

STATE OF VERMONT
 Summary Schedule of Prior Audit Findings
 June 30, 2023

Findings Relating to Federal Awards

Agency of Human Services:

Finding Number	ALN	Description	Questioned Costs	Current Status
2018-011 2022-034	93.658	Eligibility	None	Corrected
2019-010 2020-014 2021-025 2022-037	93.775, 93.777 93.778	Special Tests and Provisions - Provider Health and Safety Standards	None	In Progress See A-5
2019-011 2020-012 2021-022 2022-036	93.775, 93.777 93.778, 93.767	Special Tests and Provisions - Provider Eligibility	None	In Progress See A-8
2021-019 2022-032	93.323	Reporting	None	Corrected
2021-020 2022-033	93.323	Reporting – FFATA	None	In Progress See A-10
2021-024 2022-039	93.767 93.775 96.777	Special Tests and Provisions – Medical Loss Ratio (MLR)	None	Corrected
2021-026 2022-038	93.775 93.777 93.778	Reporting – FFATA	None	In Progress See A-11
2022-030	93.268	Allowable Costs/Activities	None	Corrected
2022-031	93.268	Reporting - FFATA	None	In Progress See A-12
2022-035 2021-023 2020-013	93.767	Eligibility	None	In Progress See A-13

Center for Crime Victims Services:

Finding Number	ALN	Description	Questioned Costs	Current Status
2019-006	16.575	Subrecipient Monitoring	None	In Progress See A-14

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Agency of Education:

Finding Number	ALN	Description	Questioned Costs	Current Status
2017-012 2018-004 2019-004 2022-007	10.553 10.555 10.556 10.559 10.582	Control and compliance deficiencies related to special test and provisions (food commodities)	None	Corrected
2022-008	10.553 10.555 10.556 10.559 10.582	Reporting - Financial Reporting	None	Corrected
2021-017 2022-023	84.010	Reporting - FFATA	None	Corrected
2022-027	84.425	Cash Management	None	Corrected
2022-006	10.553 10.555 10.556 10.559 10.582	Reporting - FFATA	None	In Progress See A-15
2022-022	84.010	Reporting - Financial Reporting	None	Corrected
2022-025	84.027 84.173	Reporting - FFATA	None	In Progress See A-16
2022-026	84.425C 84.425R	Special Tests and Provisions - Participation of Private School Children	None	In Progress See A-17
2022-028	84.425C 84.426R	Equipment/Real Property Management	None	Corrected
2022-029 2021-018	84.425D	Reporting - FFATA	None	In Progress See A-18

Department of Labor

Finding Number	ALN	Description	Questioned Costs	Current Status
2020-006 2021-012 2022-013	17.225	Eligibility	None	Corrected
2020-008	17.225	Reporting: ETA 2112 - UI Financial Transaction Summary	None	In Progress See A-19
2020-009 2022-012	17.225	Reporting - Various	None	In Progress See A-20

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Department of Labor (Continued)

Finding Number	ALN	Description	Questioned Costs	Current Status
2020-010 2021-011 2022-015	17.225	Special Tests and Provisions: UI Reemployment Programs: RESEA	None	Corrected
2021-010 2022-014	17.225	Special Tests and Provisions: UI Benefit Payments	None	Corrected
2021-028	97.050	Reporting	None	In Progress See A-21
2022-016	17.225	Allowable Costs/Activities	None	In Progress See A-22
2022-017	17.225	Period of Performance	None	In Progress See A-23

Agency of Administration

Finding Number	ALN	Description	Questioned Costs	Current Status
2021-013 2022-018	21.019 21.023 21.027	Reporting: Schedule of Expenditures of Federal Awards	None	In Progress See A-24
2022-020	21.027	Allowable Costs/Activities	None	Corrected
2022-021	21.027	Subrecipient Monitoring	None	In Progress See A-25

Agency of Commerce and Community Development

Finding Number	ALN	Description	Questioned Costs	Current Status
2022-010	14.228	Subrecipient Monitoring	None	In Progress See A-26
2022-011	14.228	Reporting - FFATA	None	In Progress See A-27
2022-019	21.026	Cash Management	None	Corrected

