

# **Biennial Report**

*January 1, 2009 – December 31, 2010*

*State Auditor – Janice Mueller*

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## LEGISLATIVE AUDIT BUREAU

The Bureau is a nonpartisan legislative service agency responsible for conducting financial and program evaluation audits of state agencies. The Bureau's purpose is to provide assurance to the Legislature that financial transactions and management decisions are made effectively, efficiently, and in compliance with state law and that state agencies carry out the policies of the Legislature and the Governor. Audit Bureau reports typically contain reviews of financial transactions, analyses of agency performance or public policy issues, conclusions regarding the causes of problems found, and recommendations for improvement.

Reports are submitted to the Joint Legislative Audit Committee and made available to other committees of the Legislature and to the public. The Audit Committee may arrange public hearings on the issues identified in a report and may introduce legislation in response to the audit recommendations. However, the findings, conclusions, and recommendations in the report are those of the Legislative Audit Bureau. For more information, write the Bureau at 22 East Mifflin Street, Suite 500, Madison, WI 53703, call (608) 266-2818, or send e-mail to [leg.audit.info@legis.wisconsin.gov](mailto:leg.audit.info@legis.wisconsin.gov). Electronic copies of current reports are available at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab).

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**STATE OF WISCONSIN**  
**Legislative Audit Bureau**

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Janice Mueller  
State Auditor

January 4, 2011

Governor Scott Walker and  
Members of the Legislature  
State Capitol  
Madison, Wisconsin 53702

Dear Governor Walker and Members of the Legislature:

This biennial report, which is required under s. 13.94(1)(j), Wis. Stats., summarizes the Legislative Audit Bureau's statutory responsibilities and highlights significant accomplishments from January 1, 2009, through December 31, 2010.

During that biennium, we produced more than 70 independent audits, evaluations, reviews, opinions, and certifications. Our work helps to assure the Legislature and the public that financial transactions and management decisions are made effectively, efficiently, and in compliance with the law and that the policies and practices of state agencies are consistent with legislative intent. Our reports frequently include recommendations that improve government programs and services, maximize federal reimbursements, and ensure public funds are wisely spent and appropriately accounted for.

We are proud to deliver accurate and useful information that enhances accountability and assists the Legislature in its oversight of executive branch agencies. We look forward to serving the Legislature, the Governor, and the people of Wisconsin in the coming years.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janice Mueller".

Janice Mueller  
State Auditor

JM/JT/ss



## Purpose and Organization ■

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***The Legislative Audit Bureau assists the Legislature in maintaining effective oversight.***

The Legislative Audit Bureau is a nonpartisan service agency that assists the Legislature in maintaining effective oversight of state programs and finances. We independently and systematically examine the accounting records and financial statements of entities that receive public funds, perform reviews of government operations that promote good fiscal and management practices, and evaluate programs and services that the State of Wisconsin provides to its citizens by:

- conducting financial audits and performance evaluations of state agencies and programs as required by statutes or requested by the Legislature, the Joint Legislative Audit Committee, the Joint Committee on Legislative Organization, or the Governor;
- issuing independent auditor's opinions on the State's financial statements, which are published in the Comprehensive Annual Financial Report prepared in December of each year by the Department of Administration;
- verifying state agencies' compliance with laws and program regulations pertaining to federal funds received by the State of Wisconsin each year;
- performing other independent audits at the request of state agencies that must demonstrate compliance or provide assurance of sound financial practices;

- staffing a hotline to address fraud, waste, and mismanagement in state government;
- conducting “best practices” reviews of governmental service delivery by counties and municipalities; and
- performing other audit and program evaluation work initiated by the State Auditor or in response to requests by individual legislators or other units of government.

## **Authority and Responsibilities**

***Our authority and responsibilities are enumerated in s. 13.94, Wis. Stats.***

The authority and responsibilities of the Bureau and the State Auditor are enumerated in s. 13.94, Wis. Stats., which includes a broad mandate to provide assurance that financial transactions have been made in a legal and proper manner and to review state agency performance and program accomplishments. Statutes grant us access to financial records and other documentation relating to state agencies and certain other entities, and they require us both to be strictly nonpartisan and to maintain the confidentiality of audits in progress.

Our authority to audit any county, city, village, town, or school district is described in s. 13.94(1)(m), Wis. Stats. In addition, gaming compacts between the State of Wisconsin and 11 Native American tribes require that audited financial statements and security audits of Indian gaming operations be made available for our use in conducting annual financial audits and biennial performance evaluations of gaming activities, as required under s. 13.94(1)(eg), Wis. Stats.

Legislation enacted in the 2009-10 biennium requires us to conduct a financial and performance evaluation audit of a tax incentive program administered by the Department of Commerce before July 1, 2014 (required by 2009 Wisconsin Act 2) and to conduct a performance audit of the BadgerCare Plus Basic Plan before May 14, 2011 (required by 2009 Wisconsin Act 219). Other one-time and recurring statutory audit responsibilities are described further in Appendix 1.

## **Budget and Staffing**

Our annual operating budget is approximately \$6.2 million in general purpose revenue (GPR) and \$2.0 million in program revenue from audit contracts with other state agencies. We have an authorized staffing level of 86.8 positions.



***We maintain organizational and personal independence from the entities we audit.***

As part of the legislative branch of state government, we maintain organizational independence from the entities we audit, which are primarily agencies of the executive branch. The State Auditor is appointed by the Legislature's Joint Committee on Legislative Organization, and staff are appointed by the State Auditor from outside of the classified civil service system. All staff are required to complete annual ethics statements to identify any personal or external circumstances that could reasonably lead third parties to question their independence.

Professional staff hold bachelor's degrees, and many have also earned advanced degrees in areas such as accounting, business administration, and public policy. Approximately two-thirds of professional audit staff are in the Financial Audit Division, and most are certified public accountants. Program and policy analysts in the Program Evaluation Division make up most of the remaining professional staff. Our organization chart appears in Appendix 2.

***We adhere to professional auditing standards.***

Financial audit staff adhere to professional auditing standards promulgated by the American Institute of Certified Public Accountants and the Comptroller General of the United States. These standards require auditors to:

- be free, in both fact and appearance, from impairments to independence;
- maintain professional competence through continuing education;
- have an appropriate internal quality control system in place; and
- employ peer reviews to assess compliance with auditing standards and the adequacy of the internal quality control system.

Financial auditors complete 80 hours of continuing professional education every two years, as required by government auditing standards, and both financial auditors and program evaluators receive training in core audit skill areas, including interviewing; conducting legal research; developing audit findings; and using WiSMART, the State's central accounting system. Our internal quality control system includes detailed auditing policies and procedures, documentation requirements, supervisory review of all working papers, and both senior staff and editorial reviews of report drafts.

Every three years, under the auspices of the National State Auditors Association, our peers from other states review this system and working papers from selected financial audits for compliance with

financial auditing standards. We successfully completed our most recent peer review in September 2009. Our 2009 work on the Wisconsin Shares child care subsidy program was recognized for its “significant impact on public policy” by the National Conference of State Legislatures’ National Legislative Program Evaluation Society.

## Joint Legislative Audit Committee

***The Joint Legislative Audit Committee has advisory responsibilities for the Audit Bureau.***

The Joint Legislative Audit Committee has advisory responsibilities for the Audit Bureau. It may direct us to conduct audits and evaluations, and it receives and reviews the reports we issue. The Audit Committee approved 7 audit requests and held 11 public hearings to address our findings during the 2009-10 biennium.

