
January 03, 2019

Performance Audit
Recommendations and
Corrective Actions for Audit:
16-07

Vermont Self-Funded Web Portal

Portal Manager Fees for Certain
Online Services Finance Entire
Self-Funded Web Portal, but
Some Fees Not Approved as
Required

Dated: October 26, 2016

Overview

The State Auditor's Office (SAO) makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Audit Number & Name	Rec #	Recommendation	Follow-Up Date	Status	Review Comments
16-7 Vermont Web Portal Board & Agency of Digital Services - Vermont's Self-funded Web Portal: Portal Manager Fees for Certain Online Services Finance Entire Self-Funded Web Portal, but Some Fees Not Approved as Required	WPB-1	Meet semi-annually as required by statute.	2017	Implemented	The Director of Web Services for the Agency of Digital Services (ADS) reported the Web Portal Board (WPB) was not reconstituted until September 2017, eight months after the new administration began. According to the director, the WPB met in October and November 2017 and planned to meet again in December 2017. The board plans on meeting quarterly beginning in 2018.
	No further follow-up is required because the recommendation was implemented.				
	WPB-2	Review and approve the annual business plan submitted by the Vermont Information Consortium (VIC).	2017	Implemented	According to the Director of Web Services for the ADS, the WPB approved the 2016 business plan electronically in November 2016. The 2017 plan was approved by the WPB on January 10, 2018.
	No further follow-up is required because the recommendation was implemented.				
	ADS-1	Inform state agencies that have online services with a VIC fee that a reconciliation of VIC-provided data for online service transactions to state agency records is necessary to assure the completeness and accuracy of NIC USA, Inc. (NIC) payment processing services.	2017	Partially Implemented	The Director of Web Services for ADS reported informal communication was made to service owners. A memo was drafted and presented at the WPB meeting on November 29, 2017 to be formally communicated to service owners. Since a final communication, approved by the Board, was not provided to service owners at the time of recommendation follow-up, State Auditor's Office (SAO) concludes this is partially implemented.
	2019	Implemented	According to the ADS, a memo from the Secretary of ADS was approved by the Web Portal Board and distributed to the owners of all VIC-hosted financial transactions.		
	ADS-2	Implement a plan to conduct additional review of all financial reports provided by VIC and submitted to the WPB, Joint Fiscal Committee (JFC), and Legislature.	2017	Not Implemented	According to the Director of Web Services for ADS, he has examined the financial data in VIC's reports for consistency and reviewed the accuracy of calculations underlying the data since errors in the FY2015 VIC Net Revenue Report were discovered in January 2016. The Director provided the FY2017 VIC Net Revenue Report to SAO to demonstrate that additional review had occurred. However, the Director required assistance from VIC to answer some of SAO's questions regarding completeness and accuracy of the report. As a result, SAO concludes this recommendation is not implemented since the Director lacked familiarity with some of the fees and as a result could not provide oversight sufficient to identify errors or omissions in the report.
	2019	Not Implemented	There has been no change from the prior recommendation follow-up.		
	ADS-3	Require VIC to develop and document a definition for net revenue and a methodology for determining cost of sales for all on-line services with VIC fees. Review the definition and methodology and present it to the WPB for consideration.	2017	Implemented	The Director of Web Services for the ADS reported that definitions and a methodology for determining cost of sales were presented to the WPB at the October 2017 meeting and will be used for all reports going forward.
	No further follow-up is required because the recommendation was implemented.				