Military Department

Finding Number	ALN	Description	Questioned Costs	Current Status
2022-009	12.400	Reporting	None	In Progress See A-28

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Various

Finding Number	ALN	Description	Questioned Costs	Current Status
2022-024	17.225 84.010 84.027 84.173	Cash Management	None	In Progress See A-29

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Management Response to Findings Relating to Federal Awards

Agency of Human Services

Medicaid Cluster (ALN 93.775, 93.777, 93.778)

Finding Number – 2022-037, 2021-025, 2020-014, 2019-010

Steps to Correct:

1. License issue: In collaboration with Gainwell (3rd party service provider) it was noted there were a The corrective measures pertaining to DVHA's enhanced oversight of Gainwell's contractual obligation to DVHA to provide licensure validation service and documentation of active licensure will include established benchmarks for the overall improvement of the service, expansion of automated search services, progress reports and overall reduction of manual processes. By 5/1/2023 Gainwell will provide the DVHA Oversight & Monitoring Unit with Progress Reports that will be shared at the Fiscal Agent meeting and with DVHA Leadership to track progress and/or report roadblocks and escalate issues of any actual or potential failures to timely perform provider revalidations.

Gainwell will use the Provider Management Module (PMM) and other services available to validate license of a provider. For those providers that cannot be validated through PMM or other services, Gainwell will send a letter notice to those providers. Letter notice must be sent no later than 30 days prior to a license expiration date. Gainwell shall submit to DVHA on a weekly basis a list of providers who have been notified that they are due for re-validation and have not responded within 14 days of license expiration date.

Gainwell will use PMM and other services available to validate license of a provider. For those providers that cannot be validated through PMM or other services, Gainwell will send a letter notice to those providers. Letter notice must be sent no later than 30 days prior to a license expiring.

The written detailed procedure for license updates will be finalized by 04/01/23 between the State and Gainwell and will include the following:

- a. Update the look forward period in the license screening service to 45 days. As a result, PMM will be updated automatically when the license screening service is available to locate an updated license. This configuration update will be in place by 04/01/23.

For those licenses that the screening service is not able to locate an updated license, Gainwell will review and manually check for an updated license. If a new license is found, Gainwell will update accordingly.

Gainwell will explore using Lexis Nexis as an additional service for manual review of license information and provide an update of potential solution by 03/17/23. If determined the Lexis Nexis solution is not viable, Gainwell will propose additional solution options by 05/01/23.

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- b. Any provider whose license was not automatically updated as part of the screening service and could not be manually updated through the review process, an expiring license notification will be sent to the Mail-To contact information on file 30 days prior to their license expiration date. The expiring license notifications will be activated in PMM as of 04/01/23. Providers will be notified of this change in process as of 03/01/23 via banner.
 - c. Gainwell will provide a weekly report of any providers whose license is set to expire in 14 days. This report will be delivered weekly beginning 04/17/23, two weeks after start date of license notifications. DVHA will work with Gainwell to finalize a process to address those providers listed.
 - d. Gainwell will activate the termination job within the PMM that will automatically end a provider's contract with VT Medicaid when no license was obtained through the process listed above by the license end date. This termination job will be activated on 06/05/23, two months after starting license notification. Notification to providers of this change in process will be sent no later than 05/01/23, via banner. Prior to the termination job being activated, Gainwell will continue to manually terminate when no updated license information is obtained, unless written exception is received from DVHA. All exception requests will be stored as part of the provider's electronic record within PMM.

By March 1st, 2023, Gainwell will provide the following information to DVHA:

The databases, services, and available in state and out of state agencies Gainwell currently uses and plans to use in order to monitor and verify provider licenses and certifications; and

- 2. As of December 31, 2023, all revalidations will electronically reside in PMM. By December 31, 2023, All paper files, maintained prior to the implementation of the PMM, will be cataloged and sent to secure storage. To ensure all records are available for review, all application data is now being processed through PMM and available on demand. This includes paper application sent in by providers, Gainwell inputs the paper application into PMM.
- 3. The Letters of Good Tax Standing have been obtained. A standard operating practice is in place documenting the process. The process of validating tax standing in writing from the Tax Department has been in effect since April 2022. Providers who had their tax standing validated prior to April 2022 via phone or email were not solicited to obtain a written notification from the Tax Commissioner. At this time, the State has determined that it is not necessary to obtain a retroactive written notification from the Tax Commissioner for tax standing prior to April 2022. As of April 2022, all tax standing reviews are validated with a letter from the Tax Department and documented in the PMM.

