

STATE OF VERMONT
 Summary Schedule of Prior Audit Findings
 June 30, 2020

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

Finding Number	CFDA Number	Description	Questioned Costs	Current Status
2019-001	N/A	Deficiencies in accounts receivable reporting - Department of Liquor Control	None	In Progress See A-3
2019-002	N/A	Cash Disbursements - Agency of Transportation	None	Corrected

Findings Relating to Federal Awards

Agency of Human Services:

2018-011	93.658	Eligibility	None	In Progress See A-3
2018-012	93.775 93.777 93.778	Special Tests - ADP System Security Reviews	None	Corrected
2019-008	84.126	Reporting	None	In Progress See A-3
2019-009	93.767	Eligibility	None	Corrected
2019-010	93.775, 93.777 93.778	Special Tests and Provisions - Provider Health and Safety Standards	None	In Progress See A-4
2019-011	93.775, 93.777 93.778, 93.767	Special Tests and Provisions - Provider Eligibility	None	In Progress See A-4
2019-012	93.775, 93.777 93.778	Special Tests and Provisions - Provider Health and Safety Standards	None	Corrected

Center for Crime Victims Services:

2019-006	16.575	Subrecipient Monitoring	None	In Progress See A-6
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Findings Relating to Federal Awards (continued)

Finding Number	CFDA Number	Description	Questioned Costs	Current Status
Agency of Transportation:				
2019-007 18-008	20.600 20.601 20.610 20.611 20.616	Matching, LOE & Earmarking	None	Corrected
Agency of Education:				
2019-003 2018-003 2017-009	10.555 10.559	Control and compliance deficiencies related to cash draws	None	Corrected
2019-004 2018-004 2017-012	10.555 10.559	Control and compliance deficiencies related to special test and provisions (food commodities)	None	In Progress See A-6
Department of Fish and Wildlife:				
2019-005	15.605 15.611 15.626	Equipment/Real Property Management	None	Corrected

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

Finding Number – 2019-001 – 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 10/1/21 subject to completing resource demands due to the ongoing declared Public Health Emergency in the State of Vermont.

Scheduled Completion Date of Corrective Plan:

October 1, 2021

Contact for Corrective Action Plan:

Brenda Gooley, DCF-FSD Director of Operations

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Rehabilitation Grants Vocational Rehabilitation Grants to States (CFDA 84.126)

Finding Number - 2019-008

Steps to Correct:

Comparative review to ensure the supporting documentation and the SF-425 report are in agreement prior to submission has been implemented and will occur/be completed when the 3/31/21 SF-425 report is due on April 30, 2021.

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Scheduled Completion Date of Corrective Action Plan:

April 30, 2021

Contact for Corrective Action Plan:

Linda DuCharme, DAIL Financial Director II
Bill Kelly, DAIL Financial Director IV

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Medicaid Cluster (CFDA 93.775, 93.777, 93.778)

Finding Number - 2019-010

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 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
Rebecca Rivers, Gainwell Provider Services Manager
Peter Moino, AHS Director of Internal Audit

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Medicaid Cluster (CFDA 93.775, 93.777, 93.778)

Children's Health Insurance (CFDA 93.767)

Finding Number - 2019-011

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

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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 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

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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

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will again plan to 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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