The Audit Committee consists of its co-chairs, the co-chairs of the Joint Committee on Finance, one other majority and two minority party senators, and one other majority and two minority party representatives. Throughout the biennium, its members were:

Senator Kathleen Vinehout, Co-chairperson	Representative Peter Barca, Co-chairperson
Senator Robert Jauch	Representative Andy Jorgensen
Senator Mark Miller	Representative Mark Pocan
Senator Robert Cowles	Representative Bill Kramer
Senator Mary Lazich	Representative Samantha Kerkman

Additional information on Audit Committee hearings—including hearing notices, live and recorded broadcasts, and presentation materials from past hearings—can be found at our Web site, [www.legis.wisconsin.gov/LAB](http://www.legis.wisconsin.gov/LAB).

## Requesting Our Services

Most of our program evaluation work is requested by legislators through the Joint Legislative Audit Committee. State agencies may also request our services in order to meet external audit requirements.

***Any legislator may request an evaluation or audit by writing to the co-chairs.***

Any legislator may request a program evaluation or a financial audit by writing to the Audit Committee’s co-chairs. Audit requests should clearly identify the topic, program, and agency in question, as well as the specific concerns that justify an audit or evaluation. Legislators may wish to discuss their requests with the State Auditor before submitting them to the Audit Committee, as she can provide information on similar topics that have already been addressed and help to assess feasibility and whether the size and scope of the proposed inquiry is best suited to a numbered report or might be better addressed by a more limited review.

Whether it is initiated in response to legislation or requested by individual members of the Legislature and approved by the Joint Legislative Audit Committee, our work remains confidential until it is made public by us and distributed to members of the Legislature. On the day of publication, printed reports are distributed to all members of the Audit Committee, other legislators, the Governor, the press, and other interested parties.

To make our work readily accessible to the widest possible audience, we prepare *Report Highlights*, which summarize key issues, findings, and recommendations in each major numbered report and are available in print, as podcasts, and at our Web site, [www.legis.wisconsin.gov/LAB](http://www.legis.wisconsin.gov/LAB). An e-mail notification service is also available by free subscription. In addition, our Web site lists work in progress and numbered reports issued since 1993, and it includes the full text and highlights of all published reports from 1998 through 2010. The first two digits of each document number indicate the year of publication.

For copies of our publications, please order or print from [www.legis.wisconsin.gov/LAB](http://www.legis.wisconsin.gov/LAB), call (608) 266-2818, or write to:

Legislative Audit Bureau  
22 East Mifflin Street, Suite 500  
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## Key Activities and Findings ■

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From January 2009 through December 2010, we issued more than 70 reports, including:

- annual independent auditor's reports on the State of Wisconsin's general financial statements, which required on-site audit work at every major state agency and are published in the State of Wisconsin's Comprehensive Annual Financial Report, and on the financial statements of the University of Wisconsin System, which are published in its annual reports;
- 23 financial audit reports, including 2 single audits that tested compliance with federal grant requirements related to \$23.6 billion in federal funds administered by state agencies in fiscal year (FY) 2008-09 and FY 2007-08;
- 11 program evaluation reports and reviews designed to measure the extent to which state agencies or programs are achieving their objectives;
- 19 other reviews that were more narrowly defined by statutes, the Audit Committee, or individual legislators and published as unnumbered reports and letters; and

- numerous other audit opinions and certifications, including those published in annual reports prepared by the State of Wisconsin Investment Board and the Department of Employee Trust Funds.

## Financial Audits and Program Evaluations

***Financial audits include detailed, impartial reviews of the financial statements prepared by an audited entity.***

Financial audits are detailed, impartial reviews that focus on:

- the accuracy of financial statements prepared by an audited entity;
- the effectiveness of internal controls, which are the policies and procedures established by management to ensure the integrity and comprehensiveness of financial reporting; and
- compliance with required accounting or other standards, including laws, regulations, and contracts or grant agreements.

We perform independent financial audits as required by statutes and in response to requests by some state agencies. Our financial audit reports include an auditor’s opinion that indicates whether financial transactions have been conducted and reported appropriately, as well as a report on internal controls and on our tests for compliance with certain laws and other regulations. Noncompliance in these tested cases could have a direct and material (that is, quantitatively or qualitatively significant) effect on the amounts shown in the financial statements.

***An unqualified opinion signifies that audited financial statements reliably represent an entity’s true financial condition.***

An unqualified, or “clean,” opinion signifies that after reviewing an agency’s financial statements and the accompanying notes, the auditor has concluded they conform to generally accepted accounting principles (GAAP), or in some cases to another standard, and that they reliably represent the agency’s true financial condition. A qualified opinion expresses reservations about the financial statements because, for example, underlying records are not sufficient or accounting principles have not been consistently applied from year to year.

***Our evaluations measure the extent to which an agency or program is achieving its objectives.***

Program evaluations and reviews establish performance criteria; measure existing conditions, their probable causes, and actual and potential effects; and typically include recommendations for improving agency operations or enhancing legislative oversight. Policy issues are often summarized for future consideration by the

Legislature. Three program evaluation reports issued during the 2009-10 biennium fulfilled audit requirements enumerated in legislation:

- two reviews and analyses of standardized test score data provided by the School Choice Demonstration Project for pupils in the Milwaukee Parental Choice Program, as required by 2005 Wisconsin Act 125, were issued as letter reports in August 2009 and August 2010; and
- an evaluation of enrollment, operations, funding, teaching, and pupil achievement in virtual charter schools, as required by 2007 Wisconsin Act 222, was issued as report 10-3 in February 2010.

### Noteworthy Findings

***During the 2009-10 biennium, we identified \$54.9 million in additional funds available to the State.***

Our audit and evaluation work frequently identifies opportunities for the State to realize significant cost savings, increase federal funding, and reduce ineffective spending. In the 2009-10 biennium, we identified:

- \$16.7 to \$18.5 million in improper payments to providers of child care subsidized by Wisconsin Shares, as well as \$4.0 million in provider payments that were made because of erroneous or fraudulent reporting (for details, see *Wisconsin Shares Child Care Subsidy Program*, issued in June 2009);
- \$7.4 million in federal funds available to state agencies and claimed as a result of our recommendations (for details, see reports 09-5 and 10-5, *State of Wisconsin 2007-08* and *State of Wisconsin 2008-09* [Single Audits]);
- \$47.5 million in federal funds that could have been retained by state agencies for the administration of federal programs if centralized services had been billed at lower rates for the past six years (for details, see reports 09-5 and 10-5, *State of Wisconsin 2007-08* and *State of Wisconsin 2008-09* [Single Audits]);

- \$74,499 in charges to state purchasing cards that included unnecessary, excessive, or inappropriate purchases and third-party error or fraud (for details, see report 09-8, *State Purchasing Cards*); and
- significant premium overtime payments that could potentially be reduced by the departments of Health Services, Transportation, and Natural Resources (for details, see *Follow-Up on Overtime in State Agencies*, issued in April 2009).