Scheduled Completion Date of Corrective Action Plan:

- 1. January 1, 2024

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2. December 31, 2023
3. Completed

Contacts for Corrective Action Plan:

Suellen Bottiggi, DVHA Director of Member and Provider Services

suellen.bottiggi@vermont.gov

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

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

Finding Number – 2022-036, 2021-022, 2020-012, 2019-011

Steps to Correct:

1. The corrective measures pertaining to DVHA's enhanced oversight of Gainwell's contractual obligation to DVHA to provide licensure validation service and documentation of active licensure will include established benchmarks for the overall improvement of the service, expansion of automated search services, progress reports and overall reduction of manual processes. By 5/1/2023 Gainwell will provide the DVHA Oversight & Monitoring Unit with Progress Reports that will be shared at the Fiscal Agent meeting and with DVHA Leadership to track progress and/or report roadblocks and escalate issues of any actual or potential failures to timely perform provider revalidations. Gainwell will use the Provider Management Module (PMM) and other services available to validate license of a provider. For those providers that cannot be validated through PMM or other services, Gainwell will send a letter notice to those providers. Letter notice must be sent no later than 30 days prior to a license expiration date. Gainwell shall submit to DVHA on a weekly basis a list of providers who have been notified that they are due for re-validation and have not responded within 14 days of license expiration date.

The written detailed procedure for license updates will be finalized by 04/01/23 between the State and Gainwell and will include the following:

- a. Update the look forward period in the license screening service to 45 days. As a result, PMM will be updated automatically when the license screening service is available to locate an updated license. This configuration update will be in place by 04/01/23.

For those licenses that the screening service is not able to locate an updated license, Gainwell will review and manually check for an updated license. If a new license is found, Gainwell will update accordingly.

Gainwell will explore using Lexis Nexis as an additional service for manual review of license information and provide an update of potential solution by 03/17/23. If determined the Lexis Nexis solution is not viable, Gainwell will propose additional solution options by 05/01/23.

- b. Any provider whose license was not automatically updated as part of the screening service and could not be manually updated through the review process, an expiring license notification will be sent to the Mail-To contact information on file 30 days prior to their license expiration date. The expiring license notifications will be activated in PMM as of 04/01/23. Providers will be notified of this change in process as of 03/01/23 via banner.
- c. Gainwell will provide a weekly report of any providers whose license is set to expire in 14 days. This report will be delivered weekly beginning 04/17/23, two weeks after start date of license notifications. DVHA will work with Gainwell to finalize a process to address those providers listed.
- d. Gainwell will activate the termination job within PMM that will automatically end a provider's contract with VT Medicaid when no license was obtained through the process listed above by the license end date. This termination job will be activated on 06/05/23, two months after starting license notification. Notification to providers of this change in process will be sent no later than 05/01/23, via banner. Prior to the termination job being activated, Gainwell will continue to manually terminate when no updated license information is obtained, unless written exception is

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received from the DVHA. All exception requests will be stored as part of the provider's electronic record within PMM.

By March 1st, 2023, Gainwell will provide the following information to DVHA:

The databases, services, and available in state and out of state agencies Gainwell currently uses and plans to use in order to monitor and verify provider licenses and certifications; and

2. To ensure all providers revalidate a minimum of every 5 years, PMM is automatically assigning the revalidation due date. Providers are notified 90 days prior to the due date and again at 45 days, if the provider does not revalidate by the due date, their contract is automatically terminated. At this time, all active providers are assigned a revalidation due date and every provider converted from the old system to PMM has a schedule that will result in revalidation of all legacy providers by December 31, 2023.

Exception: If a provider's revalidation application is returned to them, the provider has until their revalidation due date, or 30 days, whichever is greater, to correct and resubmit their revalidation.

Example: Provider's revalidation due date is 12/30/23 and their revalidation application is returned on 12/29/23. The provider will have until 01/29/24 to correct and resubmit.

