



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

MEMORANDUM

TO: The Joint Legislative Audit Committee
FROM: Kristen L. Johnson, Secretary-designee
DATE: August 15, 2023
RE: LAB Report 23-6: OIG Status Report

On May 24, 2023, the Legislative Audit Bureau (LAB) published [Report 23-6: Administration of Certain Supplemental Federal Funds](#) which issued recommendations for the Department of Health Services (DHS) related to the Provider Payment Program, the Office of the Inspector General (OIG), and the Ventilator Stewardship Program. This memo details DHS's status in implementing LAB's recommendations.

Provider Payment Program Recommendations:

Recommendation 1: Consistently award grants only to entities that submit all required application information.

Recommendation 2: Specify the types of documents recipients are required to maintain in order to support their required amounts.

Recommendation 3: Establish written policies for reviewing requested amounts.

Recommendation 4: Document in writing its decisions to waive any requirements in its policies.

- Status: The Department will follow the recommendations provided by the LAB for future programs.

Recommendation 5: Obtain all required grant application information and sufficient supporting documentation from the providers that were awarded the \$518,700 we questioned.

Recommendation 6: Either require recipients to repay funds that cannot be supported by the required grant application information or sufficient supporting documentation or reimburse the supplemental federal funds to the federal government.

- Status: DHS has reached out to every provider identified under the LAB audit report. Several providers have provided additional documentation and DHS continues to analyze next steps for the providers that are unable to provide additional documentation.

Ventilator Stewardship Program:

Recommendation 1: Execute a signed loan agreement with each entity to which it loans a ventilator, as well as with each entity that shares a loaned ventilator.

- Status: The OPEHC Warehouse Unit (WU) cross referenced all deployed ventilators against signed ventilator agreements. All deployed ventilators have a signed loan agreement and agreements are retained in a centralized file. The WU confirmed any stewards with missing loan agreements have either previously returned their ventilators or deployments never occurred.

Recommendation 2: Inventory all of its ventilator-related equipment.

- Status: The WU completed a physical inventory of the OPEHC warehouse in June 2023 which requires staff to hand count all items within the warehouse including ventilator accessories. Inventory results were recorded in the WU's tracking systems.

Recommendation 3: Improve its records regarding the location and deployment of ventilators.

- Status: The WU has updated its ventilator deployment tracking mechanisms and all information is maintained in a centralized tracker.

Recommendation 4: Track the annual maintenance performed on the ventilators for which it has already paid under a maintenance contract.

- Status: The two-year preventative maintenance is currently underway; however, it has experienced delays on the vendor side due to the nationwide volume of maintenance needed. The WU is coordinating the swap of ventilators that have received preventative maintenance with deployed and inventoried ventilators. As the coordinating body, the WU is in constant communication with the ventilator maintenance vendor and is receiving spreadsheets confirming the completed maintenance. All information received is being stored in a centralized location.

Recommendation 5: Review the documentation of the maintenance that was performed, ensure all contractually required maintenance was performed, and track the performed maintenance.

- Status: The WU is in constant communication with the ventilator maintenance vendor and is receiving spreadsheets confirming the completed maintenance. All information received is being stored in a centralized location.

Recommendation 6: Develop a plan for the future use of the 1,542 ventilators it owns.

- Status: OPEHC WU is projected to cease operations June 2024. All ventilators will be distributed in accordance with guidance provided by the Department of Administration prior to the end of warehouse operations.

OIG Recommendations:

Recommendation 1: Publicly report at least annually summary results of the Office of the Inspector General's monitoring and audit efforts, including those involving the Medical Assistance and Foodshare programs.

- Status: OIG has established a team to begin this work and draft a communications plan encompassing all elements of public reporting and communication detailed in the LAB report. The workgroup consists of OIG leadership, subject-matter experts, and dedicated a communication specialist. The workgroup is currently drafting an annual report outline and identifying key metrics that should be reported to ensure all OIG operations are sufficiently represented. The workgroup will continue this work through the rest of the calendar year with a goal to publish early 2024 on OIG operations from calendar year (CY) 2023.

Recommendation 2: Consider initiating additional internal audits of how its programs spent supplemental federal funds that the Department of Administration had allocated to it.

- Status: The Internal Audit Section (IAS) within the OIG plans to research the DHS programs that leveraged supplemental federal funds to identify future audit engagements. These engagements will be incorporated in IAS Audit Plan.

Recommendation 3: Require the Office of the Inspector General to submit in writing a proposed annual internal audit plan to the Office of the Secretary, which should in writing approve, modify, or deny each such plan.

- Status: The IAS Internal Audit Plan is a list of engagements to be completed by the IAS for the upcoming plan year. OIG plans to update the audit plan with the findings of the DHS Risk Assessment after the assessment is completed. The DHS Risk Assessment is currently in progress. An updated plan is anticipated to be drafted by the end of CY 2023 with plans to present to the DHS Secretary by 2024 for review and approval.

Recommendation 4: Post each annual internal audit plan on its website.

- Status: In accordance with the AIG [Quality Standards for Offices of Inspector General](#), the OIG will increase its transparency through publication of OIG activities, engagements, findings, recommendations, and accomplishments. This includes posting the annual internal audit plan online. The OIG has established a communications workgroup, as detailed in Recommendation 1 and is working on the process and structures necessary to accomplish this recommendation. The audit plan, anticipated for completion in early CY 2024, will be published as quickly as possible.

Recommendation 5: Require the Office of the Inspector General to periodically update in writing the Office of the Secretary on the efforts of the internal audit section to complete each approved internal audit plan.

- Status: The OIG has established stronger communication channels with the Secretary's Office to provide updates on all appropriate operations and activities, including regular updates on OIG's progress with the annual audit plan. This communication will be included as an expectation for the OIG in the IAS Charter which has been drafted and is under review by the Inspector General and Deputy Inspector General. The OIG is working diligently to finalize the Charter draft and route to the DHS Secretary for review, feedback, and potential approval.

Recommendation 6: Modify the charter for the Office of Inspector General's internal audit section to codify these improvements.

- Status: As detailed in Recommendation 5, OIG leadership is currently drafting an updated IAS Charter. The Charter has been formatted based on standards from the Institute of Internal Auditors and the Associations of Inspectors General. The OIG plans to finalize the draft Charter shortly and route to the DHS Secretary for review, feedback, and potential approval. It is expected the Charter will be finalized by end of CY 2023.

Recommendation 7: Include on its website the reports completed by the Office of Inspector General's internal audit section.

- Status: The OIG has established a communications workgroup, as detailed in Recommendation 1 and is working on the process and structures necessary to accomplish this recommendation. This work will include a process for public posting and distribution of IAS engagement reports. This work will also require redesign of the OIG's external website which will require staff time and resources. It is expected that this work will continue into CY 2024 to create a public friendly landing page for OIG communications.