We also identified a number of areas in which the Legislature may wish to increase its financial oversight. For example:

- The financial position of the Injured Patients and Families Compensation Fund, which is funded by health care providers for payment of secondary medical malpractice claims, declined significantly during the most recent period we audited, in part because of a \$200.0 million transfer to the Medical Assistance Trust Fund required by 2007 Wisconsin Act 20. The Wisconsin Supreme Court subsequently found that the transfer was unconstitutional, and the State will be required to repay the funds with interest. (For details, see report 10-4, *Injured Patients and Families Compensation Fund*.)
- Despite revenue increases, State Fair Park reported a cash deficit of \$7.8 million as of June 30, 2009, and its financial condition remains an area of concern. (For details, see reports 09-7 and 10-10.)
- Ensuring that the state-operated veterans homes at King and Union Grove remain financially solvent while effectively serving Wisconsin veterans will require additional action by the Department of Veterans Affairs, as well as legislative oversight. (For details, see *Rate Setting at the Wisconsin Veterans Homes*, a letter report issued in August 2010.)
- The Wisconsin Health and Educational Facilities Authority, a quasi-public entity, had a surplus balance of \$3.1 million as of June 30, 2009, which was more than four times its operating expenses, and actions by its governing board have had the



effect of circumventing a statutory salary limit. Enhanced oversight of these funds would require statutory or other changes by the Legislature. (For details, see *Wisconsin Health and Educational Facilities Authority (WHEFA)*, a letter report issued in February 2010.)

- In the past five years, the Department of Justice was awarded \$11.8 million for the successful prosecution of consumer protection and antitrust cases, of which \$8.1 million may be spent at the discretion of the Attorney General. Enhanced oversight of these funds would require statutory or other changes by the Legislature. (For details, see *Settlement and Judgment Awards*, a letter report issued in April 2010.)
- In a sample of 14 municipalities, we identified 6,300 acres that were assessed as agricultural property but zoned for non-agricultural purposes. If that land had been assessed at market value, its owners would have owed an estimated \$4.7 million in additional property taxes in 2009, while the tax liability of other property owners would have been reduced by the same amount. (For details, see *Use Value Assessment of Agricultural Land*, a letter report issued in July 2010.)

***We identified a number of policy issues for legislative consideration.***

A number of policy issues we identified in the 2009-10 biennium are likely to be ongoing legislative concerns. For example:

- We found instances of felons, individuals who had abused or neglected children, and sex offenders working or living in child care facilities regulated jointly by county and tribal agencies and the Department of Children and Families, and we reported that the Department lacked information necessary for focusing its safety inspections on facilities that are less likely to comply with program rules. (For details, see report 09-15, *Child Care Regulation*, and *Matching Addresses of Registered Sex Offenders and Child Care Providers*, a letter report issued in September 2010.)
- We found that enrollment in virtual charter schools, which are exempt from many regulations that apply to traditional public schools and offer the majority of their classes online, has increased every year

since they began to operate in Wisconsin, and the statutory limit on open enrollment in these schools, which is 5,250 pupils, is likely to be reached in the next few years. On standardized tests, virtual charter school pupils typically scored higher than other public school pupils in reading, but lower in mathematics. (For details, see report 10-3, *Virtual Charter Schools*.)

- We found that many minorities and women who are eligible for construction trade apprenticeships do not find work as apprentices, and the Department of Workforce Development could improve its oversight of the local trade committees that assign apprentices to employers. Compliance with an Executive Order that requires apprentices to be employed on certain construction projects funded by the State has been limited. (For details, see report 10-12, *Minorities and Women in Construction Trade Apprenticeships*.)

### **Fraud, Waste, and Mismanagement Hotline**

2007 Wisconsin Act 126 established our toll-free Fraud, Waste, and Mismanagement Hotline (1-877-FRAUD-17) to allow the public and individuals within state government to report suspected fraud, waste, mismanagement, and other improper activities. Callers may remain anonymous, and enabling legislation specifically requires us to protect their identities even when other information related to calls is made public.

The hotline has been in operation since April 2008 and is staffed primarily by a Certified Fraud Examiner. It does not duplicate or replace other government hotlines or complaint resources. Since its inception, we have addressed more than 300 hotline reports alleging fraud, waste, and mismanagement by:

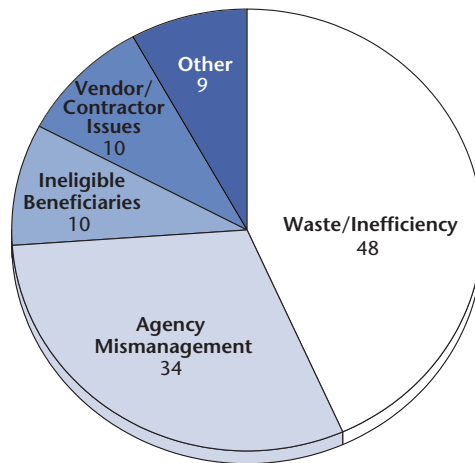
- following up during the course of ongoing audit work;
- initiating formal communication with other state agencies;
- conducting audits or reviews in response to substantiated allegations, and reporting our findings to the Joint Legislative Audit Committee; and

- making referrals, providing information, and correcting misinterpretations that result in allegations.

In the 2009-10 biennium, 111 of the 166 concerns reported to the hotline pertained to its purpose as set forward in 2007 Wisconsin Act 126. As shown in Figure 1, most were allegations of waste or inefficiency in state government, followed by agency mismanagement, ineligible recipients of program benefits, and vendor/contractor issues. As shown in Figure 2, we resolved 35 reported concerns either directly or by referral and determined that 48 were unfounded, unsubstantiated, or required no action; 28 remain under review.

Figure 1

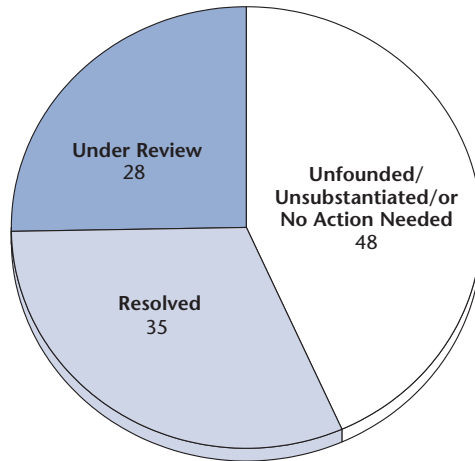
Hotline Allegations, 2009-10 Biennium<sup>1</sup>



<sup>1</sup> Includes only reports pertinent to the hotline’s purpose as set forward in 2007 Wisconsin Act 126 and received through November 30, 2010.

Figure 2

Resolution of Hotline Allegations, 2009-10 Biennium<sup>1</sup>



<sup>1</sup> Through November 30, 2010.

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In 2009, we addressed hotline allegations related to construction engineering and contracting for state highway projects in a letter report. The Joint Legislative Audit Committee held two hearings in response to that review, and we continue to monitor the Department of Transportation’s quality assurance efforts. Other 2009 hotline activity is summarized in a letter report issued in 2010. We also addressed concerns regarding implementation of the federally funded Justice Gateway system for law enforcement information in 2010. (For details, see *Construction Engineering in State Highway Projects*, a letter report issued in May 2009; *Report on Fraud, Waste, and Mismanagement Hotline*, a letter report issued in June 2010; and *Justice Gateway Information System*, a letter report issued in September 2010.)



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## Report Summaries ■

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A chronological summation of our reports for the 2009-10 biennium follows. As noted, the full text of each document is available at [legis.wisconsin.gov/LAB](http://legis.wisconsin.gov/LAB). Appendix 3 is an index of reports by primary audited entity or audit topic.