3. The Letters of Good Tax Standing have been obtained. A standard operating practice is in place documenting the process. The process of validating tax standing in writing from the Tax Department has been in effect since April 2022. Providers who had their tax standing validated prior to April 2022 via phone or email were not solicited to obtain a written notification from the Tax Commissioner. At this time, the State has determined that it is not necessary to obtain a retroactive written notification from the Tax Commissioner for tax standing prior to April 2022. As of April 2022, all tax standing reviews are validated with a letter from the Tax Department and documented in the PMM.

Scheduled Completion Date of Corrective Action Plan:

1. January 1, 2024
2. December 31, 2023
3. Completed

Contacts for Corrective Action Plan:

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

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

STATE OF VERMONT
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Epidemiology and Laboratory Capacity for Infectious Diseases (ALN 93.323)

Finding Number – 2022-033, 2021-020

Steps to Correct:

The Financial Administrator will ensure that subrecipient grants containing federal funding that meet the FFATA reporting threshold are marked as “required for entry into the FSRS system” upon grant execution. The Financial Administrator and Manager will then confirm that all executed agreements that meet the FFATA reporting requirement have been entered and submitted into the FSRS system by the last business day of each month.

Scheduled Completion Date: 2/1/2023

Contacts for Corrective Action Plan:

Jessica Brown, Financial Administrator, Vermont Department of Health

Karen Clark, Financial Manager, Vermont Department of Health

Megan Hoke, Financial Director, Vermont Department of Health

Peter Moino, Director of Internal Audit, Vermont Agency of Human Services

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Medicaid Cluster (ALN 93.775, 96.777, 93.778)

Finding Number – 2022-038, 2021-026

Steps to Correct:

Agency of Human Services Internal Audit Group (AHS-IAG) is a designated centralized reporter of subawards for a Medicaid cluster (AL No. 93.775, 93.777, 93.778) that is shared between all AHS departments. To address omissions and timeliness of subawards and subaward modifications reporting to FSRS, IAG will conduct additional training tailored to each AHS Department to examine the results of FFATA testing conducted internally, and reemphasize the FFATA compliance regulations. This will ensure the Internal Audit Group (IAG) is provided with complete, accurate and timely subaward information for reporting in FSRS going forward.

Further, on at least an annual basis, IAG will conduct a review of current federal rules and regulations pertaining to FFATA reporting for FSRS to assure the Agency's procedures are up-to-date. Coincidentally, IAG will also select a random sample of subawards and subawards modifications that meet the required threshold for FFATA reporting to ensure they are reported in FSRS system on a complete, accurate and timely basis.

Scheduled Completion Date of Corrective Action Plan:

Annual review of FFATA rules and regulations including subawards sample testing December 31, 2022

Individualized training for each AHS Department January 31, 2023

Contact for Corrective Action Plan:

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

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Immunization Grants (ALN 93.268)

Finding Number – 2022-031

Steps to Correct:

The VDH Business Office will ensure that all financial reports are reviewed for accuracy prior to submission. The VDH business office will also continue to ensure that supporting documentation is available for all financial reports submitted, including date/time stamps recording timely submission.

Scheduled Completion Date: 2/1/2023

Contacts for Corrective Action Plan:

Patsy Kelso, State Epidemiologist, Vermont Department of Health
Catherine Markesich, PH Preparedness Coordinator, Vermont Department of Health
Megan Hoke, Financial Director, Vermont Department of Health
Peter Moino, Director of Internal Audit, Vermont Agency of Human Services

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Children's Health Insurance Program (ALN 93.767)

Finding Number – 2022-035

Steps to Correct:

- One of sixty participants selected for testing turned 19 during the fiscal year. Due to the COVID-19 Public Health Emergency, states did not get authority to move customers from one MEC coverage group to another MEC coverage group until January 2021. The SoV began transitioning eligible age-off's in March 2021. A report was created to capture anyone who had aged off since the start of the PHE. HC eligibility staff worked through the report to determine if customers were eligible to transition to another MEC coverage group. This individual was not captured on the report. They did not get transitioned until April 20, 2022 when the customer called and asked to be screened for Medicaid new adult. This case appears to be an isolated case and has since been corrected.
- For one of sixty participants, eligibility determination exceeded 45 days. Due to the COVID-19 Public Health Emergency, the SoV was accepting self-attestation for all income and resource verifications until November 1, 2021. In this case, the customer applied via the self-service portal and their MAGI-income verification line item (VLI) was pending. The SoV had reports in place at the time to pull all self-service applications with pending VLI's to manually change them to verified. The SoV ran a report in October 2021 prior to the state resuming verifications for new applications to ensure all pending verification line items were verified and customers were enrolled timely. This appears to be an isolated case.

