct:

1. Corrective action pertaining to CHIP beneficiary files: The Department of Vermont Health Access (DVHA) was unable to pull the telephone recordings for 2 of the above findings because they were not saved. DVHA updated its telephone data retention policy to 10 years for its Health Access Eligibility and Enrollment Unit (HAEEU) on August 1, 2019 and for its Customer Service Center (CSC) on May 1, 2020. Now that the data retention policy has been updated to match the federal requirements, DVHA will be able to provide sufficient phone call records in the future.

For the 3rd finding, income was verified on the back end of the eligibility system (Siebel) during the ex parte renewal, however this verification was not documented correctly in the case due to system deficiencies. At the time this case was picked up as part of the eligibility sample for the period of 7/1/19-6/30/20, the claim date for this finding was 8/2/2019, which was prior to the customers next renewal. The last eligibility ran on this case was done in October 2018. DVHA has worked with its system contractors and concluded that these system deficiencies were corrected in October 2018 and have not happened since.

Corrective action pertaining to Medicaid beneficiary file: Beginning in January 2021 the Medicaid Reconciliation team will be running a monthly report that will capture members who have a "pending review" status for their MAGI-Income verification line item but were not identified as "pending review"

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through normal processing. These cases will be reviewed and resolved by the Medicaid Reconciliation Team on a monthly basis

Scheduled Completion Date of Corrective Plan:

1. For the first 2 findings above, DVHA updated its data retention policies to 10 years for HAEEU on August 1, 2019 and for the CSC on May 1, 2020.
For the 3rd finding, the system deficiencies were resolved in October 2018.
2. Beginning January 29, 2021, the Medicaid Reconciliation Team will implement the monthly eligibility review process.

Contact for Corrective Action Plan:

Nicole McAllister DVHA Healthcare Assistant Administrator II
Peter Moino AHS Director of Internal Audit

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Center for Crime Victims Services

Crime Victims Assistance (CFDA 16.575)

Finding Number – 2019-006

Steps to Correct:

A new system went live in FY2021 and, using functionality and reports built into the system, this finding was resolved during FY2021.

Scheduled Completion Date of Corrective Action Plan:

Completed – March 3, 2021

Contact for Corrective Action Plan:

Carol Brochu, Director of Finance and Administration

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Agency of Education

Child Nutrition Cluster (CFDA 10.553, 10.555, 10.556, 10.559)

Finding Number – 2019-004, 2018-004, 2017-012

Steps to Correct:

The agency was unable to adhere to its current procedures regarding quarterly WBSCM to TRACS reconciliations and annual warehouse inventory due to COVID-19. As a result of additional work faced by the Child Nutrition Programs team due to COVID-19 emergency operations, the agency was not able to complete a full year of sample quarterly reconciliations for School Year 19-20. Due to changes in school meals operations in Spring 2020, as schools transitioned from hot in-person meals to cold pre-packaged grab-and-go meals, or ceased to operate at all, many schools did not release all of their USDA Foods from the warehouse before the end of School Year 19-20. The state did not pressure schools to release their foods during this time because of numerous other challenges faces by school meals programs. This meant that many cases of food were carried over from 19-20 to 20-21. In addition, due to public health measures, the state agency staff was unable to visit the warehouse in June 2020 to conduct the annual reconciliation. This meant that the state and the warehouse carried over inventories from 19-20 in individual school accounts into school year 20-21. These carried over cases have made the normal quarterly sample reconciliation process unviable for SY 20-21. The state has attempted the process, but because of the carried over inventory, there are more cases shown in TRACS than shown in WBSCM and the accounts cannot be reconciled. As of June 2020, the state agency is pushing schools to take as many of their cases as possible, with the plan of zeroing out the current inventory by June 30, 2021. In early July, the state agency will return to the warehouse in-person to conduct a physical inventory and reconciliation of any remaining cases. This will allow the state to start school year 21-22 with zero balances for all schools, which will make the state agency's procedures viable again. The state will again plan to

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conduct quarterly sample reconciliations for the full year, as planned in our initial corrective action, before deciding whether there are discrepancies that merit a more intensive reconciliation process.