### **Numbered Reports Published in 2009**

**09-1 An Audit: Unemployment Reserve Fund**

*Department of Workforce Development*

We provided an unqualified opinion on the Fund's financial statements for FYs 2007-08 and 2006-07. The Fund's balance continued to decline, and we reported that borrowed federal funds would be needed to continue unemployment benefit payments beginning in February 2009.

**09-2 An Audit: WHA Television**

**09-3 An Audit: WHA Radio**

We provided unqualified opinions on the FY 2007-08 financial statements of WHA Television and WHA Radio. WHA Television earned \$15.2 million and WHA Radio earned \$10.3 million in revenue during FY 2007-08, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

**09-4 An Evaluation: Inmate Mental Health Care**

*Department of Corrections and Department of Health Services*

In FY 2007-08, expenditures for inmate mental health care were approximately \$59.8 million, and the Department of Corrections identified 6,957 individuals, or 31.0 percent of the adult inmate population, as mentally ill. Mentally ill inmates have had a disproportionate effect on safety and discipline in the correctional institutions.

**09-5 An Audit: State of Wisconsin Single Audit, 2007-08**

Overall, state agencies administered \$10.0 billion in federal grant programs and complied with federal requirements, although we questioned a minimum of \$669,799 in costs the State charged to federal grants. We also identified additional funds available from the federal government.

**09-6 An Audit: Local Government Property Insurance Fund**

*Office of the Commissioner of Insurance*

We provided unqualified opinions on the Fund's financial statements for the fiscal years ended June 30, 2008, 2007, 2006, and 2005. We questioned the manner in which the Office charged its appropriations for the purchase of a new computer system and recommended consistent use of an approved methodology for charging costs, as well as close monitoring of the surplus balance, which was \$36.7 million as of June 30, 2008.

**09-7 An Audit: State Fair Park**

We provided an unqualified opinion on State Fair Park's FY 2007-08 financial statements. Revenue exceeded expenditures by \$1.1 million on a cash basis, reducing the cash deficit to \$8.6 million as of June 30, 2008. At the time of our audit, State Fair Park was involved in a legal dispute with the former racing promoter for the Milwaukee Mile and had contracted with a new promoter for the 2009 and subsequent racing seasons.

**09-8 A Review: State Purchasing Cards**

In 2008, state agencies and University of Wisconsin institutions made more than 693,000 purchasing card transactions totaling \$161.7 million. Use of purchasing cards for personal gain was rare, but we identified 131 transactions totaling \$74,499 that were inconsistent with purchasing policies, including unnecessary, excessive, and inappropriate purchases by cardholders and third-party error or fraud.

**09-9 An Evaluation: Consolidation of Administrative Functions and the ACE Initiative**

*Department of Administration*

The consolidation of certain human resources functions within the Department of Administration has generally been successful, although efforts to consolidate purchasing services have had mixed results. Surplus property sales have earned significantly less than anticipated. Spending on three ACE Initiative-related information technology projects significantly exceeded original estimates and totaled \$113.5 million through June 2009.

**09-10 An Audit: Wisconsin Mental Health Institutes**

*Department of Health Services*

We expressed unqualified opinions on each Institute's financial statements for FY 2007-08. Mendota reported a \$0.6 million gain in net assets, primarily the result of increased settlements from the federal government. Winnebago reported an operating loss of \$2.5 million, as it did not generate sufficient revenue to cover its expenses.

**09-11 An Audit: Health Insurance Risk-Sharing Plan (HIRSP) Authority**

We provided an unqualified opinion on the HIRSP Authority's financial statements for 2008 and reported that it had maintained a sound financial position, with net assets totaling \$35.4 million at the end of that year. Policyholder enrollment decreased because of the availability of the federal Medicare Part D program and the State's BadgerCare Plus program for individuals under the age of 19.

**09-12 An Audit: Universal Service Fund**

*Public Service Commission*

We provided an unqualified auditor's opinion on the Fund's FY 2007-08 financial statements. The Universal Service Fund supports telecommunications and Internet services and access, including programs to assist low-income and disabled individuals, and is now the sole funding source for state aid to public libraries. It is funded primarily through assessments on certain telecommunications providers, which totaled \$31.6 million in FY 2007-08. Providers of cell phone services began to pay assessments in FY 2009-10.

**09-13 An Audit: Petroleum Inspection Fee Revenue Obligations Program**

The program issued bonds and other debt to fund claims under the Wisconsin Petroleum Environmental Cleanup Fund Award (PECFA) program. We provide an unqualified opinion on its financial statement for FYs 2008-09 and 2007-08. As of June 30, 2009, \$231.0 million in revenue obligations remained outstanding, to be repaid from a \$0.02 per gallon fee charged for petroleum products sold in Wisconsin.

**09-14 An Audit: State Life Insurance Fund**

*Office of the Commissioner of Insurance*

The Fund provides low-cost life insurance to Wisconsin residents and is self-funded through insurance premiums and investment earnings. Its financial statements for the years ended December 31, 2008, 2007, 2006, and 2005 were fairly presented in accordance with accounting provisions allowed by the Commissioner of Insurance, and the ratio of surplus to assets was within the statutorily required range.

**09-15 An Evaluation: Child Care Regulation**

*Department of Children and Families*

The Department shares responsibility for regulating more than 11,000 child care facilities with county and tribal agencies, and it administers Wisconsin Shares, which subsidizes care in about 60 percent of regulated facilities. We found eight instances of felons or individuals who had abused or neglected children either working or reported living in child care facilities. Regulatory staff visit facilities to assess their compliance with child safety rules, but higher-risk facilities have not been targeted for increased regulatory attention.

**09-16 An Audit: Wisconsin Educational Communications Board Television Network****09-17 An Audit: Wisconsin Educational Communications Board Radio Network**

We provided unqualified opinions on the FY 2008-09 financial statements of the television network and the radio network. The television network reported \$10.3 million and the radio network reported \$9.4 million in support and revenue during FY 2008-09, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

## **Numbered Reports Published in 2010**

**10-1 An Audit: WHA Television****10-2 An Audit: WHA Radio**

We provided unqualified opinions on the FY 2008-09 financial statements of WHA Television and WHA Radio. WHA Television earned \$15.5 million and WHA Radio earned \$10.1 million in revenue during FY 2008-09, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

**10-3 An Evaluation: Virtual Charter Schools**

*Department of Public Instruction*

Enrollment in virtual charter schools increased every year since they began operating in Wisconsin. These schools spent an estimated \$17.8 million on operations in the 2007-08 school year. Virtual charter school pupils typically scored higher than other public school pupils in statewide reading assessments, and lower in mathematics. The 5,250 pupil limit on open enrollment in virtual charter schools will likely be reached in the next few years.

**10-4 An Audit: Injured Patients and Families Compensation Fund**

*Office of the Commissioner of Insurance*

We issued an unqualified opinion on the Injured Patients and Families Compensation Fund's financial statements for FYs 2008-09, 2007-08, and 2006-07. The Fund, which pays secondary medical malpractice claims and is funded by health care providers, has experienced a significant decline in its financial position over the last two years, in part because of a \$200.0 million transfer to the Medical Assistance Trust Fund.

