

STATE OF VERMONT

Summary Schedule of Prior Single Audit Findings

June 30, 2018

Ref.	CFDA Number	Description	Questioned Costs	Current Status
Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards				
2017-001 16-001, 15-001	N/A	Non-compliance with eligibility waiver for global commitment expenditures	None	Corrected
2017-002 16-002, 15-002	N/A	Untimely reconciliation of eligibility data between key systems	None	Corrected
2017-003 16-006, 15-004	N/A	Deficiencies in accounts receivable reporting	None	Corrected
2017-004 16-007	N/A	Department of Motor Vehicles – Revenue Classification	None	Corrected
2016-009	N/A	Agency of Human Services - Deficiencies in information technology controls	None	Corrected
Findings Relating to Federal Awards				
Agency of Human Services:				
2017-005	10.551 10.561	Control and compliance deficiencies related to benefit determination (special test)	ND	Corrected
2017-006 16-012	10.551 10.561	Control Deficiency related to review of daily EBT reconciliations (Special test)	None	Corrected
2017-007	10.551 10.561	Control Deficiency related to preparation of 209 Report.	None	Corrected
2016-025	84.126	Inconsistent documentation over eligibility reviews	None	In Progress See A-4
2017-021 16-026	84.112	Control and compliance deficiencies related to allowable costs	ND	Corrected
2017-022 16-027	84.112	Control and compliance deficiencies related to subrecipient monitoring	None	Corrected
2017-023	93.558	Control and compliance deficiencies related to eligibility determinations & related allowability of benefit payments made (child support assignment of rights & shelter expense statements)	ND	Corrected

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2017-024 16-032	93.568	Control and compliance deficiencies related the accuracy of federal reporting (annual household report)	None	Corrected
2017-025	93.658	Control and compliance deficiencies related to maintenance payments	\$5,934	Corrected
2017-026	93.658	Control and compliance deficiencies related to provider licensing and related maintenance payments	\$6,358	Corrected
2017-027 16-039 15-043, 15-052 14-058, 14-050 13-43, 12-30 11-21, 10-28	93.778 93.775 93.777	Control and Compliance deficiencies related to eligibility and allowability (eligibility determinations)	ND	Corrected
2016-041 15-051 14-057, 13-41 13-42, 12-32	93.778 93.775 93.777	Deficiencies related to subrecipient monitoring	ND	Corrected
2015-052 14-058	93.778 93.775 93.777	Inadequate information technology general controls	None	Corrected
2017-028 16-042, 15-053	93.778 93.775 93.777	Control and Compliance deficiencies related to special tests and provisions (N3 system security reviews)	None	Corrected
Agency of Education:				
2017-008	10.555 10.559	Control and compliance deficiencies related to allowable costs	\$145,744	In Progress See A-4
2017-009	10.555 10.559	Control and compliane deficiencies related to cash draws	None	In Progress See A-5
2017-010 16-014, 15-012 14-06, 14-07 13-06, 13-08 12-01, 12-03	10.555 10.559	Control and compliance deficiencies related to eligibility, allowability, suspension and debarment and subrecipient monitoring	None	In Progress See A-5
2017-011 16-016 15-013 14-009	10.555 10.559	Control and compliance deficiencies related to matching	ND	Corrected
2017-012	10.555 10.559	Control and compliance deficiencies related to special test and provisions (food commodities)	ND	In Progress See A-6

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2017-013 16-019	10.558	Control and compliance deficiencies related to subrecipient monitoring	ND	In Progress See A-6
Department of Labor:				
2017-014	17.225	Control deficiency related to the preparation of the SEFA	None	Corrected
Department of Public Safety:				
2017-029 16-043	97.067	Control and compliance deficiencies related to equipment	ND	Corrected
Agency of Transportation				
2017-015	20.509	Control and compliance deficiency related to subrecipient monitoring	None	Corrected
2017-016	20.600 20.601 20.609 20.610 20.613 20.616	Control deficiency related to approval of allowable costs	None	Corrected
2017-017	20.600 20.601 20.609 20.610 20.613 20.616	Control and compliance deficiency related to indirect costs paid as part of level of effort reporting	ND	Corrected

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Findings Relating to Federal Awards

Agency of Human Services

Finding Number – 2016-025

Steps to Correct: Consistent with the updated corrective action plan described in the FY2017 Summary Schedule of Prior Audit Findings, this finding was not resolved in FY 2018 because the Division of Vocational Rehabilitation (DVR) went live with the new AWARE case management system in September 2017. It was not possible to implement a case review process during the period when we were implementing a complex new system and training staff how to use that system.

In the spring of 2018, DVR began the process developing a case review process. We deployed a pilot of the case review process in the summer of 2018 to test the system. In October 2018 we deployed the system statewide and the first full quarter of reviews was completed for the second quarter of SFY 2019. Consequently, the auditor understood the finding was not resolved in SFY 2018. The auditor informed DVR of their plan to test the corrective action as part of the SFY 2019 Single Audit and the corrective action will have been in place and operating for the second, third, and fourth quarters of SFY 2019.

Scheduled Completion Date of Corrective Plan:

Completed October 2018

Contact for Corrective Action Plan:

James Smith, Policy Manager
Peter Moino, AHS Director of Internal Audit

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Agency of Education

Finding Number – 2017-008

Steps to Correct: The corrective action plan started after the FY2017 single audit is ongoing.