Steps to Correct:

The AOE implemented the following multi-step corrective action plan:

1. AOE staff conducted physical inventory of items remaining in warehouse on July 29, 2021
2. AOE met with warehouse staff on 8/26/21 to discuss new strategies for moving foods out of the warehouse more quickly to avoid any foods remaining at the end of the year. This discussion resulted in the following new strategies:
 - a. Creation of a webform for schools to request unallocated cases for immediate shipment. Since implementation on 9/1/21 this has cleared out several thousand cases in carryover inventory from SY19-20 and 20-21. This worked very well and we will use this strategy again in the future for unallocated cases.
 - b. Established quarterly check-in between USDA Foods staff member and warehouse's customer service rep to evaluate which schools have placed zero orders or few orders, indicating a need for training/follow-up. USDA Foods staff member and warehouse will split proactive technical assistance calls/emails for those needing assistance. First check-in scheduled for October 2021.
 - c. Warehouse implementing extended storage fee, as allowed in contract, to discourage long-term storage of foods.
3. Child Nutrition Director provided additional training to USDA Foods Consultant in July and August 2021 on reconciling warehouse reports with WBSCM reporting.

Scheduled Completion Date of Corrective Action Plan:

October 31, 2021

Contact for Corrective Action Plan:

Rosie Krueger, State Director of Child Nutrition Program

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Vermont Department of Labor

Unemployment Insurance (CFDA 17.225)

Finding Number – 2020-06

Steps to Correct:

The Department was aware that it was unable to implement the documentation requirement for the PUA program as required by the amendments to the CARES Act.

The Department had every intention of going back and retroactively reviewing PUA claims for documentation and requiring submission for those claims that lacked adequate documentation retroactively.

The Department has begun this work in early 2022 and will continue this review for PUA program eligibility for as long as USDOL provides the funding to do so until the Department has reviewed all PUA claims filed

Scheduled Completion Date of Corrective Action Plan:

June 30, 2023, as long as adequate program funding is provided.

Contact for Corrective Action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

Unemployment Insurance (CFDA 17.225)

Finding Number – 2020-08

Steps to Correct:

VDOL has caught up with the submission of these reports. At the conclusion of the Department's pandemic response, the Department will look to ensure that the Cashier's Office remains adequately staffed, assuming funding is sufficient, and will cross train staff in the event of a reduction in force.

Scheduled Completion Date of Corrective Action Plan:

December 31, 2022

Contact for Corrective Action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

Unemployment Insurance (CFDA 17.225)

Finding Number – 2020-09

Steps to Correct:

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The Department continues to work through the backlog of work created during the COVID-19 pandemic. To date, the Department has onboarded a finance manager for the UI program and has filled all vacant positions in our cashiers office.

As long as the Department remains fully staffed, the Department expects to become current with all outstanding reports due to the USDOL by the end of this calendar year.

Moving forward, as long as the Department is able to maintain the necessary staffing levels, the Department expects to remain current with our reporting requirements as well as providing the necessary approval for each USDOL required report.

It should be noted that the State of Vermont is not provided with an adequate level of administrative funding by Congress and the USDOL. Therefore, the Department does not have the resources to ensure cross training and backfilling of all required aspects of a UI Program. Without adequate administrative funding, the Department must maintain bare minimum number of staff in respective programs areas. In some cases, such as the cashiers unit, this equates to one or two staff members to meet basic functions. In the event the Department experiences a significant increase in workload or a prolonged period of staff vacancy, the Department will continue to find itself in the position of being unable to meet all performance or timeliness expectations of the UI system.

Scheduled Completion Date of Corrective Action Plan:
December 31, 2022

Contact for Corrective Action Plan:
Cameron Wood, UI Director

Cameron.Wood@vermont.gov

Unemployment Insurance (CFDA 17.225)

Finding Number – 2020-010

Steps to Correct:

This was a carryover finding from last year's audit. The Department will continue with the implementation of our correction action plan already identified.

The supervisor reviewed and updated the procedure in calendar year 2021. With re-implementation of the program in a virtual capacity, the staff were adjusting to the new workflows of the program coming out of the COVID-19 pandemic. The supervisor will provide additional training to the staff to ensure that the procedure is understood and being followed.

Scheduled Completion Date of Corrective Action Plan:
December 31, 2022

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Contact for Corrective Action Plan:
Cameron Wood, UI Director

Cameron.Wood@vermont.gov