**10-5 An Audit: State of Wisconsin Single Audit, 2008-09**

This report includes findings related to internal controls and compliance with federal grant requirements, agency plans for corrective action, and the State's Schedule of Expenditures of Federal Awards. Overall, state agencies properly administered \$13.6 billion in federal grant programs, including \$1.5 billion received under the federal American Recovery and Reinvestment Act of 2009. We questioned a minimum of \$2.4 million in costs the State charged to federal grants.



**10-6 An Evaluation: Medical Education, Research, and Public Health Grants****10-7 Review of Selected Projects: Medical Education, Research, and Public Health Grants**

*Medical College of Wisconsin and UW School of Medicine and Public Health*

The Medical College expended \$32.1 million and the UW School of Medicine and Public Health expended \$44.1 million from endowments that were established when Blue Cross Blue Shield United became a for-profit corporation in the 1990s. Both medical schools generally complied with requirements for awarding and monitoring their grant funding, and most projects achieved their objectives. However, guidance from the Commissioner of Insurance could help clarify certain policy issues. We reviewed 80 projects in detail.

**10-8 An Audit: Wisconsin Lottery**

*Department of Revenue*

We issued an unqualified opinion on the Wisconsin Lottery's financial statements for FY 2007-08 and FY 2008-09. We found the Lottery was in compliance with statutory limitations on expenses related to prizes, informational advertising, retailer commissions and incentives, and other administrative functions.

**10-9 A Review: Emergency Management**

*Department of Military Affairs and Office of Justice Assistance*

Wisconsin received \$318.5 million in federal emergency management funds from the Department of Homeland Security through FY 2008-09. The grants we reviewed were spent in accordance with federal requirements. However, a statewide communications system for emergency responders was not in place at the time of our review, and additional efforts are needed to improve emergency preparedness.

**10-10 An Audit: State Fair Park**

We provided an unqualified opinion on State Fair Park's FY 2008-09 financial statements. Revenue exceeded expenditures by \$828,000 on a cash basis, which allowed State Fair Park to reduce its cash deficit to \$7.8 million as of June 30, 2009. State Fair Park has not properly tracked and monitored the use of in-kind support to fund its operations.

**10-11 An Evaluation: Division of Gaming**

*Department of Administration*

In 2009, 11 tribes operated 27 casinos in Wisconsin. Tribal gaming revenue totaled \$1.3 billion and tribal gaming profits, or revenue in excess of expenses, totaled \$543.4 million. In FY 2008-09, the State received \$122.2 million from tribes under the revenue-sharing provisions of negotiated gaming compacts.

**10-12 An Evaluation: Minorities and Women in Construction Trade Apprenticeships**

*Department of Workforce Development*

Many minorities and women who are eligible for construction trade apprenticeships do not find work as apprentices. Additional efforts are needed to improve oversight of the local trade committees that assign apprentices to employers and to enforce an Executive Order requiring apprentices to be employed on certain state construction projects.

**10-13 An Audit: Health Insurance Risk-Sharing Plan (HIRSP) Authority**

The HIRSP Authority maintained a sound financial position, with net assets totaling \$27.5 million at the end of 2009. We provided an unqualified opinion on its financial statements for 2009 but identified a concern with access to the pharmacy claims system.

**10-14 An Evaluation: State of Wisconsin Investment Board**

Significant investment losses of \$23.6 billion in 2008 will affect Wisconsin Retirement System participants and employers for several years. Although both the Core Fund and the Variable Fund exceeded their ten-year benchmarks, the Core Fund's ten-year returns were less than actuarial expectations for the long term. We recommend careful review of the earnings assumption and the new investment strategies the Investment Board is undertaking.

**10-15 An Audit: Petroleum Inspection Fee Revenue Obligations Program**

The program issued bonds and other debt to fund claims under the Wisconsin Petroleum Environmental Cleanup Fund Award (PECFA) program. We provided an unqualified opinion on its financial statement for FYs 2009-10 and 2008-09. As of June 30, 2010, \$188.7 million in revenue obligations remained outstanding, to be repaid from a \$0.02 per gallon fee charged for petroleum products sold in Wisconsin.

**10-16 An Audit: Wisconsin Educational Communications Board Television Network****10-17 An Audit: Wisconsin Educational Communications Board Radio Network**

We provided unqualified opinions on the FY 2009-10 financial statements of the television network and the radio network. The television network reported \$10.0 million and the radio network reported \$11.2 million in support and revenue during FY 2009-10, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

## Unnumbered Reports and Letters

### **Follow-Up on Overtime in State Agencies** *(April 2009)*

We updated our previous analysis and found that state agencies paid \$66.5 million in overtime during 2008, including nearly \$54.3 million in premium overtime. Of the four agencies that paid the most overtime since 2005, only the Department of Corrections reduced its overtime payments in 2008.

### **Construction Engineering in State Highway Projects** *(May 2009)*

Construction engineers, who include both Department of Transportation staff and private consultants, ensure that construction contractors build highways according to contractual requirements. The Department's reliance on private construction engineering consultants has increased in recent years. Documentation indicates that construction contractors measured pavement thickness less frequently than required on 11 of 20 projects begun from FY 2006-07 through FY 2007-08.

### **Wisconsin Shares Child Care Subsidy Program** *(June 2009)*

Program expenditures increased steadily and were expected to have reached \$371.2 million in FY 2008-09. We reviewed 400 case files and identified periods of ineligibility and a lack of appropriate documentation. Based on our statistically valid sample, we estimated that \$16.7 to \$18.5 million in improper subsidy payments were made in 2008. Based on a review of attendance records, we also estimated that child care providers received \$4.0 million in improper subsidy payments as a result of errors or potentially fraudulent reporting.

### **Test Score Data for Pupils in the Milwaukee Parental Choice Program— Report 2 of 5** *(August 2009)*

As required by statutes, we analyzed and generally confirmed pupil test score data and the related analyses performed by private researchers who are studying the Milwaukee Parental Choice Program. Test score data for individual Choice schools are not available to us because of the researchers' confidentiality requirements.

### **Financial Examination of Wisconsin Partnership Program** *(August 2009)*

We issued an unqualified opinion on the program's Schedule of Receipts and Disbursements for the five-year period from calendar year 2004 through calendar year 2008. Funds for the program were provided to the University of Wisconsin School of Medicine and Public Health and the University of Wisconsin Foundation when Blue Cross and Blue Shield United of Wisconsin was converted to a for-profit insurance company.

**Medical Education Contract—Medical College of Wisconsin, Inc.** *(September 2009)*

The contract in effect from FY 2006-07 through FY 2007-08 was administered in compliance with statutory requirements related to tuition aid and funding the State provided for a family practice residency program.

**Dental Education Contract and Dental Services Grant—Marquette University School of Dentistry** *(September 2009)*

In administering both a dental education contract that provides state tuition aid for Wisconsin residents and a grant to provide dental services to low-income individuals at clinics throughout Wisconsin, Marquette University complied with contract and statutory requirements in FY 2006-07 and FY 2007-08.

**Matching Addresses of Registered Sex Offenders and Child Care Providers** *(September 2009)*

We compared the addresses of registered sex offenders to addresses for the sites at which all licensed and certified child care providers care for children and found four matches.

**Charges for Video Service** *(December 2009)*

We conducted a limited review to assess whether the rates that land-based video service providers charge their subscribers have changed since 2007 Wisconsin Act 42 replaced municipal franchising with a state-level process. Data do not suggest that competition has had a substantial effect in reducing either basic or expanded basic video service charges or in slowing their rates of growth.