Scheduled Completion Date: Age-off correction: Completed: April 20, 2022
Eligibility determination timeliness: Completed: September 15, 2021

Contacts for Corrective Action Plan:

Nicole McAllister, DVHA-HAEEU HCAA II
Sarah York, DVHA-HAEEU HCAA I

nicole.mcallister@vermont.gov
sarah.york@vermont.gov

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Center for Crime Victims Services

Crime Victims Assistance (ALN 16.575)

Finding Number – 2019-006

Steps to Correct:

CCVS is in the process of incorporating system enhancements to their grants management system for the start of SFY2024. The new system will include a flag and/or report for grants issued that need to be entered into the SAR report prior to 90 days from the date of the completed grant award.

Scheduled Completion Date of Corrective Action Plan:

7/31/2023

Contact for Corrective Action Plan:

Carol Brochu, Director of Finance and Administration

carol.brochu@ccvs.vermont.gov

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Agency of Education

Child Nutrition Cluster (ALN 10.553, 10.555, 10.556, 10.559, 10.582)

Finding Number – 2022-006

Steps to Correct:

To address the accuracy and timeliness of our entries into the FFATA system, we will use the USASPENDING.GOV website to assist us in reconciling what has been entered into the FFATA system. This will allow us to ensure that our grant ledgers agree with what is entered into FFATA. This will be a reconciliation completed at least quarterly (following SOV fiscal year quarters) and will be completed by the Deputy CFO or position assigned by the Deputy CFO. We will also implement a process that will have all the steps necessary for a grant award or an amendment to ensure it is posted properly within our internal files and the external systems. This will ensure that new awards and amendments get routed and entered in the FFATA system timely. Our finance team also attended a FFATA training on February 3, 2023 for additional training on the FFATA system. We will look into the Batch upload process which was described in that training.

Position Responsible for Implementation of Corrective Action

Name: Sean Cousino

Position: Deputy Chief Financial Officer

Email: sean.cousino@vermont.gov

Phone Number: 802 595-3693

Date of Implementation of Corrective Action:

First Reconciliation completed March/April 2023

Full Implementation completed June 1, 2023

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Special Education Cluster (ALN 84.027, 04.173)

Finding Number – 2022-025

Steps to Correct:

To address the accuracy and timeliness of our entries into the FFATA system, we will use the USASPENDING.GOV website to assist us in reconciling what has been entered into the FFATA system. This will allow us to ensure that our grant ledgers agree with what is entered into FFATA. This will be a reconciliation completed at least quarterly (following SOV fiscal year quarters) and will be completed by the Deputy CFO or position assigned by the Deputy CFO. We will also implement a process that will have all the steps necessary for a grant award or an amendment to ensure it is posted properly within our internal files and the external systems. This will ensure that new awards and amendments get routed and entered in the FFATA system timely. Our finance team also attended a FFATA training on February 3, 2023 for additional training on the FFATA system. We will look into the Batch upload process which was described in that training.

Position Responsible for Implementation of Corrective Action

Name: Sean Cousino

Position: Deputy CFO

Email: sean.cousino@vermont.gov

Phone Number: 802 595-3693

Date of Implementation of Corrective Action:

First Reconciliation completed March/April 2023

Full Implementation completed June 1, 2023

STATE OF VERMONT
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COVID-19 – Governor’s Emergency Education Relief Fund
COVID-19 – Elementary and Secondary School Emergency Relief Fund (ESSER)
(ALN 84.425C, 84.426R)

Finding Number – 2022-026

Steps to Correct:

The Agency will identify if a new ESEA Federal grant (or a grant based on an ESEA program) includes an Equitable Service requirement during the program completion of the “New Grant Checklist”.