1. Starting with the 2018-2019 school year, Child Nutrition moved the application renewal timeline earlier in the year, opening up applications to SFAs on June 6 for the 18-19 school year. In addition, we prioritized the renewal approval work to ensure that renewals that were submitted were quickly approved.
2. We are in the process of revising our late claim policy to align it with the updated “Guidance for Local and State Agencies on 60-Day Claim Submission and 90-Day Reporting Requirements” that went into effect in October 2018. The late claim policy will include specific instructions for how each type of late claim should be handled with regard to forwarding the claim to the USDA FNS Regional Office for approval. The revised late claim policy will need to be sent to USDA FNS for approval before it can be adopted.

Scheduled Completion Date of Corrective Plan:

1. Completed
2. Policy will be sent to USDA no later than April 30, 2019

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June 30, 2018

Contact for Corrective Action Plan:

Rosie Krueger, Assistant Director of Child Nutrition Programs

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Finding Number – 2017-009

Steps to Correct: The Agency will work to improve compliance with the draw schedule noted in the CMIA agreement and by reviewing internal procedures. In instances where draw dates do not comply with the agreement, the Agency will document non-compliance with the CMIA and file with draw spreadsheets. The Agency will begin to cross-train individuals in the Agency on the draw process so that there is internal redundancy for this function.

The number of draws in FY2018 was double those in FY2017. During SFY2019, the Agency has been working to continue improving its compliance with CMIA. Draw procedures have been reviewed and to-date is in a much better compliance position with the CMIA agreement. The cross-training activities will start after examining job duties versus staffing levels and will be completed as soon as possible. Additionally, the Agency has reached out to State Finance to discuss options available in both the Agreement requirement and reviewing how the State and Federal systems actually date and track transactions.

Scheduled Completion Date of Corrective Plan:

June 30, 2019

Contact for Corrective Action Plan

Kathy Flanagan, Financial Director

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Finding Number – 2017-010, 16-014, 15-012, 14-06, 14-07, 13-06, 13-08, 12-01, 12-03, 11-01, 11-02, 10-02

Steps to Correct: The program monitoring portion of the 2017 finding has been corrected. The remaining portions of this finding are in progress as follows:

Suspension and Debarment: For the school meals programs, beginning with School Year 18-19 the program renewals included a statement signed by the sub-recipient stating that they were not suspended or debarred. The auditors reviewed this statement and indicated that it was an acceptable way of checking for suspension and debarment. All future program year renewals will include this statement. For the Summer Food Service Program, the suspension and debarment statement is included in the program permanent agreement signed by the sub-recipient. Additionally, the Agency will review its internal processes and procedures to ensure that all suspension and debarment checks are completed, and results filed annually.

Award Identification: We are working with our application and claiming system vendor to identify ways to communicate the required information. Once an acceptable solution is identified, the vendor will provide a cost estimate and timeline to make the required changes.

Risk Assessments: Beginning with Summer 2018 and School Year 18-19, Child Nutrition sub-recipient entities were included in the comprehensive Agency-wide risk assessment process. This process includes programmatic questions answered by the appropriate child nutrition review staff and financial questions answered by the Agency's finance staff.

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Scheduled Completion Date of Corrective Action Plan

Suspension and Debarment: Complete

Award Identification: The Agency will work with the application claiming system vendor to implement the required changes to the system, we expect to implement these changes prior to the start of School Year 2019-2020 and Summer 2020.

Risk Assessments: Complete

Contact for Corrective Action Plan

Rosie Krueger, Assistant Director of Child Nutrition Programs

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Finding Number – 2017-012

Steps to Correct: The conditions identified in the 2017 finding have been partially corrected except for the reconciliation portion which is in-progress. A corrective action plan of reconciling a sample of 15 accounts per quarter was implemented beginning in March 2018. This practice has been in place for all of the 18-19 school year so far. When a discrepancy is identified, we follow up with the warehouse to ensure that if there were any other accounts impacted, the issue is corrected with all impacted accounts. This means that through this reconciliation process we are able to identify and correct errors on more than the initial 60 accounts that are included in the sample. Based on our experience so far, we believe that this approach will achieve a similar result (accurate value received reports issued to SFAs) as performing an annual reconciliation on all accounts.

We are also cross-training a second staff person in this procedure to ensure that it can be completed even when the primary staff person responsible is unavailable.

Scheduled Completion Date of Corrective Action Plan

The reconciliation process was implemented in March 2018. Cross training began in December 2018 and will continue in March 2019.

Contact for Corrective Action Plan

Rosie Krueger, Assistant Director of Child Nutrition Programs

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Finding Number – 2017-013, 16-019

Steps to Correct: The conditions identified in the 2017 finding have been corrected except for the award identification portion which is in-progress. We are working with our application and claiming system vendor to identify ways to communicate the required information. Once an acceptable solution is identified, the vendor will provide a cost estimate and timeline to make the required changes and we expect to implement them prior to the start of the 2020 Program Year.

Scheduled Completion Date of Corrective Action Plan:

October 1, 2019

Contact for Corrective Action Plan:

Rosie Krueger, Assistant Director of Child Nutrition Programs

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