**Wisconsin Public Broadcasting Foundation, Inc.** *(December 2009)*

This report includes an unqualified opinion on financial statements for FY 2008-09.

**Wisconsin Health and Educational Facilities Authority (WHEFA)** *(February 2010)*

WHEFA has a strong financial position, including a surplus balance of \$3.1 million as of June 30, 2009. WHEFA Board actions to increase compensation for the Executive Director have had the effect of circumventing a statutory salary limit for the position.

**Settlement and Judgment Awards** *(April 2010)*

In the past five years, the Department of Justice was awarded \$11.8 million for the successful prosecution of consumer protection and antitrust cases, including \$8.1 million for use at the discretion of the Attorney General. The Legislature may wish to consider options to enhance legislative oversight of these funds.

**Report on Fraud, Waste, and Mismanagement Hotline—2009 Report** *(June 2010)*

In 2009, our hotline (1-877-FRAUD-17) received 79 reports of fraud, waste, and mismanagement. Of the 53 reports specific to state programs, we resolved 16 of the reported concerns; 19 remain under review, and 18 could not be substantiated with available information or required no further action.

**Use Value Assessment of Agricultural Land** *(July 2010)*

Under Wisconsin's use value law, property taxes on agricultural land are assessed based on agricultural productivity, rather than full market value. In a sample of 14 municipalities, we identified more than 6,300 agricultural acres that were zoned for non-agricultural purposes. If that land had been assessed at market value, its owners would have owed an estimated \$4.7 million in additional property taxes in 2009, while the tax liability of other property owners would have been reduced by the same amount.

**Test Score Data for Pupils in the Milwaukee Parental Choice Program—  
Report 3 of 5** *(August 2010)*

We analyzed and generally confirmed pupil test score data and the related analyses performed by private researchers who are studying the Milwaukee Parental Choice Program.

**Rate Setting at the Wisconsin Veterans Homes** *(August 2010)*

Unusually large rate increases occurred as the Department of Veterans Affairs attempted to set daily rates reflecting the costs of care provided in its nursing homes and assisted living facilities. Ensuring that both King and Union Grove remain financially solvent while effectively serving Wisconsin veterans will require additional action by the Department, as well as legislative oversight.

**Justice Gateway Information System** *(September 2010)*

Through FY 2008-09, the Office of Justice Assistance spent \$6.4 million in federal funds to develop this law enforcement information sharing system. Implementation has proceeded slowly. Maintaining the system's federal funding may prove challenging.

**Wisconsin Public Broadcasting Foundation, Inc.** *(December 2010)*

This report includes an unqualified opinion on financial statements for FY 2009-10.

## **Audit Opinions**

**Independent Auditor's Report on the FY 2008-09 Financial Statements  
of the State of Wisconsin**

*Dated December 11, 2009*

**Independent Auditor's Report on the FY 2009-10 Financial Statements  
of the State of Wisconsin**

*Dated December 10, 2010*

This annual effort requires on-site audit work at the Department of Administration and every major state agency. Our audit opinion and the related financial statements are presented in the State's Comprehensive Annual Financial Report, which is published by the Department of Administration. These statements are intended to provide the most complete and revealing picture of the State's financial position and operating results. We issued unqualified opinions on the statements audited during the biennium.

**Independent Auditor's Report on the FY 2008-09 Financial Statements  
of the University of Wisconsin System** *Dated December 11, 2009*

**Independent Auditor's Report on the FY 2009-10 Financial Statements  
of the University of Wisconsin System** *Dated December 10, 2010*

Although we audit the University of Wisconsin System as a major element of our audit of the State's overall financial statements, at the request of university management we also provide a separate audit opinion on the stand-alone financial statements. These statements provide additional detail on the University of Wisconsin System's finances, which allow comparisons to other major university systems and a more thorough evaluation by the Board of Regents and other interested parties. We issued unqualified opinions on the statements audited during the biennium.

**Independent Auditor's Report on the FY 2008-09 Financial Statements  
of the State of Wisconsin Investment Fund** *Dated August 25, 2009*

**Independent Auditor's Report on the FY 2008-09 Financial Statements  
of the State of Wisconsin Investment Board's  
Retirement Investment Trust Funds** *Dated November 24, 2009*

**Independent Auditor's Report on the FY 2008-09 Financial Statements  
of the State of Wisconsin Investment Board's  
Various Funds** *Dated November 24, 2009*

**Independent Auditor's Report on the FY 2009-10 Financial Statements  
of the State of Wisconsin Investment Fund** *Dated August 26, 2010*

**Independent Auditor's Report on the FY 2009-10 Financial Statements  
of the State of Wisconsin Investment Board's  
Retirement Investment Trust Funds** *Dated November 29, 2010*

**Independent Auditor's Report on the FY 2009-10 Financial Statements  
of the State of Wisconsin Investment Board's  
Various Funds** *Dated November 29, 2010*

Our annual audits of the investments managed by the State of Wisconsin Investment Board provide assurance to governments and individuals as to the overall value of investments and the income earned by the investments. We issued unqualified opinions on the statements audited during the biennium.

**Independent Auditor's Report on the 2007 Financial Statements  
of the Department of Employee Trust Funds**

*Dated November 11, 2009*

**Independent Auditor's Report on the 2008 Financial Statements  
of the Department of Employee Trust Funds**

*Dated March 24, 2010*

**Independent Auditor's Report on the 2009 Financial Statements  
of the Department of Employee Trust Funds**

*Dated November 10, 2010*

Our audits of the pension funds and other accounts managed by the Department of Employee Trust Funds help provide assurance to contributing governments, covered government employees, and annuitants concerning the financial status of the funds. We issued unqualified opinions on the statements audited during the biennium.

### **Statutorily Required Certifications**

**Certification to Incoming and Outgoing Secretaries of Cash and Securities in  
the Custody of the Department of Administration as of December 31, 2008**

**Certification of the State's Net Indebtedness as of January 1, 2009**

**Biennial Certification of Cash and Securities in the Custody of the Department  
of Administration as of June 30, 2009**

**Certification of the State's Net Indebtedness as of January 1, 2010**

**Certification to Incoming and Outgoing Secretaries of Cash and Securities in  
the Custody of the Department of Administration as of June 30, 2010**

These certifications were completed during the course of the annual audit of the State's financial statements. They are used to determine compliance with annual debt limits and to ensure the accuracy of the records of the Department of Administration.

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## Appendix 1

### **Recurring and One-Time Audit Responsibilities**

Under s. 13.94, Wis. Stats., and other statutory provisions, the Legislative Audit Bureau is required or permitted to conduct annual financial audits of:

- the Department of Employee Trust Funds;
- the Capital Improvement Fund;
- the Bond Security and Redemption Fund;
- the State of Wisconsin Investment Board;
- the Division of Gaming within the Department of Administration;
- the Wisconsin Lottery;
- State Fair Park;
- the Health Insurance Risk-Sharing Program (HIRSP) Authority;
- student loans and notes in the possession of the Higher Educational Aids Board;
- grants for dental services at the Marquette University School of Dentistry;  
and
- the Green Bay/Brown County Professional Football Stadium District's efforts to meet contracting and hiring goals for minorities and women in the Lambeau Field reconstruction project.