If a new grant includes an Equitable Service requirement, the ESEA Equitable Service’s Ombudsman will be notified and will work with the grant program manager to ensure the build of the GMS application includes the correct level of detail and controls to meet the SEA requirements for oversight. When appropriate, the Agency will use its process for handling of Equitable Services associated with the Consolidated Federal Programs as models for determining the correct calculation method.

The Agency will utilize built in business rules and internal controls within the Grants Management System (GMS) to gather the following information in the grant application for AOE review and approval prior to issuing a grant award agreement:

1. Calculation of the total proportionate share dollars an LEA must set aside for Equitable Services
2. Identification of Independent Schools participating in Equitable Services applicable to each LEA
3. Calculation of the dollars available for Equitable Services for each participating Independent School

For each Federal grant that requires an equitable services component, the Agency will document the review and approval of the Equitable Services information through one of two processes prior to the grant award agreement:

1. A dedicated review assignment specific to equitable services, or
2. Verification statements on the review checklist for a general application reviewer

Position Responsible for Implementation of Corrective Action:

Anne Bordonaro, Division Director, Federal & Education Support Programs

anne.bordonaro@vermont.gov

802-828-1388

Date of Implementation of Corrective Action:

Completed: July 1, 2023

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Education Stabilization Fund (ALN 84.425D)

Finding Number – 2022-028

Steps to Correct:

To address the accuracy and timeliness of our entries into the FFATA system, we will use the USASPENDING.GOV website to assist us in reconciling what has been entered into the FFATA system. This will allow us to ensure that our grant ledgers agree with what is entered into FFATA. This will be a reconciliation completed at least quarterly (following SOV fiscal year quarters) and will be completed by the Deputy CFO or position assigned by the Deputy CFO. We will also implement a process that will have all the steps necessary for a grant award or an amendment to ensure it is posted properly within our internal files and the external systems. This will ensure that new awards and amendments get routed and entered in the FFATA system timely. Our finance team also attended a FFATA training on February 3, 2023 for additional training on the FFATA system. We will look into the Batch upload process which was described in that training.

Position Responsible for Implementation of Corrective Action

Name: Sean Cousino

Position: Deputy Chief Financial Officer

Email: sean.cousino@vermont.gov

Phone Number: 802 595-3693

Date of Implementation of Corrective Action:

First Reconciliation completed March/April 2023

Full Implementation completed June 1, 2023

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Vermont Department of Labor

Unemployment Insurance (ALN 17.225)

Finding Number – 2020-008

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, 2023

Contact for Corrective Action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

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Unemployment Insurance, COVID-19 – Unemployment Insurance (ALN 17.225)

Finding Number – 2022-012, 2020-009

Steps to Correct:

The Department is currently undergoing a division and business unit wide analysis of our internal controls and procedures. As part of that effort, the Department will review internal controls and update as necessary to ensure that all required reports are filed timely and accurately and that reports are reviewed and approved by authorized State officials prior to submission.

Scheduled Completion Date of Corrective Action Plan:

August 31, 2024

Contacts for Corrective action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

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U.S. Department of Homeland Security, Federal Emergency Management Agency (ALN 97.050)

Finding Number – 2021-028

Steps to Correct:

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 cashier's office.

As long as the Department remains fully staffed, the Department expects to become current with all outstanding reports due for each respective pandemic program 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 federally 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, 2023

Contacts for Corrective Action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

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Unemployment Insurance, COVID-19 – Unemployment Insurance (ALN 17.225)

Finding Number – 2022-016

Steps to Correct:

The Department will review its procedures and internal controls to ensure that there is documented proof of appropriate signoff prior to payment processing and charging of program costs.

Scheduled Completion Date of Corrective Action Plan:

June 30, 2023

Contacts for Corrective Action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

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Unemployment Insurance, COVID-19 – Unemployment Insurance (ALN 17.225)

Finding Number – 2022-017

Steps to Correct:

The Department will review its procedures and internal controls and update as necessary to ensure that expenditures are incurred within the allowable period of performance for respective awards.