Statutes require us to conduct biennial performance audits of the State Lottery, the State of Wisconsin Investment Board, and the Division of Gaming within the Department of Administration, and biennial or more frequent financial audits of:

- cash and securities in the custody of the Department of Administration;
- the central accounting records of the Department of Administration;
- expenditures from the state appropriation to the Medical College of Wisconsin; and
- expenditures under the Higher Educational Aids Board contract for dental education services.

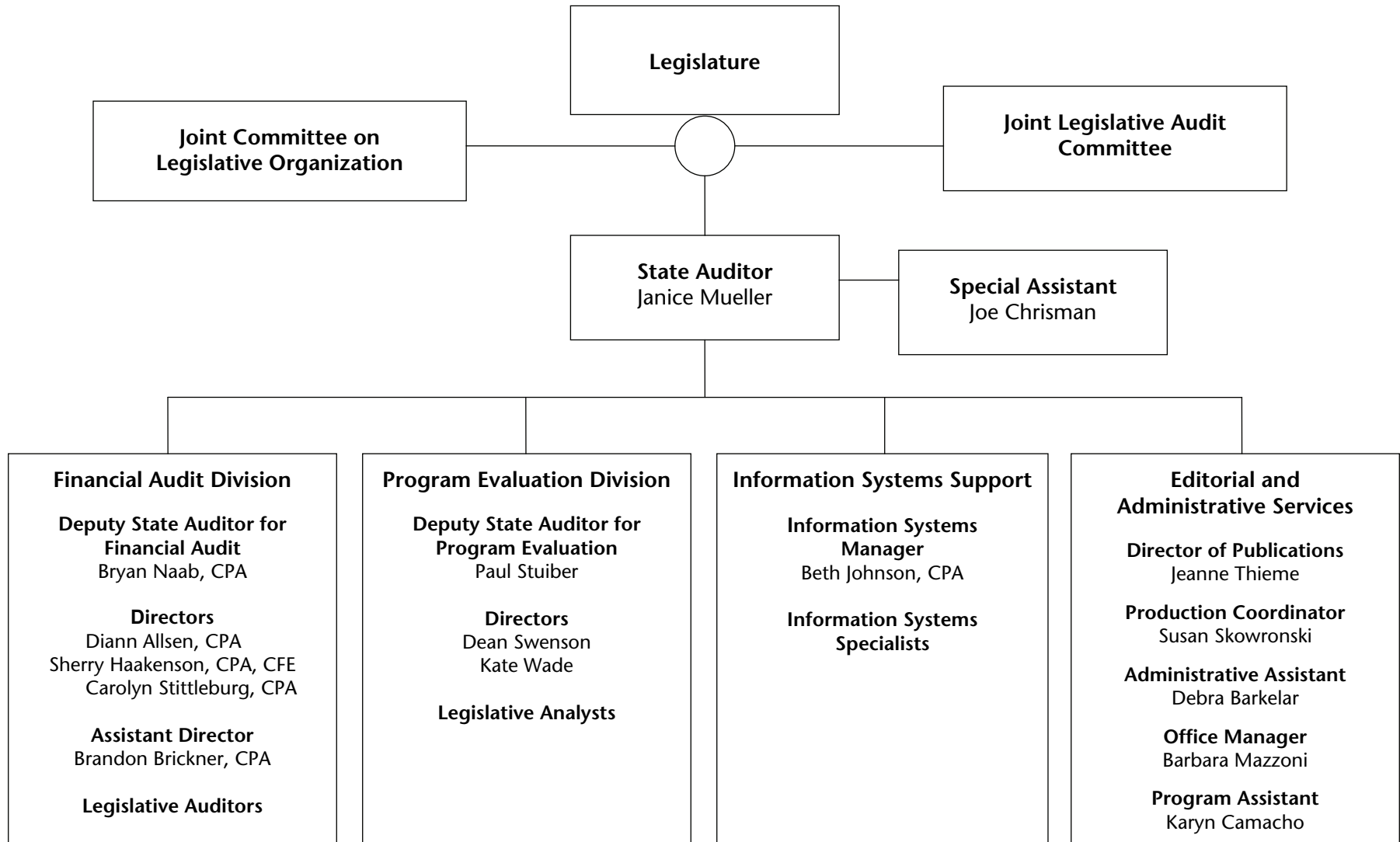
At least once every three years, we are required by statutes to audit the State Life Insurance Fund, the Local Government Property Insurance Fund, and the Injured Patients and Families Compensation Fund. In recent years we have performed these audits every three years and have performed interim work each year for purposes of our annual audit of the State of Wisconsin's financial statements.

Statutes require us to periodically contract for an actuarial audit of the Wisconsin Retirement System; to audit divisions in the Department of Commerce that are responsible for inspections of multifamily housing; to conduct county and municipal best practices reviews; and to monitor the Department of Natural Resources' environmental cooperation pilot program. We are also required to review the quarterly statements of economic interest and reports of economic transactions that members and employees of the State Investment Board file with the Government Accountability Board, and we are responsible for conducting special examinations of the accounts and financial transactions of any department or office as the Governor, the Legislature, the Joint Legislative Audit Committee, or the Joint Committee on Legislative Organization directs.

In addition to these recurring statutory requirements, we have been required by recent legislation to:

- review and analyze standardized test score data provided by the School Choice Demonstration Project for a five-year period (required by 2005 Wisconsin Act 125);
- conduct a financial and performance evaluation audit of economic development programs administered by eight state agencies before July 1, 2012 (required by 2007 Wisconsin Act 125), and a financial and performance evaluation audit of the Business Development in Wisconsin Tax Incentives program administered by the Department of Commerce before July 1, 2014 (required by 2009 Wisconsin Act 2); and
- conduct a performance audit of the BadgerCare Plus Basic Plan before May 14, 2011 (required by 2009 Wisconsin Act 219).

## Wisconsin Legislative Audit Bureau





## Appendix 3

### **Index of Audits by Principal Audited Entity or Audit Topic**

Only agencies or entities that were the principal subjects of our financial audit and program evaluation efforts in the 2009-10 biennium are included in the listing that follows, although others may have been included in our work. The entire state enterprise is considered in our annual comprehensive audit of the State's financial statements, and our annual audit of compliance with federal grant requirements encompasses all state agencies that receive federal funds.

#### ***Administration, Department of***

Certification to Incoming and Outgoing Secretaries of Cash and Securities in the Custody of the Department of Administration as of June 30, 2010

Division of Gaming Evaluation (report 10-11)

Certification of the State's Net Indebtedness as of January 1, 2010

Consolidation of Administrative Functions and the ACE Initiative (report 09-9)

State Purchasing Cards (report 09-8)

Certification of the State's Net Indebtedness as of January 1, 2009

Biennial Certification of Cash and Securities in the Custody of the Department of Administration as of June 30, 2009

Certification to Incoming and Outgoing Secretaries of Cash and Securities in the Custody of the Department of Administration as of December 31, 2008

#### ***Children and Families, Department of***

Child Care Regulation (report 09-15)

Matching Addresses of Registered Sex Offenders and Child Care Providers (September 2009 letter report)

Wisconsin Shares Child Care Subsidy Program (June 2009 letter report)

#### ***Commerce, Department of***

Petroleum Inspection Fee Revenue Obligations Program—FY 2009-10 financial statement (report 10-15)

Petroleum Inspection Fee Revenue Obligations Program—FY 2008-09 financial statement (report 09-13)

### ***Commissioner of Insurance, Office of the***

Review of Selected Projects: Medical Education, Research, and Public Health Grants (report 10-7)

Medical Education, Research, and Public Health Grants (report 10-6)

Injured Patients and Families Compensation Fund—FY 2008-09, FY 2007-08, and FY 2006-07 financial statements (report 10-4)

State Life Insurance Fund—financial statements for calendar years 2008, 2007, 2006, and 2005—(report 09-14)

Financial Examination of Wisconsin Partnership Program (August 2009 letter report)

Local Government Property Insurance Fund—FY 2007-08, FY 2006-07, FY 2005-06, and FY 2004-05 financial statements (report 09-6)

### ***Corrections, Department of***

Follow-Up on Overtime in State Agencies (April 2009 letter report)

Inmate Mental Health Care (report 09-4)

### ***Educational Communications Board***

Wisconsin Educational Communications Board Radio Network—FY 2009-10 financial statements (report 10-17)

Wisconsin Educational Communications Board Television Network—FY 2009-10 financial statements (report 10-16)

Wisconsin Public Broadcasting Foundation, Inc.—FY 2009-10 financial statements (December 2010)

Wisconsin Educational Communications Board Radio Network—FY 2008-09 financial statements (report 09-17)

Wisconsin Educational Communications Board Television Network—FY 2008-09 financial statements (report 09-16)

Wisconsin Public Broadcasting Foundation, Inc.—FY 2008-09 financial statements (December 2009)

## ***Education Policy (K-12)***

Virtual Charter Schools (report 10-3)

Test Score Data for Pupils in the Milwaukee Parental Choice Program—Report 3 of 5  
(August 2010 letter report)

Test Score Data for Pupils in the Milwaukee Parental Choice Program—Report 2 of 5  
(August 2009 letter report)

## ***Employee Trust Funds, Department of***

Independent Auditor's Report on the 2009 Financial Statements of the Department of  
Employee Trust Funds (November 2010)

Independent Auditor's Report on the 2008 Financial Statements of the Department of  
Employee Trust Funds (March 2010)

Independent Auditor's Report on the 2007 Financial Statements of the Department of  
Employee Trust Funds (November 2009)

## ***Financial Institutions, Department of***

Charges for Video Service (December 2009 letter report)

## ***Health Education***

Wisconsin Health and Educational Facilities Authority (WHEFA)  
(February 2010 letter report)

Review of Selected Projects: Medical Education, Research, and Public Health Grants  
(report 10-7)

Medical Education, Research, and Public Health Grants (report 10-6)

Dental Education Contract—Marquette University School of Dentistry  
(September 2009 letter report)

Dental Services Contract—Marquette University School of Dentistry  
(September 2009 letter report)

Medical Education Contract—Medical College of Wisconsin, Inc.  
(September 2009 letter report)

### ***Health Insurance Risk-Sharing Plan (HIRSP) Authority***

Health Insurance Risk-Sharing Plan Authority—financial statements for calendar year 2009 (report 10-13)

Health Insurance Risk-Sharing Plan Authority—financial statements for calendar year 2008 (report 09-11)

### ***Health Services, Department of***

Mental Health Institutes—FY 2007-08 financial statements (report 09-10)

Inmate Mental Health Care (report 09-4)

Follow-Up on Overtime in State Agencies (April 2009 letter report)

### ***Investment Board***

State of Wisconsin Investment Board Evaluation (report 10-14)

Independent Auditor's Report on the FY 2009-10 Financial Statements of the State of Wisconsin Investment Board's Retirement Investment Trust Funds (November 2010)

Independent Auditor's Report on the FY 2009-10 Financial Statements of the State of Wisconsin Investment Board's Various Funds (November 2010)

Independent Auditor's Report on the FY 2009-10 Financial Statements of the State of Wisconsin Investment Fund (August 2010)

Independent Auditor's Report on the FY 2008-09 Financial Statements of the State of Wisconsin Investment Board's Retirement Investment Trust Funds (November 2009)

Independent Auditor's Report on the FY 2008-09 Financial Statements of the State of Wisconsin Investment Board's Various Funds (November 2009)

Independent Auditor's Report on the FY 2008-09 Financial Statements of the State of Wisconsin Investment Fund (August 2009)



### ***Justice, Department of***

Settlement and Judgment Awards (September 2010 letter report)

### ***Justice Assistance, Office of***

Justice Gateway Information System (September 2010 letter report)

Emergency Management (report 10-9)

### ***Local Government Issues***

Use Value Assessment of Agricultural Land (July 2010 letter report)

Universal Service Fund—FY 2007-08 financial statements (report 09-12)

Local Government Property Insurance Fund—FY 2007-08, FY 2006-07, FY 2005-06, and FY 2004-05 financial statements (report 09-6)

### ***Military Affairs, Department of***

Emergency Management (report 10-9)

### ***Natural Resources, Department of***

Follow-Up on Overtime in State Agencies (April 2009 letter report)

### ***Public Service Commission***

Universal Service Fund—FY 2007-08 financial statements (report 09-12)

### ***Revenue, Department of***

Wisconsin Lottery—FY 2008-09 and FY 2007-08 financial statements (report 10-8)

### ***State Fair Park***

State Fair Park—FY 2008-09 financial statements (report 10-10)

State Fair Park—FY 2007-08 financial statements (report 09-7)

## ***State of Wisconsin, Comprehensive***

Independent Auditor's Report on the FY 2009-10 Financial Statements of the State of Wisconsin (December 2010)

Single Audit, FY 2008-09 (report 10-5)

Independent Auditor's Report on the FY 2008-09 Financial Statements of the State of Wisconsin (December 2009)

Fraud, Waste, and Mismanagement Hotline—2009 Report (June 2010 letter report)

Single Audit, FY 2007-08 (report 09-5)

## ***Transportation, Department of***

Construction Engineering in State Highway Projects (May 2009 letter report)

Follow-Up on Overtime in State Agencies (April 2009 letter report)

## ***University of Wisconsin System***

Independent Auditor's Report on the FY 2009-10 Financial Statements of the University of Wisconsin System (December 2010)

Review of Selected Projects: Medical Education, Research, and Public Health Grants (report 10-7)

Medical Education, Research, and Public Health Grants (report 10-6)

WHA Radio—FY 2008-09 financial statements (report 10-2)

WHA Television—FY 2008-09 financial statements (report 10-1)

Independent Auditor's Report on the FY 2008-09 Financial Statements of the University of Wisconsin System (December 2009)

State Purchasing Cards (report 09-8)

Financial Examination of Wisconsin Partnership Program (August 2009 letter report)

WHA Radio—FY 2007-08 financial statements (report 9-3)

WHA Television—FY 2007-08 financial statements (report 9-2)

***Wisconsin Health and Educational Facilities Authority (WHEFA)***

Wisconsin Health and Educational Facilities Authority (WHEFA)  
(February 2010 letter report)

***Workforce Development, Department of***

Minorities and Women in Construction Trade Apprenticeships (report 10-12)

Unemployment Reserve Fund—FY 2006-07 and FY 2007-08 financial statements  
(report 09-1)

***Veterans Affairs, Department of***

Rate Setting at the Wisconsin Veterans Homes (August 2010 letter report)