Scheduled Completion Date of Corrective Action Plan:

June 30, 2023

Contacts for Corrective Action Plan:

Cameron Wood, UI Director

Cameron.Wood@vermont.gov

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Agency of Administration

CRF, ERA, SLFRF (ALN 21.019, 21.023, 21.027)

Finding Number – 2022-018, 2021-013

Steps to Correct:

The Agency has recognized the need to improve our SEFA compilation process and has begun using a quarterly reconciliation process with all agencies and departments. We are currently reconciling data from VISION to the data submitted to the U.S. Treasury for ARPA-SLFRF Quarterly Reporting.

We are using this new quarterly reconciliation process as a starting point to check Subrecipient expenditures against total expenditures, as well as reviewing Grant Accounts and reviewing Class Codes.

We are checking all of our programs and looking at Beneficiaries vs. Subrecipients to ensure we are categorizing correctly at the macro level.

There will be an enhanced collaboration internal to the Agency between the Department of Finance & Management and the Financial Services Division that will occur after agencies and departments submit their ACFR-9s used in the SEFA consolidation process to provide greater review and oversight.

Scheduled Completion Date of Corrective Action Plan:

Completed: February, 2023: Quarterly Reconciliation Process (VISION to Treasury)

Completed: June, 2023: Subrecipient vs. Beneficiary classification review

Completed: November, 2023: Collaboration between DFM and FSD for SEFA preparation

Contacts for Corrective Action Plan:

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STATE OF VERMONT
Summary Schedule of Prior Audit Findings
June 30, 2023

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)

Finding Number – 2022-021

Steps to Correct:

The Agency has recognized a need to provide training and technical assistance to State Agencies and Departments. The Agency has created Uniform Guidance trainings that began in February 2023 and continue in March. These trainings include reference materials such as desk references, job aids, etc.

As a follow-up to the training, we will be developing and delivering a subrecipient monitoring framework which includes tools to facilitate subrecipient risk assessments, subrecipient monitoring plans based on the initial risk assessment, testing of transaction records, desk reviews of low-risk subrecipients, and corrective action plans.

Finally, we will be working to provide oversight and monitoring for agency adherence to subrecipient monitoring procedures, informed by program-level compliance risk assessment.

Scheduled Completion Date of Corrective Action Plan:

Completed: February 16, 2023: Uniform Guidance Training (Part 1)

Completed: March, 2023: Uniform Guidance Training (Part 2)

Completed: July, 2023: Subrecipient Monitoring Framework Provided to Agencies & Departments

Completed: December, 2023: Sampling completed by Agency

Completed: February, 2024: Post-Sampling Follow-up with Agencies and Departments

Contacts for Corrective Action Plan:

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STATE OF VERMONT
Summary Schedule of Prior Audit Findings
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Agency of Commerce and Community Development

Community Development Block Grant (ALN 14.228)

Finding Number – 2022-010

Steps to Correct:

The Supervisor and Director of the CDBG program are now meeting weekly with the staff person assigned for review the Single Audits to understand the workload and assist in ensuring the backlog and the current audits are all reviewed in a timely manner.

The additional position will not be funded, and thus not filled. We have reallocated staff within Grants Management to ensure the backlog has been addressed, and all FY22 Audits have been reviewed and cleared with the exception of one HomeOwnership Nonprofit Development audit checklist to be finalized which will be completed prior to March 31, 2024.

The Supervisor and Director continue to meet with the Grants Management Analyst on the FY23 Audits for timely review, peer outreach, and ultimate clearance.

Scheduled Completion Date for Corrective Action Plan:

Completed: Reviewed audits selected for testing

March 31, 2024: Supervisor and Director have assisted in reviewing to ensure backlog brought current

Point of Contact: Ann Karlene Kroll, Federal Programs Director annkarlene.kroll@vermont.gov;
(802) 828-5225.

STATE OF VERMONT
Summary Schedule of Prior Audit Findings
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Community Development Block Grant (ALN 14.228)

Finding Number – 2022-011

Steps to Correct:

To ensure complete accurate reporting into the FSRS, the Agency shall implement the following steps:

1. Responsible staff will review Training Resources on the FFATA Home Page on an ongoing basis.
2. When Grant Agreements and Amendments are executed, email notifications to staff will be saved from the Grants Management Analyst and reviewed the 3rd Monday of each month they are received by both the Grants Management Specialist and Supervisor.
3. Once review is completed and details confirmed, Grant Agreement & Amendment Data will be reported into FFATA, by the Grants Management Specialist.
4. After Reports are completed in FFATA for the Executed Grant Agreements and Amendments, Grants Management Specialist will send an email to both the Grants Management Analyst notifying completion of the Reports and also to Supervisor, to review reports that the grant, fund amounts, and obligation dates are correct.
5. If any errors, the Supervisor, will notify the Grants Management Specialist that changes are required – repeat (4.) notification to Supervisor when corrections in FFATA are complete to review and verify.

Scheduled Completion Date for Corrective Action Plan:

Completed: February 1, 2023

Point of contact: Ann Karlene Kroll, Federal Programs Director,
annkarlene.kroll@vermont.gov, 802-828-5225.

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National Guard Military Construction Projects (ALN 12.400)

Finding Number – 2022-009

Steps to Correct:

The Department agrees with this finding and has implemented the following:

- Enhanced SF-271 policies and procedures to verify that detail line items agree with supporting documentation. The Department has improved its internal controls to ensure that SF-271 reports have been prepared accurately prior to submission and that the Federal share of reimbursement requests are calculated correctly.
- Distributed policies and procedures and trained staff to ensure understanding of the SF-271 process and federal reporting requirements.

Completion Date:

Completed: February 28, 2023

Summary Schedule of Prior Audit Findings:

None

Contact Person Responsible for Corrective Action:

Kim Fedele, Financial Manager II

STATE OF VERMONT
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Various

Unemployment Insurance (ALN 17.225, 84.010, 84.027, 84.173)

Finding Number – 2022-024

Steps to Correct:

Vermont Department of Labor:

The department is reviewing its process, procedures, and internal controls to ensure that all federal draws are being processed in their respective timeframes and in accordance with the stated CMIA funding techniques. The interest rate error occurred on one of our federal award's interest calculations because the annual rate was used instead of the daily rate. We have since included a hyperlink to the postings of the federal rates in our procedures to ensure that we are using the correct rate. This is checked and confirmed quarterly during reconciliation.

The federal awards where drawing was happening outside of our CMIA funding technique were Special Budget Requests (SBRs) that the Department received during the Covid pandemic. Unlike other federal awards each one of these may have several components, e.g., PUA Admin, PUA Implementation, and PUA Fraud under one subgrant number in the Payment Management System. We do not always get the NOAs in a timely manner and must reach out to the federal grant manager when there has been an increase in any of these grants to discover what these additional funds are for. As an example: to date we have 36 grant modifications on the umbrella grant number UI-34746-20-55-A-50. In the review of the Department's process, procedures and internal controls we will put in steps to be proactive in requesting NOAs from US DOL Region 1.

Agency of Education:

AOE will be implementing a new process that is more automated to ensure accuracy and timeliness of our CMIA draws. We have created a new draw sheet that will be more easily loaded and will be reconciled a couple times a year. The Deputy CFO or person assigned by the Deputy CFO will perform a reconciliation at least two times a year, with the first reconciliation being done before the end of FY 2023. We are currently using the new form and plan to be doing our draws in compliance with the TSA by 4/1/2023.

Agency of Administration:

AOA will be implementing a new coversheet that will be required to be submitted alongside departments backup documentation when reporting their annual interest for CMIA. This require that each department with applicable programs complete one coversheet per program. The coversheet will have distinct fields for state liability, federal liability, and unclaimable liabilities to ensure that departments backup documentation is being properly translated when reporting to U.S. Treasury CMIA. The coversheet will use

STATE OF VERMONT
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matching fields to the CMIAS portal to ensure not confusion when transferring information from departments into the portal.

Scheduled Completion Date of Corrective Action Plan:

DOL Completed: 6/30/2023

AOE Completed: 4/1/2023

AOA Completed: 2/6/2024

Position Responsible for Implementation of Corrective Action:

DOL:

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AOE:

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Phone Number: 802 595-3693

AOA:

Name: Jordan Black-Deegan
Position: Statewide Grants Administrator
Email: Jordan.black-deegan@vermont.gov